

**PACIFIC SALMON FOUNDATION**

**FINANCIAL STATEMENTS**  
**(Expressed in Canadian Dollars)**

**DECEMBER 31, 2015**

# PACIFIC SALMON FOUNDATION

DECEMBER 31, 2015

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## **SFH ACCOUNTING\***

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### **INDEPENDENT AUDITORS' REPORT**

To the Members of  
**Pacific Salmon Foundation**

#### **Report on Financial Statements**

We have audited the statement of financial position of Pacific Salmon Foundation as at December 31, 2015 and the statement of operations and changes in net assets and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Basis for Qualified Opinion**

In common with many non-for-profit organizations, Pacific Salmon Foundation derives a part of its revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of Pacific Salmon Foundation. Therefore, we were unable to determine whether any adjustments to donation revenue, excess of revenues over expenses, and cash flow from operations for the year ended December 31, 2015, current assets and net assets as at December 31, 2015.

#### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Pacific Salmon Foundation as at December 31, 2015 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.

**CHARTERED PROFESSIONAL ACCOUNTANTS**

Richmond, BC  
June 21, 2016



# PACIFIC SALMON FOUNDATION

## STATEMENT OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

AS AT DECEMBER 31

	2015	2014
<b><u>ASSETS</u></b>		
<b>Current</b>		
Cash and cash equivalents	\$ 893,655	\$ 841,697
Term deposits	48,554	47,950
Restricted project cash (Note 3)	1,642,662	2,081,590
Accounts receivable (Note 4)	1,455,294	614,074
Inventory	22,838	20,674
Prepaid expenses and other	43,761	35,291
	<b>4,106,764</b>	<b>3,641,276</b>
<b>Property and equipment, net (Note 5)</b>	<b>110,541</b>	<b>110,073</b>
	<b>\$ 4,217,305</b>	<b>\$ 3,751,349</b>
<b><u>LIABILITIES</u></b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 110,539	\$ 94,237
Project awards payable (Note 7)	967,720	688,536
Capital lease obligations, current portion (Note 8)	3,403	3,169
Deferred revenue (Note 9)	2,110,513	1,893,548
	<b>3,192,175</b>	<b>2,679,490</b>
<b>Capital lease obligations (Note 8)</b>	<b>5,257</b>	<b>8,660</b>
	<b>3,197,432</b>	<b>2,688,150</b>
<b><u>NET ASSETS</u></b>		
<b>Unrestricted net assets</b>	<b>1,019,873</b>	<b>1,063,199</b>
	<b>\$ 4,217,305</b>	<b>\$ 3,751,349</b>

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

See Accompanying Notes to Financial Statements

# PACIFIC SALMON FOUNDATION

## STATEMENT OF OPERATIONS

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31

	2015	2014
<b>Revenues</b>		
Government contributions ( <i>Note 11</i> )	\$ 3,098,470	\$ 1,858,768
Fundraising events revenue	949,423	926,462
Pacific Salmon Endowment Fund Society administration fees ( <i>Note 13</i> )	100,000	100,000
Program management fees	457,417	389,542
Corporate and individual contributions ( <i>Note 12</i> )	3,900,271	4,248,801
Interest income	35,793	51,905
Other	15,780	8,083
	<b>8,557,154</b>	<b>7,583,561</b>
<b>Expenses</b>		
Community Salmon Project awards ( <i>Note 9</i> )	1,566,392	1,582,888
Program expenditures and other partnership projects ( <i>Note 9</i> )	4,372,795	3,426,356
Capacity development ( <i>Note 18</i> )	1,260,304	1,224,476
Fundraising events costs	792,208	805,981
General and administrative ( <i>Note 18</i> )	485,395	421,110
Artist awards	14,675	12,890
	<b>8,491,769</b>	<b>7,473,701</b>
<b>Excess of revenue over expenses for the year before amortization of capital assets</b>	<b>65,385</b>	<b>109,860</b>
Amortization of property and equipment	(37,711)	(26,327)
<b>Excess of revenue over expenditures for the year</b>	<b>\$ 27,674</b>	<b>\$ 83,533</b>

See Accompanying Notes to Financial Statements

**PACIFIC SALMON FOUNDATION**  
**STATEMENT OF CHANGES IN NET ASSETS**

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31

	<b>2015</b>	2014
<b>Unrestricted net assets, beginning of year</b>	<b>\$ 1,063,199</b>	\$ 979,666
Interfund transfer to restricted projects	<b>(71,000)</b>	-
Excess of revenue over expenses for the year	<b>27,674</b>	83,533
<b>Unrestricted net assets, end of year</b>	<b>\$ 1,019,873</b>	\$ 1,063,199

See Accompanying Notes to Financial Statements

# PACIFIC SALMON FOUNDATION

## STATEMENT OF CASH FLOW

(Expressed in Canadian Dollars)  
FOR THE YEARS ENDED DECEMBER 31

	2015	2014
<b>Operating activities</b>		
Excess of revenue over expenses for the year	\$ 27,674	\$ 83,533
Add items not affecting cash		
Amortization of property and equipment	37,711	26,327
Net change in non-cash working capital	<b>(410,405)</b>	593,936
<b>Cash flows used in operating activities</b>	<b>(345,020)</b>	703,796
<b>Investing activities</b>		
Purchase of property and equipment	<b>(38,178)</b>	(82,585)
Repayment of capital lease obligation	<b>(3,168)</b>	(2,951)
<b>Cash flow used in investing activities</b>	<b>(41,346)</b>	(85,536)
<b>Net increase in cash and cash equivalents during the year</b>	<b>(386,366)</b>	618,260
Cash and cash equivalents, beginning of year	<b>2,971,237</b>	2,352,977
<b>Cash and cash equivalents, end of year</b>	<b>\$ 2,584,871</b>	\$ 2,971,237
Cash and cash equivalents, end of year		
Unrestricted cash and cash equivalents	<b>893,655</b>	841,697
Term deposits	<b>48,554</b>	47,950
Restricted project cash	<b>1,642,662</b>	2,081,590
	<b>2,584,871</b>	2,971,237

See Accompanying Notes to Financial Statements

# **PACIFIC SALMON FOUNDATION**

## **NOTES TO FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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### **1. OPERATIONS**

The Pacific Salmon Foundation [the “Foundation”] is a not-for-profit, charitable organization incorporated under the Canada Not-For-Profit Corporations Act dedicated to promoting the conservation, restoration and enhancement of wild Pacific salmon for the benefit of present and future generations. As a registered charity under the Income Tax Act, the Foundation is exempt from tax on its income.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Foundation have been prepared in accordance with Canadian accounting standards for not-for-profit organizations on a going concern basis, which assumes that the Foundation will be able to discharge its liabilities in the normal course of business.

The following is a summary of significant accounting policies used in the preparation of these financial statements.

#### **Use of estimates**

The preparation of financial statements in conformity 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 contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses for the reporting period.

Actual results could differ from these estimates.

Significant financial statement items that require the use of estimates are accounts receivable, accounts payables and accrued liabilities, project awards payable and amortization of property and equipment.

#### **Revenue recognition**

The Foundation follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

Contributions related to property and equipment are recognized as revenue in the year in which the related property and equipment is amortized. Unamortized property and equipment contributions are deferred.

Program management fees are primarily recognized as revenue when the services are provided or according to the specific terms and conditions of funding agreements. In limited instances program management fees are recognized on receipt of contributions.



# PACIFIC SALMON FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fundraising event revenue is recognized when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### **Project awards payable**

Project awards are recorded as an expense when the funding has been approved by the Board of Directors. Awards are considered cancelled when recipients fail to meet certain specified conditions and are recorded as a reduction in award expenses when there is assurance the amount will be recovered or not paid.

#### **Inventory**

Inventory is valued at the lower of cost and net realizable value.

#### **Cash and cash equivalents**

The Foundation's policy is present bank balances under cash and cash equivalents, including term deposits with a maturity period of three months or less from the date of acquisition. Bank balances and term deposits that the Foundation cannot use for the general operations because they are restricted for the specific projects are excluded from cash and cash equivalents.

#### **Property and equipment**

Property and equipment are recorded at cost, less accumulated amortization. Amortization is provided over the estimated useful life of the various assets at the following annual rates and methods:

Copier	5 years straight - line
Furniture and fixtures	20% declining balance
Computer equipment	30% declining balance
Leasehold improvement	term of the lease

#### **Leases**

Leases are classified as either capital leases or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of assets are accounted for as if there was an acquisition of an asset and incurrence of an obligation at the inception of the lease. All other leases are accounted for as operating leases wherein rental payments are expensed as incurred.

#### **Donations in-kind**

The Foundation receives donations-in-kind from members and from the community. Donations-in-kind are recorded in the financial statements when their fair value is reasonably determinable.

# PACIFIC SALMON FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Contributed services

Volunteers contributed many hours during the year to assist the Foundation in carrying out its activities and participating on advisory boards and committees. Contributed services are not recognized in the financial statements as they are impractical to record and value.

#### Financial instruments

The Foundation's initially measures its financial assets and financial liabilities at fair value. The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and cash equivalents, trade and other receivables, term deposits, restricted project cash and grants receivable. Financial liabilities measured at amortized costs include trade accounts payable and accrued liabilities, project award payable, and capital lease obligations.

### 3. RESTRICTED PROJECT CASH

Restricted project cash of \$1,642,662 [2014 - \$2,081,590] consist of cash subject to restrictions that are reserved for specific projects and which have not been disbursed or awarded as at year end. These funds cannot be used to fund general operations of the Foundation.

### 4. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2015	2014
Regular trade receivables	\$ 1,454	\$ 25,635
Outstanding GST rebates	12,492	17,068
Outstanding grants and awards receivables	1,441,348	571,371
	\$ 1,455,294	\$ 614,074

The 2015 balance is comprised of operating accounts receivable of \$31,724 [2014 - \$113,580] and restricted accounts receivable of \$1,423,570 [2014 - \$500,494]

# PACIFIC SALMON FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

### 5. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value 2015	Net Book Value 2014
Copier	\$ 17,435	\$ 9,656	\$ 7,779	\$ 10,997
Computer equipment	313,777	218,675	95,102	89,500
Furniture and fixtures	56,665	49,005	7,660	9,576
Leasehold improvement	42,941	42,941	-	-
	<b>\$ 430,818</b>	<b>\$ 320,277</b>	<b>\$ 110,541</b>	<b>\$ 110,073</b>

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable consists of the following:

	2015	2014
Trade accounts payable	\$ 88,422	\$ 79,083
Vacation payable	21,078	13,601
WorkSafeBC payable	1,039	1,553
	<b>\$ 110,539</b>	<b>\$ 94,237</b>

### 7. PROJECT AWARDS PAYABLE

Project awards payable of \$967,720 [2014 – \$688,536] represents amounts committed to specific restricted programs or projects which have not been disbursed as at year end.

# PACIFIC SALMON FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

### 8. CAPITAL LEASE OBLIGATIONS

The Foundation entered into an agreement to acquire office equipment which has been financed by a capital lease. The obligation under the capital lease represents the minimum lease payments payable net of imputed interest at an average rate of 7.4%.

The Foundation's capital lease obligations are as follows:

	2015	2014
Future minimum lease payments	\$ 9,457	\$ 13,369
Less portion representing interest to be recorded over the remaining term of the lease	797	1,540
	<b>8,660</b>	11,829
Less current portion	<b>3,403</b>	3,169
Long term portion	<b>\$ 5,257</b>	\$ 8,660

Future minimum annual lease payments payable under the capital lease are as follows:

2016	\$ 3,913
2017	3,913
2018	1,631
Total	<b>\$ 9,457</b>

### 9. DEFERRED REVENUE

Deferred revenue consists of contributions restricted for specific projects and will be recognized as revenue when the related expenses are incurred. All deferred revenue, with the exception of \$12,000 [2014 - \$0] of deferred operating revenue, relates to deferrals of restricted award amounts.

Deferred revenue consists of the following:

	Opening Balance January 1, 2015	Amount Collected	Amount Recognized [i]	Ending Balance December 31, 2015
Pacific Salmon Endowment Fund Society	\$ 265,768	\$ 758,333	\$ 608,162	<b>\$ 415,939</b>
Non-governmental organizations	1,039,716	827,862	1,070,917	<b>796,661</b>
Governments	213,846	3,405,057	3,314,418	<b>304,485</b>
Corporations	260,061	1,344,769	1,170,669	<b>434,161</b>
Individuals	114,157	272,387	227,277	<b>159,267</b>
	<b>\$ 1,893,548</b>	<b>\$ 6,608,408</b>	<b>\$ 6,391,443</b>	<b>\$ 2,110,513</b>

# PACIFIC SALMON FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

### 9. DEFERRED REVENUE (CONTINUED)

[i] Amounts recognized during the year were utilized within following portfolios of activity:

	CSP <sup>1</sup>	SSMSP <sup>2</sup>	SKEENA <sup>2</sup>	RF CPP <sup>2</sup>	Other <sup>2</sup>	Admin Fees	Total
Pacific Salmon Endowment Fund Society	\$ 20,000	\$ 588,162	\$ -	\$ -	\$ -	\$ -	\$ 608,162
Non-governmental organizations	(43,964)	340,344	514,329	-	189,518	70,690	1,070,917
Governments	1,284,499	1,235,824	225,078	330,422	22,647	215,948	3,314,418
Corporations	290,779	442,924	171,580	-	125,552	139,835	1,170,670
Individuals	15,078	181,216	-	-	5,200	25,782	227,276
	<b>\$1,566,392</b>	<b>\$2,788,470</b>	<b>\$ 910,987</b>	<b>\$ 330,422</b>	<b>\$ 342,917</b>	<b>\$ 452,255</b>	<b>\$ 6,391,443</b>

<sup>1</sup> Amounts included in statement of operations under Community Salmon Project awards.

<sup>2</sup> Amounts included in statement of operations under program expenditures and other partnership projects.

**SSMSP** – The Foundation and its U.S. partner Long Live the Kings in Seattle, Washington have designed the Salish Sea Marine Survival Project of ecosystem research and habitat restoration intended to increase the production of Chinook, Coho and Steelhead in the Salish Sea (Strait of Georgia, Strait of Juan de Fuca and Puget Sound). The five-year project will help to improve future fisheries management policy and restore the economic and cultural benefits to communities surrounding the Salish Sea.

**CSP** – The Foundation’s Community Salmon Program is a grant-making program that supports volunteer and community-driven organizations that undertake salmon conservation and restoration projects in British Columbia and the Yukon. The program makes annual grants totaling more than \$1.5 million. The majority of these funds are generated through sales of the Recreational Fisheries Conservation Stamp, commonly known as the Salmon Stamp, by Fisheries and Oceans Canada.

**SKEENA** – The Foundation’s Skeena Salmon Program is working to help foster healthy, diverse and abundant wild salmon populations in the Skeena Watershed. The Skeena Salmon Program’s current focus is to help implement Fisheries and Oceans Canada’s Wild Salmon Policy (“the WSP”) in the Skeena Watershed. We view the WSP as a key tool for facilitating salmon conservation in British Columbia. Our activities specifically support the technical aspects of salmon conservation and management; we recognize that the manner in which these aspects are understood and put into action will affect the environmental, cultural, and economic benefits of salmon to the communities of the Skeena region and beyond.

**RF CPP** – The Recreational Fisheries Conservation Partnerships Program is a Federal program that was established in June 2013 to support multi-partner projects at the local level aimed at restoring recreational fisheries habitat in order to enhance the sustainability and productivity of Canada’s recreational fisheries. Specifically, the program, through contribution funding, enables proponents to manage and execute projects that restore compromised and/or threatened recreational fisheries habitat.

**OTHER** – The Foundation engages in a variety of other activities including monitoring projects, training programs, student bursaries, the SalmonSafe eco-certification program and other salmon related projects. Full details can be found on the Foundations website at [www.psf.ca](http://www.psf.ca).

# PACIFIC SALMON FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

### 10. COMMITMENTS

The Foundation has operating leases for premises and equipment. The future obligations under these leases are as follows:

2016	<b>\$104,921</b>
2017	<b>105,341</b>
2018	<b>105,341</b>
2019	<b>43,892</b>
	<b>\$359,495</b>

### 11. GOVERNMENT CONTRIBUTIONS

The Foundation received contributions from various government agencies to apply towards enhancement projects, as follows.

	2015	2014
Fisheries and Oceans Canada stamp [i]	<b>\$ 1,295,065</b>	\$ 1,292,565
Fisheries and Oceans Canada SSMSP contribution [ii]	<b>1,235,824</b>	-
Other Federal, Provincial & Municipal Governments	<b>567,581</b>	566,203
Total government contributions	<b>\$ 3,098,470</b>	\$ 1,858,768

[i] In October 2005, the Foundation entered into a revised five-year contribution agreement with Fisheries and Oceans Canada. The level of funding is based on the revenue generated from the sale of salmon conservation stamps, one of which is required by all recreational and commercial fishers that wish to retain salmon, fishing in tidal waters. The contribution agreement provides for up to 10% of the funding to be used for administrative expenses. This agreement was renewed for five years effective May 11, 2010 and was revised on January 14, 2014 in order to allocate 100% of stamp proceeds to the Community Salmon Program. Effective April 1, 2015 the agreement was renewed for an additional five years.

[ii] In December 2015, the Foundation entered into a one-year, \$2,000,000, contribution agreement with Fisheries and Oceans Canada for activities related to the Foundation's Salish Sea Marine Survival Project; a five year, \$10,000,000 initiative. The agreement allows for expense recoveries between April 1, 2015, and March 31, 2016. As of December 31, 2015, invoices totaling \$1,235,824 have been submitted for reimbursement.

### 12. CORPORATE AND INDIVIDUAL CONTRIBUTIONS

Corporate and individual donations consist of the following.

	2015	2014
Pacific Salmon Endowment Fund Society (Note 15)	<b>\$ 1,458,162</b>	\$ 724,286
Non-governmental organizations	<b>1,034,141</b>	1,680,507
Corporations	<b>1,147,284</b>	1,649,936
Individuals	<b>260,684</b>	194,072
	<b>\$ 3,900,271</b>	\$ 4,248,801

# PACIFIC SALMON FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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### 13. PACIFIC SALMON ENDOWMENT FUND SOCIETY

In 1998, the federal government, under its Canadian Fisheries Adjustment and Restructuring plan for the future of West Coast salmon resource, allocated \$30 million to provide ongoing funding for initiatives to conserve, protect, and restore salmon and their habitat. In 2001 Pacific Salmon Endowment Fund Society (the "Society") was established to receive the \$30 million and to be accountable for the management of these funds. In 2001, the Foundation and the Society entered into a five-year agreement whereby the Foundation became the manager of the Society's programs for Strategic Salmon Recovery. This agreement was later renewed for a subsequent five years.

During 2012, the Society entered into a new 3-year agreement expiring on December 31, 2014. The focus of the Society's program has shifted from Strategic Salmon Recovery projects to build the Foundation's capacity to generate partnerships and resources for the recovery of Pacific salmon. In order to achieve this objective, the Society is contributing to the Foundation's capacity, leadership, development and salmon program management. This agreement was renewed effective January 1, 2015 for a subsequent three years with an increase in funding of \$225,000 for each of 2015 and 2016 for capacity development.

The amount of the contribution to the Foundation will be negotiated annually and must be approved by the Society's Board of Directors. All directors of the Foundation are also directors of the Society.

During the year the Society contributed the following to increase capacity, leadership development and salmon program management:

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	2015	2014
Capacity and resource development	\$ 850,000	\$ 625,000
Salish Sea Marine Survival Project	588,162	99,286
Community Salmon Program	20,000	-
Total revenues included in corporate and individual donations (Note 12)	<b>\$ 1,458,162</b>	<b>\$ 724,286</b>

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As program manager, the Foundation is responsible for managing the annual funds allocated by the Society to the Foundation for which it is paid a management fee. During the year, the Foundation was paid \$100,000 [2014 - \$100,000] for services rendered.

### 14. CUSTODIANS FOR DUCKS UNLIMITED CANADA

In 2006, the Foundation entered into an agreement to serve as the custodian of \$1,500,000 provided to the Foundation by the Canadian Wildlife Service to be used on projects approved by Ducks Unlimited Canada. In 2011, the Foundation entered into another similar agreement to serve as the custodian of \$500,000 provided to the Foundation by the Canadian Wildlife Service to be used on projects approved by Ducks Unlimited Canada. These funds are deposited in a segregated account for the use of Ducks Unlimited Canada. The Federal Government required a third party, being the Foundation, to administer the funds identified in the Contribution Agreement. The Foundation was paid a management fee of \$2,662 for the year ended December 31, 2015 [2014 - \$2,645]. Two directors of the Foundation are directors of Ducks Unlimited Canada. The fund balance of Ducks Unlimited Canada as at December 31, 2015 is \$62,006 [2014 - \$265,806]. These funds are not recorded on the statement of financial position as they are not part of the Foundation's assets.

# **PACIFIC SALMON FOUNDATION**

## **NOTES TO FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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### **15. PACIFIC SALMON CONSERVATION FOUNDATION**

The Pacific Salmon Conservation Foundation ("PSCF") was incorporated on February 11, 2003 in the State of and was created to help facilitate the Foundation's fundraising efforts in the . For the year ended December 31, 2015 PSCF received revenues of U.S. \$38,072 [2014 – U.S. \$2,600] and incurred expenses totaling U.S. \$28,401 [2014 – U.S. \$3,014]. The PSCF's fund balance included cash of U.S.\$51,951 [2014 – U.S. \$53,060]. These revenue, expenses, assets and liabilities are not included in the Foundation's financial statements as they are not assets and operations of the Foundation.

### **16. FINANCIAL INSTRUMENTS RISKS**

The Foundation is exposed to various risks through its financial instruments.

#### **Credit Risk**

For grants receivable, the Foundation assesses, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value.

#### **Liquidity Risk**

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due.

#### **Currency Risk**

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing at the balance sheet date. The Foundation undertakes few revenue and purchase transactions in the normal course of business in foreign currencies. Consequently, the Foundation is exposed to risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that is subject to gains and losses.

At the reporting date, the Foundation has US\$ 219,603 in its bank accounts.

### **17. RELATED PARTY TRANSACTIONS**

#### **Pacific Salmon Endowment Fund Society ("PSEFS") (Note 13)**

The Foundation received donations of \$1,608,333 [2014 - \$958,333] from the Pacific Salmon Endowment Fund Society ("PSEFS"). PSEFS also contributed \$100,000 [2014 - \$100,000] to the administrative expenses of the Foundation.

All these transactions were carried out in the normal course of operations and are recorded at the exchange value. The value corresponds to the consideration agreed upon by the parties.

The Foundation and the PSEFS have similar purposes and coordinate their action plans. Four of the Foundation's directors are also members of the PSEFS board of directors and exercise significant influence over the strategic policies of each of these organizations.



# **PACIFIC SALMON FOUNDATION**

## **NOTES TO FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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### **17. RELATED PARTY TRANSACTIONS (CONTINUED)**

#### **Pacific Salmon Conservation Foundation ("PSCF") (Note 15)**

The Foundation received grants of U.S. \$25,572 [2014 - U.S. \$29,255] from PSCF. PSCF also contributed U.S. \$2,018 [2014 - \$2,422] to the administrative expenses of the Foundation.

All these transactions were carried out in the normal course of operations and are recorded at the exchange value. The value corresponds to the consideration agreed upon by the parties.

The Foundation and PSCF have similar purposes and coordinate their action plans. Four of the Foundation's directors are also members of the PSCF board of directors and exercise significant influence over the strategic policies of each of these organizations.

### **18. CLASSIFICATION OF EXPENSES**

Capacity development expenses includes the cost for leadership, communications and program staff who collectively manage the Foundation's key activities.

General and administrative expenses includes the cost for rent, accounting and operational staff, computer and network support, audit, legal, and general office costs.

### **19. COMPARATIVE FIGURES**

Certain comparative figures have been restated where necessary to conform with current period presentation.