

Financial Statements of

KASLO AND DISTRICT COMMUNITY FOREST SOCIETY

December 31, 2020

NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of the Kaslo and District Community Forest Society as at December 31, 2020 and the statements of operations and changes in net assets for the year then ended.

We have not performed an audit or a review of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these financial statements may not be appropriate for their purposes.

Grant Thornton LLP

Chartered Professional Accountants

March 31, 2021

Nelson, B.C.

KASLO AND DISTRICT COMMUNITY FOREST SOCIETY
STATEMENT OF FINANCIAL POSITION
As At December 31, 2020

ASSETS	2020	2019
CURRENT ASSETS		
Cash	\$ 114,214	\$ 1,112,188
Accounts receivable	108,197	55,487
Inventory	-	53,184
Prepaid expenses	780	805
	223,191	1,221,664
INVESTMENT - LEGACY FUND	88,842	78,974
RESTRICTED CASH AND TERM DEPOSITS (note 2)	1,000,000	-
CAPITAL ASSETS (note 3)	7,525	13,663
	\$ 1,319,558	\$ 1,314,301
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 61,653	\$ 77,184
Government remittances payable	5,581	7,931
Deferred contributions	-	5,000
	67,234	90,115
SILVICULTURE LIABILITY	548,145	542,352
	615,379	632,467
NET ASSETS		
General fund - unrestricted net assets (deficiency)	163,482	(482,694)
Internally restricted		
- Operating reserve	366,302	1,000,000
- Contingency fund	85,553	85,553
- Legacy fund	88,842	78,975
	704,179	681,834
	\$ 1,319,558	\$ 1,314,301

On Behalf of the Board:

KASLO AND DISTRICT COMMUNITY FOREST SOCIETY
STATEMENT OF OPERATIONS
As At December 31, 2020

	2020	2019
REVENUE		
Logging income	\$ 1,113,662	\$ 1,269,547
DIRECT COSTS		
Logging costs	791,329	1,043,001
Silviculture	127,472	52,557
	918,801	1,095,558
GROSS MARGIN	194,861	173,989
OTHER REVENUE		
Grants	50,372	29,153
Memberships	145	225
Interest and other	26,763	14,330
	77,280	43,708
	272,141	217,697
EXPENDITURES		
Amortization	2,607	3,457
Bank charges and interest	54	158
Bursaries, donations, and outreach	1,000	942
Insurance	3,782	4,222
Licences and fees	13,632	13,516
Management expenses	162,399	161,558
Office	2,413	8,289
Professional fees	17,037	16,209
Public relations	9,545	8,045
Special projects - community wildfire	47,194	35,991
	259,663	252,387
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 12,478	\$(34,690)

KASLO AND DISTRICT COMMUNITY FOREST SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended December 31, 2020

	General Fund	Operating Reserve	Contingency Fund	Legacy Fund	2020 Total	2019 Total
NET ASSETS (DEFICIENCY), BEGINNING OF YEAR	\$(482,694)	\$ 1,000,000	\$ 85,553	\$ 78,975	\$ 681,834	\$ 716,524
Excess (deficiency) of revenue over expenditures	12,478	-	-	-	12,478	(34,690)
Investment gain	-	-	-	9,867	-	-
Interfund transfers	633,698	(633,698)	-	-	-	-
NET ASSETS, END OF YEAR	\$ 163,482	\$ 366,302	\$ 85,553	\$ 88,842	\$ 704,179	\$ 681,834

KASLO AND DISTRICT COMMUNITY FOREST SOCIETY
NOTES TO FINANCIAL STATEMENTS
As At December 31, 2020

1. KASLO AND DISTRICT COMMUNITY FOREST SOCIETY

The Society was incorporated under the Society Act of British Columbia on May 23, 1996 with the purpose of establishing and promoting sustainable forest practices in Kaslo and the surrounding region, and to promote the greatest benefit to the community from forestry initiatives. The Society obtained a 15-year forest license on January 1, 1997 covering some 6,200 hectares of crown land around the Village of Kaslo with an annual allowable cut of 10,000 cubic meters (m³). In January 2010, an additional 25-year license for 25,000 m³ was obtained. The Society is a non-profit organization under the Income Tax Act.

2. RESTRICTED CASH

The Society has certain term deposits and cash balances restricted as follows:

	2020
Silviculture liability	\$ 548,145
Operating reserve fund	366,302
Contingency fund	<u>85,553</u>
	<u>\$ 1,000,000</u>

3. CAPITAL ASSETS

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment and furnishings	\$ 12,537	\$ 5,532	\$ 16,068	\$ 3,379
Computer equipment	<u>2,267</u>	<u>1,747</u>	<u>2,267</u>	<u>1,293</u>
	<u>14,804</u>	<u>7,279</u>	<u>18,335</u>	<u>6,692</u>
Cost less accumulated amortization	<u>\$ 7,525</u>		<u>\$ 11,643</u>	
