

Financial Statements of

**FOREST ENHANCEMENT SOCIETY
OF BC**

And Independent Auditor's Report thereon

Year ended March 31, 2023

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of Forest Enhancement Society of BC ("FESBC") are the responsibility of FESBC's management and have been prepared in compliance with legislation, and in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

FESBC's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Board meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by FESBC. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on FESBC's financial statements.



Steve Kozuki
Executive Director



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Forest Enhancement Society of BC, and
To the Minister of Forests

Opinion

We have audited the financial statements of Forest Enhancement Society of BC (the "Society"), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements as at and for the year ended March 31, 2023 of the Society are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter – Financial Reporting Framework

We draw attention to note 1 to the financial statements which describes the applicable financial reporting framework and the significant differences between that financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the *Societies Act (British Columbia)*, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia have been applied on a basis consistent with that of the preceding year.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Victoria, Canada
May 19, 2023

FOREST ENHANCEMENT SOCIETY OF BC

Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
Financial assets:		
Cash and cash equivalents (note 2)	\$ 20,774,602	\$ 22,173,228
Investments (note 3)	13,245,452	-
Accounts receivable (note 4)	2,484,023	29,986
	<u>36,504,077</u>	<u>22,203,214</u>
Liabilities:		
Accounts payable and accrued liabilities	3,082,992	6,652,476
Deferred contributions (note 5)	35,954,156	18,931,686
	<u>39,037,148</u>	<u>25,584,162</u>
Net debt	(2,533,071)	(3,380,948)
Non-financial assets:		
Tangible capital assets (note 6)	23,945	28,647
Prepaid expenses and grants (note 7)	2,509,126	3,352,301
	<u>2,533,071</u>	<u>3,380,948</u>
Commitments (note 11)		
Accumulated surplus	\$ -	\$ -

See accompanying notes to financial statements.

Approved by the Board:



Director



Director

FOREST ENHANCEMENT SOCIETY OF BC

Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

	Budget (note 8)	2023	2022
Revenues:			
Deferred contributions recognized	\$ 16,940,936	\$ 9,016,100	\$ 53,693,945
Other	-	223	253
Gain on disposal of tangible capital assets	1,064	1,064	-
	16,942,000	9,017,387	53,694,198
Expenses:			
Amortization	9,500	9,790	11,774
Grants issued	14,542,000	7,214,942	50,844,921
Grant administration	1,385,000	855,871	1,704,796
Occupancy	57,600	49,532	51,303
Office and general	89,671	106,468	75,831
Professional fees	206,529	213,633	273,644
Salaries and benefits	563,400	524,677	687,897
Travel and transportation	88,300	42,474	44,032
	16,942,000	9,017,387	53,694,198
Annual surplus	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

FOREST ENHANCEMENT SOCIETY OF BC

Statement of Changes in Net Debt

Year ended March 31, 2023, with comparative information for 2022

	Budget (note 8)	2023	2022
Annual surplus	\$ -	\$ -	\$ -
Acquisition of tangible capital assets	-	(5,124)	(1,062)
Amortization of tangible capital assets	9,500	9,790	11,774
Proceeds on disposal of tangible capital assets	-	1,100	-
Gain on disposal of tangible capital assets	(1,064)	(1,064)	-
	8,436	4,702	10,712
Decrease of prepaid expenses	-	843,175	128,719
Change in net debt	8,436	847,877	139,431
Net debt, beginning of year	(3,380,948)	(3,380,948)	(3,520,379)
Net debt, end of year	\$ (3,372,512)	\$ (2,533,071)	\$ (3,380,948)

See accompanying notes to financial statements.

FOREST ENHANCEMENT SOCIETY OF BC

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ -	\$ -
Items not involving cash:		
Amortization	9,790	11,774
Gain on disposal of tangible capital assets	(1,064)	-
Deferred contributions recognized	(9,016,100)	(53,693,945)
Changes in non-cash operating working capital		
Accounts receivable	(2,454,037)	43,673
Prepaid expenses	843,175	128,719
Accounts payable and accrued liabilities	(3,569,484)	(4,647,822)
Deferred contributions received	25,010,759	7,379
Interest earned on deferred contributions	1,027,811	326,026
	11,850,850	(57,824,196)
Capital activities:		
Purchase of tangible capital assets	(5,124)	(1,062)
Proceeds on disposal of tangible capital assets	1,100	-
	(4,024)	(1,062)
Investing activities:		
Purchase of investments	(13,245,452)	-
Decrease in cash and cash equivalents	(1,398,626)	(57,825,258)
Cash and cash equivalents, beginning of year	22,173,228	79,998,486
Cash and cash equivalents, end of year	\$ 20,774,602	\$ 22,173,228

See accompanying notes to financial statements.

FOREST ENHANCEMENT SOCIETY OF BC

Notes to Financial Statements

Year ended March 31, 2023

Forest Enhancement Society of BC (“FESBC” or “Society”) was incorporated on February 16, 2016 under the *Society Act* (British Columbia) and transitioned to the new *Societies Act* (British Columbia) on June 9, 2017. Its principal activity is to advance and advocate for the environmental and resource stewardship of BC’s forests.

1. Significant accounting policies:

(a) Basis of accounting:

The financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 198/2011 issued by the Province of British Columbia Treasury Board. The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 198/2011 requires that restricted contributions received or receivable other than for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset be treated as a deferred contribution and the associated liability reduced, and revenue recognized, in the fiscal period during which the stipulation or restriction the contribution is subject to is met.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410;
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

As a result, revenue recognized in the statement of operations and deferred contributions would be recorded differently under Canadian Public Sector Accounting Standards.

FOREST ENHANCEMENT SOCIETY OF BC

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(b) Revenue recognition:

Externally restricted contributions are recognized as revenue depending on the nature of the restrictions on the use of the funds by the contributors as described in note 1(a).

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

(c) Deferred contributions:

Deferred contributions includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal period in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in note 1(a).

(d) Cash and cash equivalents:

Cash and cash equivalents include highly liquid investments with terms to maturity of three months or less at the date of purchase and redeemable investments.

(e) Investments:

Investments include fixed rate investments with maturity dates greater than three months at the time of acquisition. Investments are reported at cost plus accrued interest.

(f) Tangible capital assets:

Tangible capital assets acquired are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

Amortization is provided on a declining balance basis over the estimated useful life of the assets using the following annual rates:

Asset	Basis	Rate
Furniture and fixtures	Declining balance	20%
Computer equipment	Declining balance	55%
Vehicles	Declining balance	30%
Telephones	Declining balance	20%
Leasehold improvements	Straight line	3 years

One-half of the annual rate is used in the year of acquisition.

FOREST ENHANCEMENT SOCIETY OF BC

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(f) Tangible capital assets (continued):

Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of FESBC to provide services or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations. Intangible assets are not recorded as assets in these financial statements.

(g) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

There are no asset retirement obligations during the periods presented.

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market and derivative contracts that are not designated in a qualifying hedging relationship are subsequently measured at fair value and all changes in the fair value are recognized in the statement of operations in the period incurred. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. FESBC has not elected to carry any financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal period if there are indicators of impairment. If there is an indicator of impairment, FESBC determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount FESBC expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

FOREST ENHANCEMENT SOCIETY OF BC

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that 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 revenue and expenses during the year. Actual results could differ from those estimates.

(j) Adoption of new accounting policy:

On April 1, 2021, the Entity adopted Canadian public sector accounting standard PS 3280 *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. There were no asset retirement obligations identified on adoption of the new standard.

2. Cash and cash equivalents:

	2023	2022
Cash in bank	\$ 16,234,840	\$ 13,672,344
Cash on deposit	4,539,762	8,500,884
	<u>\$ 20,774,602</u>	<u>\$ 22,173,228</u>

FOREST ENHANCEMENT SOCIETY OF BC

Notes to Financial Statements

Year ended March 31, 2023

3. Investments:

Investments consist of Guaranteed Investment Certificates bearing interest at rates varying between 5.00% and 5.25% and maturity dates between June 19, 2023 and October 31, 2023.

4. Accounts receivable:

	2023	2022
Accrued interest receivable	\$ -	\$ 3,520
GST receivable	2,484,023	26,466
	<u>\$ 2,484,023</u>	<u>\$ 29,986</u>

5. Deferred contributions:

On March 31, 2016, the Province provided FESBC with a grant of \$85,000,000 to be used to further FESBC's purposes, aims, and objectives in collaboration with stakeholders, including the provincial government. On February 24, 2017, the Province provided FESBC with a further grant of \$150,000,000 for the same purpose.

On November 13, 2020 FESBC entered into an agreement to receive \$3,000,000 in funding provided under the Province's *Stronger BC for Everyone: BC's Economic Recovery Plan*. The agreement required repayment of contributions not spent by March 31, 2022. As of March 31, 2022, the funding had been fully expended on costs eligible under the agreement.

On May 17, 2022, FESBC entered into an agreement to receive \$25,000,000 in funding from the Province. The purpose of the funding is to support reduction of wildfire risk and optimize recovery.

If any of the contributions from the Province cannot be actively committed to achieving FESBC's stated purposes and objectives, they must be returned to the Province. The grants were recognized as deferred contributions and are used to fund the operating expenses and grants issued by FESBC. Interest earned on the grants is deferred and used to fund eligible expenses incurred by FESBC.

	2023	2022
Balance, beginning of year	\$ 18,931,686	\$ 72,292,226
Restricted interest income	1,027,811	326,026
Contributions received – Province	25,000,000	-
Contributions received – Other	10,759	7,379
Amount recognized as revenue in the year	(9,016,100)	(53,693,945)
Balance, end of year	<u>\$ 35,954,156</u>	<u>\$ 18,931,686</u>

FOREST ENHANCEMENT SOCIETY OF BC

Notes to Financial Statements

Year ended March 31, 2023

6. Tangible capital assets:

March 31, 2023	Cost	Accumulated amortization	Net book value
Furniture and fixtures	\$ 18,872	\$ 14,361	\$ 4,511
Computer equipment	17,140	12,779	4,361
Vehicles	57,122	42,272	14,850
Telephones	947	724	223
Leasehold improvements	15,071	15,071	-
	<u>\$ 109,152</u>	<u>\$ 85,207</u>	<u>\$ 23,945</u>

March 31, 2022	Cost	Accumulated amortization	Net book value
Furniture and fixtures	\$ 18,871	\$ 13,231	\$ 5,640
Computer equipment	17,320	15,805	1,515
Vehicles	57,121	35,907	21,214
Telephones	947	669	278
Leasehold improvements	15,072	15,072	-
	<u>\$ 109,331</u>	<u>\$ 80,684</u>	<u>\$ 28,647</u>

7. Prepaid expenses and grants:

	2023	2022
Funds advanced to grant administrators	\$ 2,501,803	\$ 3,346,527
Other	7,323	5,774
	<u>\$ 2,509,126</u>	<u>\$ 3,352,301</u>

8. Budget:

The budget figures presented were approved by the Board in February 2022.

FOREST ENHANCEMENT SOCIETY OF BC

Notes to Financial Statements

Year ended March 31, 2023

9. Employee benefits:

The Society and its employees contribute to the Public Service Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. The plan has about 68,000 active members.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Plan as at March 31, 2020 indicated a \$2,667 million surplus for basic pension benefits on a going concern basis.

The Society paid \$12,161 (2022 - \$21,978) for employer contributions and employees paid \$10,308 (2022 - \$18,631) to the plan in fiscal 2023.

The next valuation will be as of March 31, 2023 with results available later in 2023.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

10. Financial risks and concentration of risk:

(a) Interest rate risk:

Interest rate risk refers to the adverse consequences of interest rate changes in FESBC's cash flows, financial position and annual surplus. Cash in the bank earns interest on a variable rate based on Prime and Bank of Canada rates. FESBC manages interest rate risk by forecasting cash flow needs and investing in fixed rate guaranteed investment certificates set to mature when cash expenditures are forecasted to occur.

FOREST ENHANCEMENT SOCIETY OF BC

Notes to Financial Statements

Year ended March 31, 2023

10. Financial risks and concentration of risk (continued):

(b) Liquidity risk:

Liquidity risk is the risk that FESBC will be unable to fulfill its obligations on a timely basis or at a reasonable cost. FESBC manages its liquidity risk by monitoring its operating requirements. FESBC prepares budget and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations.

(c) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. FESBC is not exposed to currency risk, as all transactions are denominated in Canadian dollars.

(d) Credit risk:

Credit risk refers to the risk of financial loss due to a counterparty failing to meet its contractual obligations. The Society deals with creditworthy counterparties to mitigate the risk of financial loss. Accounts receivable are owing entirely from government entities.

There have been no changes to the risk exposures from 2022.

11. Commitments:

FESBC has entered into a contract with a third party for administration services related to the delivery and implementation of FESBC's Forest Enhancement Program. The minimum fees are \$835,000 per annum.

FESBC has entered into a Letter of Agreement with The Habitat Conservation Trust Foundation ("HCTF") to jointly assess projects for co-funding that meet each agency's desired goals. FESBC committed total funds up to \$5,482,417 from 2017-2023 to co-fund projects of shared interest. The fees payable to HCTF for administration are 7.5% based on the value of grants under administration.

FESBC has entered into a Letter of Agreement with The Union of BC Municipalities ("UBCM") to contribute funding of \$1,956,247 towards projects administered through the FireSmart Community Funding & Supports program. The fees payable to UBCM for administration are 5% based on the value of grants under administration.

FESBC has entered into an operating lease commitment for premises with monthly payments of \$1,497 until July 2024.

Approved and unadvanced grants at March 31, 2023 were \$33,327,682 (2022 - \$15,238,556).

FOREST ENHANCEMENT SOCIETY OF BC

Notes to Financial Statements

Year ended March 31, 2023

12. Remuneration paid to directors, employees and contractors:

Under the new British Columbia Societies Act, effective November 28, 2016, FESBC is required to disclose in the annual financial statements all remuneration paid to directors and the annual remuneration paid to employees and contractors receiving greater than \$75,000 (up to a maximum of 10 individuals).

FESBC paid \$505,185 to one consultant and three employees including secondments (2022 - \$735,043 to five) for services, each of whom received total annual remuneration of \$75,000 or greater.

During the year, FESBC paid total remuneration of \$12,100 (2022 - \$6,325) to directors. For director remuneration, the requirement is to disclose all remuneration paid to directors.

Director	\$ 1,650
Director	2,250
Director	3,675
Director	1,800
Director	600
Director	900
Director	1,225
	<hr/>
	\$ 12,100

13. Related party transactions:

FESBC is related to all Provincial ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations in the Province. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

During the year, two of five directors of the Board were employees of the Province. FESBC purchased services from related parties through employee secondment from the Province. These services were purchased on a cost recovery basis and totaled \$363,720 (2022 - \$381,903).

During the year, grants of \$6,733 (2022 - \$5,241,851) were issued to recipients through the Province, Ministry of Forests.