

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, 2000 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 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, 2000 and the results of its changes in net assets, operations and cash flows for the year then ended, in accordance with generally accepted accounting principles.



*Victoria, British Columbia
May 19, 2000*

Wayne Strulioff, CA
Auditor General

FISHERIES RENEWAL BC

BALANCE SHEET

MARCH 31,

	<u>2000</u>	<u>1999</u>
	\$	\$
ASSETS		
Current assets		
Cash and short term investments (Note 3)	12,579,200	14,437,051
Accountable advances	843,643	818,270
Funding receivable	91,097	-
Prepaid expenses	2,708	-
	<u>13,516,648</u>	<u>15,255,321</u>
Capital assets (Note 4)	<u>104,224</u>	<u>62,385</u>
	<u>13,620,872</u>	<u>15,317,706</u>

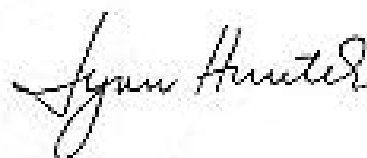
LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	4,251,395	3,391,244
Net assets	<u>9,369,477</u>	<u>11,926,462</u>
	<u>13,620,872</u>	<u>15,317,706</u>

Approved by the Board



Joy Thorkelson, Chair



Lynn Hunter

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

FISHERIES RENEWAL BC
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31,

	Reserve for Funded Projects	British Columbia Hydro and Power Authority (Note 7)	Unappropriated	2000 Total	1999 Total
	Fisheries Renewal BC (Note 6)				
	\$	\$	\$	\$	\$
Balance beginning of year	1,369,482	1,106,669	9,450,311	11,926,462	7,025,065
Excess (deficiency) of revenues over expenses	-	-	(2,556,985)	(2,556,985)	4,901,397
Internally imposed restrictions during the year	11,280,055	-	(11,280,055)	-	-
Externally imposed restrictions during the year	-	2,605,167	(2,605,167)	-	-
Reserve no longer required on 98/99 projects	(374,563)	-	374,563	-	-
Program expenditures during the year	(8,089,234)	(3,711,836)	11,801,070	-	-
Balance end of year	4,185,740	-	5,183,737	9,369,477	11,926,462

FISHERIES RENEWAL BC
STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31,

	<u>2000</u>	<u>1999</u>
	\$	\$
Revenues		
Forest Renewal BC	7,500,000	7,500,000
British Columbia Hydro and Power Authority	2,605,167	5,000,000
Investment income	753,771	782,180
	<u>10,858,938</u>	<u>13,282,180</u>
Expenses (Note 5)		
Program	12,593,370	7,561,030
Administration	573,706	512,423
Corporate governance	248,847	307,330
	<u>13,415,923</u>	<u>8,380,783</u>
(Deficiency) excess of revenues over expenses	<u>(2,556,985)</u>	<u>4,901,397</u>

FISHERIES RENEWAL BC
STATEMENT OF CASH FLOWS
 YEAR ENDED MARCH 31,

	<u>2000</u>	<u>1999</u>
	\$	\$
Sources of cash		
Forest Renewal BC	7,500,000	7,500,000
British Columbia Hydro and Power Authority	2,514,070	5,000,000
Investment income	753,771	782,180
Program repayments	64,509	-
Other	369	-
	<u>10,832,719</u>	<u>13,282,180</u>
Uses of cash		
Program payments	11,086,657	4,899,421
Salaries and benefits	633,622	554,063
Professional services	355,604	508,245
General administration	339,473	352,996
Board fees and expenses	239,680	264,622
Capital assets	35,534	83,054
	<u>12,690,570</u>	<u>6,662,401</u>
Net (decrease) increase in cash and short-term investments	(1,857,851)	6,619,779
Cash and short-term investments beginning of year	<u>14,437,051</u>	<u>7,817,272</u>
Cash and short-term investments end of year	<u>12,579,200</u>	<u>\$14,437,051</u>

FISHERIES RENEWAL BC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2000

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. To achieve this, the corporation has four program areas:

(a) Salmonid Renewal Program

This program is aimed at producing more fish for British Columbians so as to create sustainable employment in the fisheries. It supports program delivery partners to fund and manage projects that enhance wild fish stocks, restore habitat and promote public awareness of the need to work together to renew the provincial fisheries.

(b) Development and Diversification Program

The goal of the Development and Diversification Program is to encourage new ideas that lead to sustainable businesses and jobs, more year-round fisheries work, and stronger fishing communities. Projects under this program will contribute to developing new fisheries or increasing the value of existing fisheries in British Columbia.

(c) Planning and Partnership Program

The Planning and Partnership Program is aimed at building sustainable partnerships with effective planning capacity. Under this program, Fisheries Renewal BC invests in projects that assist communities in developing a collaborative approach to resolving the problems facing our fisheries. This program provides assistance for a range of activities that help groups develop a long-term vision, effective relationships and inclusive planning processes. The program also supports feasibility studies and risk assessments that will have broad-based benefits for the seafood sector of British Columbia.

FISHERIES RENEWAL BC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2000

(d) Original Renewal Program Ideas

This program is intended to tap the knowledge, experience and abilities of British Columbians in a wide range of fisheries-related activities. These activities would contribute to the corporation's key investment areas and support Fisheries Renewal BC's objectives. Successful proponents provide innovative, practical, cost-effective ideas that benefit fish, communities, companies and people.

The corporation is exempt from federal and provincial income taxes.

2. Significant accounting policies

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles for not-for-profit organizations.

(b) 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.

(c) Accountable advances

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

(d) 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

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

FISHERIES RENEWAL BC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2000

(e) Use of estimates

The preparation of financial statements in conformity with 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.

(f) 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 and Highways processed all expenditures for the entity.

3. Cash and short term investments

	2000		1999	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
	\$	\$	\$	\$
Cash	<u>1,187</u>	<u>1,187</u>	<u>1,927</u>	<u>1,927</u>
Short term				
Investments	<u>14,818,013</u>	<u>14,774,118</u>	<u>14,435,124</u>	<u>14,485,846</u>
Less				
outstanding				
withdrawals	<u>(2,240,000)</u>	<u>(2,240,000)</u>	<u>-</u>	<u>-</u>
	<u>12,578,013</u>	<u>12,534,118</u>	<u>14,435,124</u>	<u>14,485,846</u>
	<u>12,579,200</u>	<u>12,535,305</u>	<u>14,437,051</u>	<u>14,487,773</u>

FISHERIES RENEWAL BC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2000

4. Capital assets

	2000		1999
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
	\$	\$	\$
Computer equipment	76,236	31,112	45,124
Furniture & equipment	75,632	16,532	59,100
	<u>151,868</u>	<u>47,644</u>	<u>104,224</u>
			<u>62,385</u>

FISHERIES RENEWAL BC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2000

5. Allocation of expenses by operating area

	2000			1999	
	Program	Administration	Corporate Governance		Total
	\$	\$	\$	\$	
Program contributions	11,801,070	-	-	11,801,070	6,838,496
Salaries & benefits	395,830	313,354	-	709,184	546,257
Professional services	224,507	78,593	15,598	318,698	367,405
Board fees & expenses	37,485	266	169,229	206,980	251,647
Office expenses	63,470	47,522	64,020	175,012	167,112
Building occupancy	-	71,674	-	71,674	74,196
Travel	48,760	14,685	-	63,445	73,976
Information systems	22,248	20,637	-	42,885	50,102
Amortization	-	26,975	-	26,975	11,592
	<u>12,593,370</u>	<u>573,706</u>	<u>248,847</u>	<u>13,415,923</u>	<u>8,380,783</u>

FISHERIES RENEWAL BC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2000

6. Reserve for Fisheries Renewal BC funded projects

	Salmonid Renewal	Development And Diversification	Planning And Partnership	Original Renewal Program Ideas	2000	1999
	\$	\$	\$	\$	\$	\$
Balance beginning of year	284,017	472,361	171,265	441,839	1,369,482	-
Internally imposed restrictions during the year	7,647,466	2,270,825	218,764	1,143,000	11,280,055	4,314,647
Removed from reserves during the year	(284,017)	(66,654)	(19,097)	(4,795)	(374,563)	-
Program expenditures during the year	(5,097,355)	(1,827,951)	(310,661)	(853,267)	(8,089,234)	(2,945,165)
Balance end of year	2,550,111	848,581	60,271	726,777	4,185,740	\$ 1,369,482

7. Reserve for British Columbia Hydro and Power Authority funded projects

During the year, Fisheries Renewal BC received funds from British Columbia Hydro and Power Authority to support community-based salmonid renewal projects.

FISHERIES RENEWAL BC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2000

8. Pension plan

The corporation and its employees contribute to the Public Service Pension Plan in accordance with the *Pension (Public Service) Act*. The plan is a defined benefit plan and is administered by the Superannuation Commission of the Province of British Columbia. The Province has statutory responsibility for any unfunded liability.

The most recent actuarial valuation (March 31, 1999) has determined the plan is in a surplus position. As a result of this valuation the Superannuation Commission has refunded a portion of employer's contributions. Fisheries Renewal BC will receive a reduction of its employer's contribution for fiscal 2000/2001.

9. Commitments

(a) Lease obligations

Fisheries Renewal BC has entered into leases for office space and equipment which expire on various dates to 2003. The future minimum lease payments on these operating leases are:

	\$
2001	40,592
2002	2,067
2003	<u>1,034</u>
Total minimum lease payments	<u>43,693</u>

(b) Program commitments

At March 31, 2000, Fisheries Renewal BC has contracted program commitments of \$2,928,096 (1999: \$1,657,881) that carry over to next year.

(c) Contract commitments

At March 31, 2000, Fisheries Renewal BC has contract commitments of \$54,712 (1999: \$0) that carry over to next year.

FISHERIES RENEWAL BC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2000

10. Future funding

Fisheries Renewal BC has negotiated a funding agreement with the Province of British Columbia for \$7.5 million per year for the next three years beginning with the 2000/01 fiscal year. The Corporation continues to negotiate for a permanent source of revenue. In addition, the Corporation is pursuing funding from BC Hydro for project expenditures incurred during the 1999/2000 fiscal year.

11. Contingent Gains

Fisheries Renewal BC has commenced legal action to recover moneys owed from a proponent. This amount has not been recorded in the financial statements.