

Fisheries Renewal BC

Financial Statements

March 31, 2002



FISHERIES RENEWAL BC

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

Management, in accordance with Canadian generally accepted accounting principles, has prepared the financial statements of Fisheries Renewal BC. These statements present fairly the financial position of Fisheries Renewal BC as at March 31, 2002 and the results of operations for the year then ended.

Management is responsible for the preparation, integrity and objectivity of the financial statements. Systems of internal control are developed and maintained by management to provide reasonable assurance that transactions are properly maintained to provide a reliable basis for preparation of the financial statements.

The Auditor General of British Columbia has performed an independent audit of the financial statements. The Report of the Auditor General outlines the scope of his audit and his opinion on the financial statements of Fisheries Renewal BC.

A handwritten signature in black ink, appearing to read "Ron Faust", is written over a light blue horizontal line.

Ron Faust
Chief Executive Officer
Fisheries Renewal BC

New Westminster, British Columbia
May 15, 2002

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Report of the Auditor General of British Columbia

*To the Board of Directors
of Fisheries Renewal BC, and*

*To the Minister of Agriculture, Food and Fisheries,
Province of British Columbia:*

I have audited the balance sheet of *Fisheries Renewal BC* as at March 31, 2002 and the statements of changes in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of *Fisheries Renewal BC* as at March 31, 2002 and the results of its changes in net assets, operations and cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

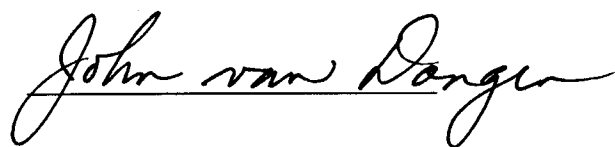
*Victoria, British Columbia
May 15, 2002*

Wayne Strelhoff, CA
Auditor General

FISHERIES RENEWAL BC
BALANCE SHEET

March 31,	2002		2001
	After wind-up	Before wind-up	
	\$	\$	\$
ASSETS			
Current assets			
Cash and short term investments (Note 4)	-	4,660,387	11,160,564
Accountable advances	-	-	419,024
Funding receivable	-	-	90,000
Other receivable	-	16,040	-
Prepaid expenses	-	-	2,048
	-	4,676,427	11,671,636
Capital assets (Note 5)	-	-	127,850
	-	4,676,427	11,799,486
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable and accrued liabilities	-	147,357	658,304
Program accruals	-	2,321,551	1,187,532
Wind-up accruals	-	993,180	-
	-	3,462,088	1,845,836
Net assets	-	1,214,339	9,953,650
	-	4,676,427	11,799,486

Approved by the Board



The accompanying notes are an integral part of these financial statements.

FISHERIES RENEWAL BC
STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31,	2002			2001	
	Reserve for Funded Projects	Unappropriated	Total	Total	Total
	Fisheries Renewal BC (Note 8)	British Columbia Hydro and Power Authority			
	\$	\$	\$	\$	\$
Balance, beginning of year	2,222,043	524,529	7,207,078	9,953,650	9,369,477
Excess (deficiency) of revenues over expenses	-	-	(8,739,311)	(8,739,311)	584,173
Internally imposed restrictions during the year	18,192,864	-	(18,192,864)	-	-
Reserve no longer required on projects	(341,691)	-	341,691	-	-
Program expenditures, during the year	(20,073,216)	(524,529)	20,597,745	-	-
Balance before transfer	-	-	1,214,339	1,214,339	9,953,650
Transfer to the Province of British Columbia	-	-	(1,214,339)	(1,214,339)	-
Balance end of year	-	-	-	-	9,953,650

The accompanying notes are an integral part of these financial statements.

FISHERIES RENEWAL BC
STATEMENT OF OPERATIONS

Year ended March 31,	2002	2001
	\$	\$
Revenues		
Forest Renewal BC	-	5,500,000
British Columbia Hydro and Power Authority	-	2,150,000
Province of British Columbia	13,700,000	7,500,000
Investment income	676,314	698,741
Other	400	-
	14,376,714	15,848,741
Expenses (Note 7)		
Program	21,182,541	14,240,510
Administration	692,546	723,824
Corporate governance	107,694	300,234
	21,982,781	15,264,568
(Deficiency) excess of revenues over expenses before costs of wind-up	(7,606,067)	584,173
Costs of wind-up (Note 7)	1,133,244	-
(Deficiency) excess of revenues over expenses for the year	(8,739,311)	584,173

The accompanying notes are an integral part of these financial statements.

FISHERIES RENEWAL BC
STATEMENT OF CASH FLOWS

Year ended March 31,	2002	2001
	\$	\$
Cash flows used in operating activities		
Cash received from Forest Renewal BC	-	5,500,000
Cash received from BC Hydro and Power Authority	90,000	2,151,097
Cash received from Province of BC	13,700,000	7,500,000
Cash received from program repayments	69,523	42,137
Cash paid to suppliers and employees	(20,998,978)	(17,284,397)
Interest received	660,274	698,741
Other cash received (includes Pension Rebate)	400	38,403
Cash flows used in operating activities	(6,478,781)	(1,354,019)
Cash flows used in investing activities		
Purchase of capital assets	(21,396)	(64,617)
Net decrease in cash and cash equivalents	(6,500,177)	(1,418,636)
Cash and cash equivalents beginning of year (Note 4)	11,160,564	12,579,200
Cash and cash equivalents at end of year (Note 4)	4,660,387	11,160,564

The accompanying notes are an integral part of these financial statements

FISHERIES RENEWAL BC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2002

1. Authority and purpose

Fisheries Renewal BC, a Crown corporation, was established by the *Fisheries Renewal Act* of July 1997. The purpose of Fisheries Renewal BC is to renew the fisheries, promote the protection, conservation and enhancement of fish stocks, restore fish habitat, and strengthen fishing communities for future generations.

The corporation is exempt from federal and provincial income taxes.

2. Cessation of operations

On October 18, 2001 the Minister of Agriculture, Food and Fisheries announced that the corporation would cease operations effective March 31, 2002. The *Budget Measures Implementation Act, 2002*, (which received Royal Assent on March 28, 2002) provides for the dissolution of the corporation and the transfer of the corporation's assets to the government of British Columbia. Although the provisions of the *Budget Measures Implementation Act, 2002* to effect these changes were not yet in force at March 31, 2002, the corporation transferred all of its assets to the government as at March 31, 2002.

3. Significant accounting policies

(a) General

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

(b) Wind-up costs

These financial statements take into account the costs associated with the settlement of all the known contracts and agreements that were in place at the time of the statements.

(c) Investments

The British Columbia Investments Management Corporation administers investments. Short-term investments are recorded at the lower of cost or market value. Gains on sales of investments are recognized in the year of disposal. Losses are recognized in the year of disposal or when there is a significant and permanent impairment in value.

FISHERIES RENEWAL BC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2002

3. Significant accounting policies (con't)

(d) Accountable advances

Accountable advances represent amounts paid to the project proponent or partner group that have not yet been expended in accordance with the agreement requirements.

(e) Capital assets

Capital assets are recorded at cost and amortized on a straight-line basis over their estimated useful lives. Estimated useful lives are as follows:

Computer equipment	5 years
Furniture & equipment	10 years

Asset classes costing less than \$2,000 are expensed in the year of purchase.

(f) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures of project expenditures and accountable advances at the date of the financial statements. Actual results could differ from these estimates.

(g) Related parties

Fisheries Renewal BC is related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations. Transactions with these entities, considered to be in the normal course of operations, are recorded at the exchange amount. The Ministry of Transportation processes some expenditures for the entity. Fisheries Renewal processes all other expenditures in-house.

FISHERIES RENEWAL BC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2002

4. Cash and short term investments

	2002		2001	
	Cost	Market Value	Cost	Market Value
	\$	\$	\$	\$
Cash	4,660,387	4,660,387	8,284	8,284
Short term Investments	-	-	11,152,280	11,179,549
	<u>4,660,387</u>	<u>4,660,387</u>	<u>11,160,564</u>	<u>11,187,833</u>

5. Capital assets

	2002			2001
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Computer equipment	108,341	108,341	-	52,018
Furniture & equipment	106,108	106,108	-	75,832
	<u>214,449</u>	<u>214,449</u>	<u>-</u>	<u>127,850</u>

As part of the wind up of the corporation, the capital assets have been written off. They were subsequently transferred to the Province of British Columbia at no cost.

6. Priority initiatives

As part of the wind up of the corporation, the Minister of Agriculture, Food and Fisheries, acting as Chair of Fisheries Renewal BC, approved three new initiatives totalling \$6 million to support high priority fisheries initiatives.

FISHERIES RENEWAL BC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2002

7. Allocation of expenses by operating area

	2002					2001
	Program	Administration	Corporate governance	Wind-up costs	Total	
	\$	\$	\$	\$	\$	\$
Program expenses	14,597,745	-	-	-	14,597,745	13,290,628
Priority initiatives (Note 6)	6,000,000	-	-	-	6,000,000	-
Salaries & benefits	419,094	339,806	-	88,000	846,900	834,672
Severance	-	-	-	550,000	550,000	-
Professional services	68,880	121,623	15,834	34,700	241,037	365,927
Board fees and expenses	6,138	2,781	62,249	-	71,168	235,182
Office expenses	50,584	60,017	29,611	230,000	370,212	288,014
Building occupancy	-	111,476	-	110,000	221,476	108,928
Travel	26,164	9,732	-	6,062	41,958	84,538
Information systems	13,936	14,906	-	6,000	34,842	30,560
Amortization	-	32,205	-	108,482	140,687	26,119
	21,182,541	692,546	107,694	1,133,244	23,116,025	15,264,568

