
FINANCIAL STATEMENTS

**DOGWOOD HERITAGE SOCIETY
OF BRITISH COLUMBIA
(DBA HERITAGE BC)**

December 31, 2022



INDEPENDENT AUDITOR'S REPORT

To the Members of
Dogwood Heritage Society of British Columbia (dba Heritage BC)

Opinion

We have audited the financial statements of Dogwood Heritage Society of British Columbia (dba Heritage BC) (the Society), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 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 audit opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 these 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.

INDEPENDENT AUDITOR'S REPORT

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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 British Columbia Societies Act, we report that, in our opinion, the accounting principles used in these financial statements, Canadian accounting standards for not-for-profit organizations, have been applied on a basis consistent with that of the preceding year.

Vancouver, Canada
April 26, 2023

Tompkins Wozny LLP

Chartered Professional Accountants



STATEMENT OF FINANCIAL POSITION

As at December 31

	2022	2021
	\$	\$
ASSETS		
Current		
Cash [note 3]	2,760,568	1,631,650
Term deposit	102,617	102,361
Accounts receivable [note 4]	162,955	86,587
Prepaid expenses	3,437	1,697
	3,029,577	1,822,295
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities [note 5]	1,879,467	1,223,526
Deferred revenue [note 6]	745,863	292,623
Unearned memberships	6,133	7,153
Unearned sponsorships	—	2,000
Total liabilities	2,631,463	1,525,302
Net assets		
Internally restricted [note 7]	75,000	75,000
Unrestricted	323,114	221,993
Total net assets	398,114	296,993
	3,029,577	1,822,295

Endowment Fund [note 9]

Heritage BC Stability Transferable Fund [note 10]

See accompanying notes to the financial statements

On behalf of the Board:

Director

Director

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31

	Internally Restricted \$	Un - restricted \$	Total Net Assets \$
2022	<i>[note 7]</i>		
Balance, beginning of year	75,000	221,993	296,993
Excess of revenue for the year	—	101,121	101,121
Balance, end of year	75,000	323,114	398,114
2021			
Balance, beginning of year	—	243,756	243,756
Excess of revenue for the year	—	53,237	53,237
Interfund transfer	75,000	(75,000)	—
Balance, end of year	75,000	221,993	296,993

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS

Year ended December 31

	2022	2021
	\$	\$
REVENUE		
British Columbia Heritage Legacy Fund income <i>[note 9]</i>	553,488	313,548
Fee for service - Columbia Basin Trust <i>[note 6]</i>	71,760	90,891
- other	36,025	3,465
Province of British Columbia Community Gaming Grant <i>[note 6]</i>	35,000	59,826
Heritage BC Stability Transferable Fund income <i>[note 10]</i>	31,658	25,550
Memberships	18,781	19,880
Young Canada Works	5,700	—
Sponsorships and advertising	5,650	9,000
Donations	2,851	2,108
Interest	1,188	518
Events registration (net)	24	19,075
Community Economic Recovery Infrastructure Program - Province of British Columbia <i>[note 6]</i>	—	30,000
	762,125	573,861
EXPENSES		
Grants <i>[Schedule]</i>	248,585	139,084
Wages and benefits	238,755	232,721
Professional fees	88,153	34,845
Contractor fees	40,698	30,493
Office supplies and sundry	17,294	10,976
Communications	11,977	13,111
Travel, conferences and other	10,170	22,911
Insurance	2,625	2,465
Rent	2,169	2,465
Bank charges	578	1,553
Contribution to Vancouver Foundation <i>[note 10]</i>	—	30,000
	661,004	520,624
Excess of revenue for the year	101,121	53,237

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended December 31

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue for the year	101,121	53,237
Changes in non-cash working capital items:		
Accounts receivable	(76,368)	(44,404)
Prepaid expenses	(1,740)	(687)
Accounts payable and accrued liabilities	655,941	(320,118)
Deferred revenue	453,240	(115,717)
Unearned memberships	(1,020)	202
Unearned sponsorships	(2,000)	(750)
Cash provided by (used in) operating activities	1,129,174	(428,237)
INVESTING ACTIVITIES		
Purchase of term deposit	(256)	(458)
Cash used in investing activities	(256)	(458)
Increase (decrease) in cash during the year	1,128,918	(428,695)
Cash, beginning of year	1,631,650	2,060,345
Cash, end of year	2,760,568	1,631,650
Cash consists of:		
Cash - Operating	890,154	289,201
- Legacy Initiative Project	100,096	100,096
- Province of BC	1,044,757	—
- Columbia Basin Trust	579,794	1,049,826
- Columbia Basin Trust - Professional	145,767	192,527
	2,760,568	1,631,650

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

1. PURPOSE OF THE ORGANIZATION AND OPERATIONS

The Dogwood Heritage Society of British Columbia (the "Society") is an organization supporting heritage conservation and awareness across British Columbia through education, training and skills development, capacity building in heritage planning and funding through the Heritage Legacy Endowment Fund. The Society is passionate about building links between heritage conservation and tourism, economic and environmental sustainability, community pride and an appreciation of common history. Programs include workshops, annual conferences, publications and grants for the conservation of historic buildings and special places. The Society is funded through Heritage Legacy fund, membership fees, program and service revenues, charitable gifts and donations as well as sponsorships. The Society has a growing membership of individuals, groups and business members who share a common interest in heritage conservation, historic places, and promoting the value of British Columbia's heritage for all operating to promote the conservation of heritage buildings, sites and landscapes within the province of British Columbia. The Society is incorporated under the British Columbia Societies Act as a not-for-profit organization and is a registered charity under the Income

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Measurement of Financial Instruments

The Society initially measures its financial assets and financial liabilities at fair value.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivables. Financial liabilities measured at amortized cost includes accounts payable and accrued liabilities.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Revenue Recognition

The Society follows the deferral method of accounting for contributions.

Restricted contributions are recorded as deferred revenue when received and then recognized as revenue in the period in which the related expenses are incurred.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition (Cont'd)

Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Memberships, registrations, and other revenue are recognized as revenue when the related service is provided.

Unrestricted investment income is recognized as revenue in accordance with the terms of the underlying investment, which in the case of interest, is generally with the passage of time.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 amounts of revenues and expenditures reported during the year. Significant areas requiring the use of management estimates relate to the deferred portion of revenue. Actual results could differ from these estimates.

Contributed Services

Volunteers, such as the Board of Directors and other individuals, contribute their time to assist the Society in carrying out its activities. Due to the difficulty in determining the fair value of such services, the value of the contributed services is not recognized in these financial statements.

3. CASH

	2022	2021
	\$	\$
Operating cash - unrestricted	890,154	289,201
Legacy Initiative Project - restricted <i>[note 6]</i>	100,096	100,096
Grants on behalf of Columbia Basin Trust - restricted <i>[note 5]</i>	579,794	1,049,826
Grants on behalf of Province of BC - restricted <i>[note 5]</i>	1,044,757	—
Columbia Basin Trust - restricted <i>[note 6]</i>	145,767	192,527
	2,760,568	1,631,650

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

4. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
GST recoverable	3,289	1,747
Heritage Legacy Fund receivable	151,752	78,388
Heritage BC Stability Transferable Fund receivable	7,914	6,452
	162,955	86,587

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
	\$	\$
Operations	15,938	28,010
Heritage Legacy Fund Grants <i>[Schedule]</i>	222,443	130,393
Grants administered on behalf of Columbia Basin Trust	579,794	1,049,826
Grants administered on behalf of Province of BC <i>[note 6]</i>	1,044,757	—
Vacation time owing to employees	1,914	895
Government remittances - payroll taxes	7,431	5,961
- WorkSafeBC	459	1,710
Due to Heritage Legacy Society <i>[note 11]</i>	6,731	6,731
	1,879,467	1,223,526

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

6. DEFERRED REVENUE

	Balance, Beginning of Year \$	Received or receivable \$	Earned During the Year \$	Balance, End of Year \$
2022				
Province of British Columbia				
Community Gaming	—	35,000	(35,000)	—
150 Time Immemorial Grant Program - fee for Legacy Initiative Project	—	500,000	—	500,000
	100,096	—	—	100,096
	100,096	535,000	(35,000)	600,096
Columbia Basin Trust				
Heritage Professional Position	187,527	—	(46,760)	140,767
Built Heritage Grants Program	5,000	25,000	(25,000)	5,000
	192,527	25,000	(71,760)	145,767
	292,623	560,000	(106,760)	745,863
2021				
Province of British Columbia				
Community Gaming	24,826	35,000	(59,826)	—
Community Economic Recovery Infrastructure Legacy Initiative Project	—	30,000	(30,000)	—
	100,096	—	—	100,096
	124,922	65,000	(89,826)	100,096
Columbia Basin Trust				
Heritage Professional Position	253,418	—	(65,891)	187,527
Built Heritage Grants Program	30,000	—	(25,000)	5,000
	283,418	—	(90,891)	192,527
	408,340	65,000	(180,717)	292,623

During the year, the Society received \$9,500,000 in partnership with the Province of British Columbia for the 150 Time Immemorial Grant Program. Out of the amount received \$8,455,243 was disbursed to various organizations during the year.

In 2021, the Society received \$15,520,000 in partnership with the Province of British Columbia for the Community Economic Recovery Infrastructure Program. The amount received was all disbursed to various organizations in 2021.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

7. INTERNALLY RESTRICTED NET ASSETS

In 2021, the Society internally restricted \$75,000 for first and second quarter 2022 disbursement, for the purposes of piloting a special grant intake to meet the needs of organizations with an operating budget of under \$600,000 impacted by the 2021 fire/floods with associated damage.

During the year, the Board carried a motion to re-evaluate how best to match the Climate Disaster Response Fund to current needs of community to address climate crisis impacts to heritage conservation projects so that future disbursement in 2023 can occur, while recognizing the desire to honour the original intent of the Fund.

8. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis presents the Society's exposures to significant risk as at December 31, 2022.

Credit Risk

The Society is exposed to credit risk with respect to its cash and accounts receivable. The Society assesses, on a continuous basis, receivables on the basis of amounts it is virtually certain to receive based on their net realizable value. Cash is held at a Canadian chartered bank and its protection is virtually certain.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Society manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Interest Rate Risk

The Society can earn variable interest income on its cash balance and is subject to periodic review. Changes in the bank's prime lending rate or other rates can cause fluctuations in interest payments and cash flows.

9. ENDOWMENT FUND

In 2003, the British Columbia Heritage Trust established an endowment fund with the Vancouver Foundation known as the British Columbia Legacy Fund (the "Fund"). The objective of the Fund is to conserve and support the conservation of heritage sites and objects; gain further knowledge about British Columbia heritage; and increase public awareness, understanding and appreciation of British Columbia's heritage (the "specified purpose").

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

9. ENDOWMENT FUND (CONT'D)

The Fund was made up of an initial contribution of \$500,000 from the British Columbia Heritage Trust. Capital contributions made by various donors to the Fund subsequent to it being established has resulted in a total endowment of \$10,748,937 [2021 - \$5,739,343]. As at December 31, 2022, the market value of the Fund amounted to \$12,646,097 [2021 - \$9,072,576].

The Vancouver Foundation shall disburse income from the Fund to carry out the specified purpose. In 2013, the Minister appointed the Society as the advisor to the Fund.

The Society can advise on the disbursement of income earned on the contributed capital of the Fund and cannot disburse the contributed capital. The contributed capital has not been recorded in the Society's financial statements.

	2022
	\$
Balance, beginning of year, at fair market value	9,072,576
Contributions	5,000,100
Grants disbursed	(480,123)
Net investment income earned	553,488
Administration fees	(9,494)
Recapitalization of administration fees	9,494
Net unrealized investment loss	(1,499,944)
Balance, end of year, at fair market value	12,646,097

10. HERITAGE BC STABILITY TRANSFERABLE FUND

In 2018, the Society established a fund with the Vancouver Foundation known as the Heritage BC Stability Transferable Fund. The Society contributed \$151,500 to this fund in 2018, \$45,000 in 2019, \$450,000 in 2020, and \$30,000 in 2021.

The Society can advise on the disbursement of the contributed capital and income earned on the contributed capital of the fund. The Society cannot disburse the contributed capital during the first year following the establishment of the fund. During the subsequent four years, the Society may request a transfer up to 10% annually of the market value of the fund to another qualified donee. After five years, the Society may request to transfer all or a portion of the capital of the fund. The contributed capital has not been recorded in the Society's financial statements.

As at December 31, 2022, the market value of the Fund amounted to \$659,417 [2021 - \$746,806].

During the year, the Society earned interest income from fund in the amount of \$31,658 [2021 - \$25,550].

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

11. RELATED PARTY TRANSACTIONS

The Society is related to the Heritage Legacy Society as a consequence of having directors in common.

There is \$6,731 payable [2021 - \$6,731 payable] to Heritage Legacy Society at the year-end. There were no other transactions with the Heritage Legacy Society during the year or balances outstanding as at December 31, 2022.

12. DISCLOSURE OF REMUNERATION

Pursuant to the British Columbia Societies Act, the Society is required to disclose remuneration paid to employees and contractors who are paid \$75,000 or more during the fiscal year. Wages and benefits includes \$90,471 [2021 - \$91,788] paid to one employee during the year.

SCHEDULE OF GRANT EXPENSES

Year ended December 31

	2022			
	Grants Payable, Beginning of Year	Grants Approved (reversed)	Grants Paid	Grants Payable, End of Year
	\$	\$	\$	\$
Heritage Vancouver Society	4,500	—	—	4,500
Nicola Valley Heritage Society	1,301	—	—	1,301
Stz'uminus First Nation	10,000	—	—	10,000
District of Sechelt	1,750	—	—	1,750
City of Quesnel	2,500	—	—	2,500
Ladysmith & District Historical Society	2,500	—	(2,500)	—
Shuswap Hut and Trail Alliance Society	5,000	—	—	5,000
Lower Nicola Indian Band	2,380	—	(2,380)	—
Love Intersections	5,000	—	(5,000)	—
Dr. Sun Yat-Sen Classical Chinese Garden	6,250	—	—	6,250
District of Lillooet	3,750	—	(3,750)	—
Friends of Fintry Provincial Park Society	2,750	—	(2,750)	—
Bridge River Valley Community Association	1,667	—	—	1,667
Penticton Museum & Archives	1,000	—	—	1,000
Kelowna Canadian Italian Club	3,525	—	—	3,525
South Asian Studies Institute, University of the Fraser Valley	1,797	—	—	1,797
Tobacco Plains Indian Band	4,500	—	—	4,500
Bowen Island Municipality	1,000	—	—	1,000
South Cariboo Historical Museum Society	995	—	—	995
Kitselas First Nation	4,800	—	—	4,800
Gitksaala Nation	5,000	—	—	5,000
Western Front Society	12,500	—	—	12,500
District of Vanderhoof	6,403	—	(6,403)	—
Village of Midway	8,500	—	—	8,500
Friends of Old Hastings Mill Store Museum	13,750	—	(13,750)	—
Mayne Island Agricultural Society & Fall Fair	4,750	—	(4,750)	—
Port Alberni Maritime Heritage Society	2,500	—	—	2,500
O'Keefe Ranch & Interior Heritage Society	1,500	—	—	1,500
Trails to the Boundary Society	1,500	—	(1,500)	—
The Bateman Foundation	3,750	—	—	3,750
Fernie & District Historical Society	3,275	—	—	3,275
Unitarian Church of Vancouver	—	25,000	(12,500)	12,500
Lardeau Valley Historical Society	—	5,000	(5,000)	—
Heritage Abbotsford Society	—	10,000	(5,000)	5,000
Sointula Museum and Historical Society	—	7,000	(3,500)	3,500
Mayne Island Agricultural Society	—	7,500	(3,750)	3,750
North Vancouver Museum and Archives Commission	—	7,500	(3,750)	3,750
Bridge River Valley Community Association	—	25,000	(12,500)	12,500
CBT Property Corp.	—	20,000	(10,000)	10,000
Gold Country Communities Society	—	6,000	(3,000)	3,000
Coyote Cultural Society	—	7,500	(3,750)	3,750
Yellowhouse Art Centre	—	7,500	(7,500)	—
Alberni Valley Museum	—	7,500	(3,750)	3,750
The Land Conservancy of British Columbia	—	10,000	(5,000)	5,000
Centennial United Church	—	1,500	(1,500)	—
Rossland Arts Centre Society	—	1,500	(1,500)	—
Cheam First Nation	—	15,000	(7,500)	7,500
Historic Joy Kogawa House Society	—	4,846	(2,655)	2,191
Elk Root Conservation Farm Society	—	10,000	(5,000)	5,000
Women Transforming Cities	—	7,500	(3,750)	3,750
Royal Roads University Foundation	—	4,545	—	4,545
Niislaa Naay Healing House Society	—	10,000	(5,000)	5,000
Old Massett Village Council	—	7,500	—	7,500
Centennial United Church	—	15,694	(7,847)	7,847
Tashme Historical Society	—	25,000	—	25,000
	130,393	248,585	(156,535)	222,443

See accompanying notes to the financial statements

