



Compiled Financial Information

Kaslo and District Community Forest Society

December 31, 2022

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Compilation Engagement Report

To the Members 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, 2022, 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 11, 2023



Chartered Professional Accountants

KASLO AND DISTRICT COMMUNITY FOREST SOCIETY
STATEMENT OF FINANCIAL POSITION
As At December 31, 2022

ASSETS	2022	2021
CURRENT ASSETS		
Cash	\$ 1,192,314	\$ 801,277
Accounts and grants receivable	399,106	66,627
Prepaid expenses	822	822
	1,592,242	868,726
INVESTMENT - LEGACY FUND	82,100	93,673
RESTRICTED CASH AND TERM DEPOSITS	1,000,000	1,000,000
TANGIBLE CAPITAL ASSETS (note 3)	1,991	4,565
DEFERRED CHARGES - ROADS	326,635	-
	\$ 3,002,968	\$ 1,966,964
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 312,056	\$ 148,214
Government remittances payable	15,070	6,464
Deferred revenue - memberships	110	415
	327,236	155,093
SILVICULTURE LIABILITY	909,500	775,834
	1,236,736	930,927
NET ASSETS		
General fund	1,458,683	718,198
Internally restricted		
- Operating reserve	133,049	133,049
- Contingency fund	92,400	91,117
- Legacy fund	82,100	93,673
	1,766,232	1,036,037
	\$ 3,002,968	\$ 1,966,964

On Behalf of the Board:

DocuSigned by:

Jeff Reyden

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KASLO AND DISTRICT COMMUNITY FOREST SOCIETY
STATEMENT OF OPERATIONS
As At December 31, 2022

	2022	2021
REVENUE		
Logging	\$ 2,920,925	\$ 3,017,519
Road building - right of way income	151,920	242,094
	3,072,845	3,259,613
DIRECT COSTS		
Logging and hauling	1,753,496	1,995,711
Road expense	83,510	275,584
Silviculture	188,472	266,823
Stumpage fees	133,283	146,495
GIS and other direct development costs	6,000	12,540
	2,164,761	2,697,153
GROSS MARGIN	908,084	562,460
OTHER REVENUE		
Grants	288,751	201,914
Interest	28,363	24,522
Membership fees	560	290
	317,674	226,726
	1,225,758	789,186
EXPENSES		
Amortization	2,574	2,961
Bad debts	10,700	-
Bank charges	278	108
Donations	700	500
Insurance	4,954	4,891
Licences and fees	15,169	12,566
Management and consulting fees	192,697	187,655
Office	2,118	10,376
Professional fees	14,056	15,921
Promotion	1,335	12,175
Special projects - community wildfire	239,409	215,006
	483,990	462,159
EXCESS OF REVENUE OVER EXPENSES	\$ 741,768	\$ 327,027

KASLO AND DISTRICT COMMUNITY FOREST SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended December 31, 2022

	General Fund	Operating Reserve	Contingency Fund	Legacy Fund	2022 Total	2021 Total
NET ASSETS, BEGINNING OF YEAR	\$ 718,198	\$ 133,049	\$ 91,117	\$ 93,673	\$ 1,036,037	\$ 704,179
Excess of revenue over expenses	741,768	-	-	-	741,768	327,027
Investment loss	-	-	-	(11,573)	(11,573)	4,831
Interfund transfers	(1,283)	-	1,283	-	-	-
NET ASSETS, END OF YEAR	\$ 1,458,683	\$ 133,049	\$ 92,400	\$ 82,100	\$ 1,766,232	\$ 1,036,037

KASLO AND DISTRICT COMMUNITY FOREST SOCIETY
NOTES TO FINANCIAL STATEMENTS
As At December 31, 2022

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, 2022 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 less an allowance for doubtful accounts as at the reporting date.
 - Investment held for the Legacy fund is recorded at market value. Market gains and losses are recorded directly against the internally restricted net asset.
 - Tangible capital assets are recorded at historical cost and are amortized over their useful lives.
 - Deferred charges for roads are recorded at cost and amortized to road expense over the estimated use of the road based on the related cut blocks accessed.
 - 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 as a silviculture liability 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.
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3. TANGIBLE CAPITAL ASSETS

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment and furnishings	\$ 12,537	\$ 10,546	\$ 12,537	\$ 8,039
Computer equipment	2,267	2,267	2,267	2,200
	14,804	12,813	14,804	10,239
Cost less accumulated amortization	\$ 1,991		\$ 4,565	
