

Financial Information

Kaslo and District Community Forest Society

December 31, 2021

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Compilation Engagement Report

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To the Management of
[Kaslo and District Community Forest Society](#)

On the basis of information provided by Management, we have compiled the statement of financial position of Kaslo and District Community Forest Society as at December 31, 2021, the statements of operations and changes in net assets for the year then ended, and Note 2, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Nelson, Canada
April 14, 2022

Grant Thornton LLP

Chartered Professional Accountants

KASLO AND DISTRICT COMMUNITY FOREST SOCIETY
STATEMENT OF FINANCIAL POSITION
As At December 31, 2021

ASSETS	2021	2020
CURRENT ASSETS		
Cash	\$ 801,277	\$ 114,214
Accounts and grants receivable	66,627	108,197
Prepaid expenses	822	780
	868,726	223,191
INVESTMENT - LEGACY FUND	93,673	88,842
RESTRICTED CASH AND TERM DEPOSITS (note 3)	1,000,000	1,000,000
TANGIBLE CAPITAL ASSETS (note 4)	4,565	7,525
	\$ 1,966,964	\$ 1,319,558
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 148,214	\$ 61,653
Government remittances payable	6,464	5,581
Deferred revenue	415	-
	155,093	67,234
SILVICULTURE LIABILITY	775,834	548,145
	930,927	615,379
NET ASSETS		
General fund - unrestricted net assets	718,198	163,482
Internally restricted		
- Operating reserve	133,049	366,302
- Contingency fund	91,117	85,553
- Legacy fund	93,673	88,842
	1,036,037	704,179
	\$ 1,966,964	\$ 1,319,558

On behalf of the board:

KASLO AND DISTRICT COMMUNITY FOREST SOCIETY
STATEMENT OF OPERATIONS
As At December 31, 2021

	2021	2020
REVENUE		
Logging income	\$ 3,259,613	\$ 1,113,662
DIRECT COSTS		
Logging costs	2,430,330	791,329
Silviculture	266,823	127,472
	2,697,153	918,801
GROSS MARGIN	562,460	194,861
OTHER REVENUE		
Grants	201,914	50,372
Interest and other	24,522	26,763
Memberships	290	145
	226,726	77,280
	789,186	272,141
EXPENSES		
Amortization	2,961	2,607
Bank charges and interest	108	54
Bursaries, donations, and outreach	500	1,000
Insurance	4,891	3,782
Licences and fees	12,566	13,632
Management expenses	187,655	162,399
Office	10,376	2,413
Professional fees	15,921	17,037
Public relations	12,175	9,545
Special projects - community wildfire	215,006	47,194
	462,159	259,663
EXCESS OF REVENUE OVER EXPENSES	\$ 327,027	\$ 12,478

KASLO AND DISTRICT COMMUNITY FOREST SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended December 31, 2021

	General Fund	Operating Reserve	Contingency Fund	Legacy Fund	2021 Total	2020 Total
NET ASSETS, BEGINNING OF YEAR	\$ 163,482	\$ 366,302	\$ 85,553	\$ 88,842	\$ 704,179	\$ 681,834
Excess of revenue over expenses	327,027	-	-	-	327,027	12,478
Investment gain	-	-	-	4,831	4,831	9,867
Interfund transfers	227,689	(233,253)	5,564	-	-	-
NET ASSETS, END OF YEAR	\$ 718,198	\$ 133,049	\$ 91,117	\$ 93,673	\$ 1,036,037	\$ 704,179

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KASLO AND DISTRICT COMMUNITY FOREST SOCIETY

NOTES TO FINANCIAL STATEMENTS

As At December 31, 2021

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. BASIS OF ACCOUNTING

The preparation of the statement of financial position of Kaslo and District Community Forest Society as at December 31, 2021 and the statement of operations for the year then ended is on the cash basis of accounting with the addition of the following:

- Accounts and grants receivable are accrued as at the reporting date.
- Tangible capital assets are recorded at historical cost and are amortized over their useful lives.
- Accounts payable and government remittances payable are accrued as at the reporting date.
- Unrestricted contributions are recognized as revenue when received. Contributions that are restricted by third parties are recognized as revenue when the related expenses have been incurred. When the related expenses have not yet been incurred, contributions that are restricted by third parties are recorded as deferred revenue.
- The estimated costs associated with future reforestation are accrued when the timber is harvested based on a general rate per cubic meter. All expenditures relating to the reforestation are recorded against the liability when incurred.

3. RESTRICTED CASH AND TERM DEPOSITS

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

	2021	2020
Silviculture liability	\$ 775,834	\$ 548,145
Operating reserve fund	133,049	366,302
Contingency fund	91,117	85,553
	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

4. TANGIBLE CAPITAL ASSETS

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment and furnishings	\$ 12,537	\$ 8,039	\$ 12,537	\$ 5,532
Computer equipment	2,267	2,200	2,267	1,747
	<u>14,804</u>	<u>10,239</u>	<u>14,804</u>	<u>7,279</u>
Cost less accumulated amortization	<u>\$ 4,565</u>		<u>\$ 7,525</u>	