



Georgia Strait Alliance

Caring for Our Coastal Waters

FINANCIAL STATEMENTS

PREPARED BY Management
UNAUDITED

Year ended March 31, 2015

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GEORGIA STRAIT ALLIANCE

STATEMENT OF FINANCIAL POSITION

as at March 31, 2015

Prepared by Management

UNAUDITED

	March 31, 2015 (Note 11)	March 31, 2014 (Note 11 & 12)
ASSETS		
Current assets		
Cash	\$ 198,344	\$ 167,685
Land held for sale (Note 4 & 12)	552,350	552,350
Accounts receivable	87,005	101,821
GST receivable	3,797	507
Inventory	2,817	4,160
Prepaid Expenses	2,475	2,953
	<u>846,788</u>	<u>829,476</u>
Long-term assets		
Restricted cash (Note 5)	10,019	19
Restricted investments (Note 6)	37,407	33,001
Capital Assets (Note 7)	21,651	4,688
	<u>69,077</u>	<u>70,708</u>
TOTAL ASSETS	<u><u>\$ 915,865</u></u>	<u><u>\$ 867,184</u></u>
LIABILITIES		
Current liabilities		
Accounts payable & accrued liabilities	\$ 32,390	\$ 27,974
Payable on land held for sale (Note 4 & 12)	276,175	276,175
Deferred contributions (Note 8)	278,753	251,134
	<u>587,318</u>	<u>555,283</u>
NET ASSETS		
Internally restricted net assets (Note 5)	10,019	19
Net assets restricted for endowment purposes (Note 6)	37,407	33,001
Unrestricted net assets (Note 12)	259,470	274,193
Net assets invested in capital assets	21,651	4,688
	<u>328,547</u>	<u>311,901</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 915,865</u></u>	<u><u>\$ 867,184</u></u>



Melinda Skeels
President



Jennifer Farr
Treasurer

See accompanying notes

GEORGIA STRAIT ALLIANCE

STATEMENT OF CHANGES IN NET ASSETS for the year ended March 31, 2015

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UNAUDITED

Net Assets	Year ended March 31, 2015 (Note 11)				Total	3 months ended March 31, 2014 (Note 11 & 12)
	Invested in capital assets	Unrestricted	Internally restricted for WCR (Note 5)	Externally restricted for Endowment (Note 6)		Total
BALANCE, BEGINNING OF PERIOD (Note 12)	\$ 4,688	\$ 274,193	\$ 19	\$ 33,001	\$311,901	\$ 310,739
Excess (deficiency) of revenues over expenses	16,963	(4,723)	-	4,406	16,646	1,162
Transfer to Working Capital Reserve (Note 5)	-	(10,000)	10,000	-	-	-
BALANCE, END OF PERIOD	\$ 21,651	\$ 259,470	\$ 10,019	\$ 37,407	\$328,547	\$ 311,901

GEORGIA STRAIT ALLIANCE

STATEMENT OF OPERATIONS for the year ended March 31, 2015

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	Year ended March 31, 2015 (Note 11)	3 months ended March 31, 2014 (Note 11)
REVENUES		
Foundation grants	\$ 249,722	\$ 56,525
Government grants	11,255	-
Community support & special projects (Note 9)	(19,712)	-
	<u>241,265</u>	<u>56,525</u>
Donations and memberships	150,422	20,843
Bequests	4,080	-
Gaming	77,652	20,174
Events and other	29,750	667
Gain on foreign exchange	879	22
Community support & special projects (Note 9)	(2,725)	-
	<u>501,323</u>	<u>98,231</u>
EXPENSES		
Wages and benefits	212,107	49,759
Contractors and volunteers	138,754	25,678
Rent and utilities	26,060	6,970
Postage and administration	24,875	4,923
Amortization	19,394	374
Copying, printing, design and advertising	17,030	2,766
Travel	14,549	3,161
Meetings, events and workshops	13,906	2,246
Fundraising	6,570	389
Merchandise and promotional items	4,967	21
Program professional fees	4,867	563
Insurance	3,901	887
Property taxes on land for sale	1,281	494
	<u>488,261</u>	<u>98,231</u>
Excess of revenues over expenses before unrealized gains and losses	13,062	-
Unrealized gain on restricted investments (Note 6)	<u>3,584</u>	<u>1,162</u>
EXCESS OF REVENUES OVER EXPENSES	<u><u>\$ 16,646</u></u>	<u><u>\$ 1,162</u></u>

See accompanying notes

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GEORGIA STRAIT ALLIANCE

STATEMENT OF CASH FLOWS for the year ended March 31, 2015

Prepared by Management
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	Year ended March 31, 2015 (Note 11)	3 months ended March 31, 2014 (Note 11)
CASH FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 16,646	\$ 1,162
Amortization	19,394	374
Net change in non-cash working capital	17,763	(44,687)
Increase (decrease) in deferred contributions	27,619	(12,088)
	<hr/>	<hr/>
NET CASH GENERATED (USED) THROUGH OPERATING ACTIVITIES	81,422	(55,239)
INVESTING ACTIVITIES		
Purchase of capital assets	(36,357)	-
Purchase of investments	(822)	(173)
Unrealized gain on investments	(3,584)	(1,162)
	<hr/>	<hr/>
NET CASH USED IN FINANCING AND INVESTING ACTIVITIES	(40,763)	(1,335)
	<hr/>	<hr/>
Net increase (decrease) in cash	40,659	(56,574)
Cash, beginning of year	167,704	224,278
	<hr/>	<hr/>
CASH, END OF YEAR	\$ 208,363	\$ 167,704
Cash consists of :		
Cash	\$ 198,344	\$ 167,685
Restricted cash	10,019	19
	<hr/>	<hr/>
	\$ 208,363	\$ 167,704

GEORGIA STRAIT ALLIANCE

NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2015

Prepared by Management
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1. PURPOSE OF THE ORGANIZATION

Georgia Strait Alliance (GSA) is a non-profit organization established to protect and restore the marine environment and promote the sustainability of the Georgia Strait, its adjoining waters and communities.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA - Canada Handbook - Accounting. Financial statements prepared under ASNPO are also in accordance with Generally Accepted Accounting Standards ("GAAP").

b) Financial Instruments

GSA's financial instruments consist of cash, accounts receivable, restricted cash, restricted investments, accounts payable and accounts payable upon sale of land.

GSA initially measures all of its financial instruments at fair value, except for certain non-arm's length transactions. GSA subsequently measures its financial instruments at amortized cost, excepted for restricted investments, which GSA has elected to measure at fair value.

Financial assets measured at amortized costs are tested for impairment when indicators of impairment exist. Any write-down is recognized in the statement of operations. All impairments can be reversed in the period in which the reversal is determined.

c) Cash and Cash Equivalents

Cash and cash equivalents include externally restricted and unrestricted cash held in Canadian financial institutions.

GEORGIA STRAIT ALLIANCE

NOTES TO FINANCIAL STATEMENTS (continued) for the year ended March 31, 2015

Prepared by Management
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined on a first-in, first-out basis.

e) Revenue Recognition

GSA follows the deferral method of accounting for contributions such as grants, donations and other revenues. Restricted contributions (i.e. contributions that are subject to restrictions on how and/or when resources must be used) are recognized as revenue in the year in which the related expenses are incurred. Endowment funds are restricted for investment in perpetuity and therefore are never recognized. Unrestricted contributions are recognized as revenue when received or receivable.

f) Donated Goods and Services

Contributions of assets, supplies and services that would otherwise have been purchased are recorded at fair value at the date of contribution, provided a fair value can be reasonably determined. Volunteers contribute services to assist GSA in carrying out its service delivery activities. Due to the difficulty in determining the fair value, contributed services are not recognized in the financial statements. However, management estimate that during the year ended March 31, 2015 GSA received approximately 1270 hours of volunteer time with an approximate total value of \$38,500.

For information purposes, the following is a summary of the estimated value of in-kind contributed goods that would not have otherwise been purchased, and therefore not recorded at fair market value, that were received during the year ended March 31, 2015:

Advertising	\$	15,206
Auction items and prizes		7,656
Event fees		1,395
Facility rent		800
Facilitation		550
		<hr/>
Total	\$	<u>25,607</u>

GEORGIA STRAIT ALLIANCE

NOTES TO FINANCIAL STATEMENTS (continued) for the year ended March 31, 2015

Prepared by Management
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Development Costs

Costs incurred in the development of publications, products and services are expensed and not capitalized.

h) Capital Assets

Purchased capital assets are recorded at cost less accumulated amortization. Amortization is calculated over their estimated useful lives on a declining balance basis at per annum rates as follows:

Computer software	100% declining balance basis
Computer equipment	30% declining balance basis
Office furniture and equipment	20% declining balance basis

i) Management Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of fair value of non-cash donations and the determination of useful lives of capital assets for calculating amortization. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS RISK

GSA's financial instruments are described in Note 2(b). In management opinion, GSA is not exposed to significant interest, credit, currency, liquidity or other market risk and there is no concentration of risk.

GEORGIA STRAIT ALLIANCE

NOTES TO FINANCIAL STATEMENTS (continued) for the year ended March 31, 2015

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4. LAND HELD FOR SALE

Land held for sale is recorded at estimated proceeds net of selling costs and consists of land, outbuildings, a wharf and foreshore lease donated in 2011. The land was initially recognized at \$795,000 and it was subsequently determined that the value had declined and impairment losses were recognized in 2012 and 2013. Half of the current carrying value of \$552,350 is recorded as payable on land held for sale, as 50% of the net proceeds are to be distributed to another registered charity upon sale of the property.

5. RESTRICTED CASH

In 1998, an internally restricted fund called the "Working Capital Reserve" (WCR) was established in order to build the necessary funds to cover operating expenses during unanticipated cash flow shortages. Sources of funding for the WCR include memberships, donations, special event revenues, and other miscellaneous sources, exclusive of grants and gaming funds. Due to an unanticipated cash flow shortage in 2012, \$53,732 was transferred out of the WCR to unrestricted funds to cover this shortage. During the current year, interest income of \$nil (2014: \$nil) was earned on the working capital fund, and \$10,000 was transferred to the fund.

6. RESTRICTED INVESTMENTS

An externally restricted endowment fund was created in 2009 and has been invested with the Vancouver Foundation. Investment earnings of \$822 were retained in the endowment fund in the current year (3 months ended March 31, 2014: \$173). An unrealized gain on fair market value of \$3,584 was recognized in the current year (3 months ended March 31, 2014: \$1,162).

7. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>March 31, 2015 Net Book Value</u>	<u>March 31, 2014 Net Book Value</u>
Computer software	\$ 63,621	\$ 45,684	\$ 17,937	\$ -
Computer equipment	14,045	10,511	3,534	4,464
Furniture and equipment	513	333	180	224
	<u>\$ 78,179</u>	<u>\$ 56,528</u>	<u>\$ 21,651</u>	<u>\$ 4,688</u>

GEORGIA STRAIT ALLIANCE

NOTES TO FINANCIAL STATEMENTS (continued) for the year ended March 31, 2015

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8. DEFERRED CONTRIBUTIONS

Deferred contributions represent resources, received in the current period and not disbursed by the end of the period, that are externally restricted from programs or restricted operating funding related to the subsequent period. These contributions are deferred and recognized as revenue in the period in which related expense are incurred. Deferred contributions are for the following funds:

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Clean Marine BC	\$ 15,893	\$ 35,530
Tankers and Spills	82,959	38,978
General and Administration	38,437	88,365
Ocean Literacy	26,348	25,419
Species Protection	33,376	-
Waterfront Initiative	81,740	62,842
	<u>\$ 278,753</u>	<u>\$ 251,134</u>

9. COMMUNITY SUPPORT AND SPECIAL PROJECTS

From time to time GSA administers grants and raises funds for projects that are carried out jointly with other non-profit organizations. In the year ended March 31, 2015 \$22,437 revenue was transferred (3 months ended March 31, 2014: \$nil).

10. COMMITMENTS AND CONTINGENCIES

GSA has two office leases. The Vancouver office lease expires December 2015, and the Nanaimo office lease expires February 2017. The minimum future rental payments under operating leases are as follows:

March 31, 2016	\$ 18,659
March 31, 2017	<u>11,897</u>
	<u>\$ 30,556</u>

GEORGIA STRAIT ALLIANCE

NOTES TO FINANCIAL STATEMENTS (continued) for the year ended March 31, 2015

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11. CHANGE IN YEAR END

GSA's year end was changed from December 31 to March 31, effective January 1, 2014. The current period presented is for the year ended March 31, 2015, with comparatives provided for the three months ended March 31, 2014.

12. PRIOR PERIOD ADJUSTMENT

A prior period adjustment has been recorded as selling costs on land held for sale had not previously been deducted against the carrying value. As a result, land held for sale was overstated by estimated selling costs of \$42,650, while payable on land held for sale (50% to be distributed to another registered charity upon sale) and unrestricted net assets were each overstated by \$21,325. The prior period adjustment has no effect on current revenues or expenses.