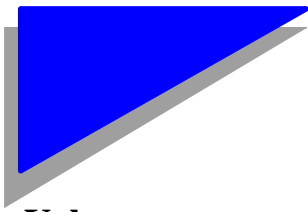


# PACIFIC SALMON FOUNDATION

## FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022



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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Pacific Salmon Foundation

*Report on the Financial*

*Opinion*

We have audited the financial statements of Pacific Salmon Foundation (the Foundation), which comprise the statement of financial position as at December 31, 2022, and the statements of revenues and expenditures, changes in net assets, comprehensive income 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 Foundation as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*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 foundation in accordance with 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.

*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 ASNPO, 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 foundation'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 foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the foundation'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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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**INDEPENDENT AUDITOR'S REPORT** *(continued)*

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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 foundation'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 foundation'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 foundation to cease to continue as a going concern.
- | 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.

Vancouver, BC  
April 27, 2023

*Vohora* LLP  
Chartered Professional Accountants

**PACIFIC SALMON FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

AS AT DECEMBER 31

	2022	2021
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	853,626	1,182,896
Term deposits	987,407	84,813
Restricted project cash and term deposits (Note 3)	6,783,282	6,640,442
Accounts receivable (Note 4)	941,701	981,092
Inventory	7,737	11,390
Prepaid expenses and other	70,240	74,203
	<b>9,643,993</b>	<b>8,974,836</b>
<b>Property and equipment, net (Note 5)</b>	<b>164,849</b>	<b>160,748</b>
	<b>9,808,842</b>	<b>9,135,584</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 6)	940,549	311,509
Project awards payable (Note 7)	401,396	928,506
Capital lease obligations, current portion (Note 8)	3,639	3,845
Deferred revenue (Note 9)	7,179,443	6,587,465
	<b>8,525,027</b>	<b>7,831,325</b>
<b>Capital lease obligations (Note 8)</b>	<b>-</b>	<b>3,639</b>
	<b>8,525,027</b>	<b>7,834,964</b>
<b>NET ASSETS</b>		
Unrestricted net assets	1,222,056	1,186,361
Net assets reserved for specific purpose (Note 16)	61,759	114,259
	<b>1,283,815</b>	<b>1,300,620</b>
	<b>9,808,842</b>	<b>9,135,584</b>

DESCRIPTION AND CONTINUANCE OF OPERATIONS (Note 1)

COMMITMENTS (Note 10)

On behalf of the Board:

Director

Director

**PACIFIC SALMON FOUNDATION**  
**STATEMENT OF OPERATIONS**

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

	2022	2021
<b>Revenues</b>		
Corporate and individual contributions <i>(Note 11)</i>	5,484,758	4,441,933
Government contributions <i>(Note 12)</i>	6,812,217	5,494,564
Fund raising events revenue	925,190	394,275
Program management fees	687,893	643,955
Interest income	137,019	30,094
Other	3,405	18,885
	<b>14,050,482</b>	<b>11,023,706</b>
<b>Expenses</b>		
Program expenditures and other partnership projects <i>(Note 9)</i>	9,253,914	6,854,051
CSP project awards <i>(Note 9)</i>	1,419,770	1,595,776
Capacity development <i>(Note 17)</i>	1,871,272	1,565,223
Fund raising events costs	650,756	237,699
General and administrative <i>(Note 17)</i>	745,629	673,508
Artist awards	22,360	10,957
	<b>13,963,701</b>	<b>10,937,214</b>
<b>Excess of revenue over expenses for the year before amortization of property and equipment and utilization of internally restricted net assets</b>	<b>86,781</b>	<b>86,492</b>
Amortization of property and equipment	(51,086)	(48,002)
<b>Excess of revenues over expenses for the year</b>	<b>35,695</b>	<b>38,490</b>

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

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

	2022	2021
Unrestricted net assets, beginning of year	1,186,361	1,147,871
Excess of revenue over expenses for the year	35,695	38,490
Reserved for specific projects	-	-
<b>Unrestricted net assets, end of year</b>	<b>1,222,056</b>	<b>1,186,361</b>
Internally restricted net assets, beginning of year		
Partnered Initiative Project	40,000	60,000
PSF Community Fund	74,259	74,259
	<b>114,259</b>	134,259
Expenditures during the year		
Partnered Initiative Project	(40,000)	(20,000)
PSF Community Fund	(12,500)	-
	<b>(52,500)</b>	<b>(20,000)</b>
Internally restricted net assets, end of year		
Partnered Initiative Project	-	40,000
PSF Community Fund	61,759	74,259
<b>Internally restricted net assets, end of year (Note 16)</b>	<b>61,759</b>	<b>114,259</b>
<b>Total net assets</b>	<b>1,283,815</b>	<b>1,300,620</b>

**PACIFIC SALMON FOUNDATION**  
**STATEMENT OF CASH FLOW**

(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31

	2022	2021
<b>Operating activities</b>		
Excess of revenue over expenses	35,695	38,490
Add items not affecting cash		
Amortization of property and equipment	51,086	48,002
Net change in non-cash working capital		
Accounts receivable	39,391	(296,910)
Inventory	3,654	788
Prepaid expenses and other	3,961	(23,759)
Accounts payable and accrued liabilities	629,040	135,300
Project awards payable	(527,110)	1,379
Deferred revenue	591,978	(680,180)
Change in net assets reserved for specific purposes	(52,500)	(20,000)
Cash flows used in operating activities	775,195	(796,890)
<b>Investing activities</b>		
Purchase of property and equipment	(55,186)	(58,452)
Repayment of capital lease obligation	(3,845)	(3,720)
Cash flow used in investing activities	(59,031)	(62,172)
<b>Net increase in cash and cash equivalents during the year</b>	<b>716,164</b>	<b>(859,062)</b>
Cash and cash equivalents, beginning of year	7,908,151	8,767,212
<b>Cash and cash equivalents, end of year</b>	<b>8,624,315</b>	<b>7,908,151</b>
Cash and cash equivalents, end of year		
Cash and cash equivalents	853,626	1,182,896
Term deposits	987,407	84,813
Restricted project cash and term deposits	6,783,282	6,640,442
	<b>8,624,315</b>	<b>7,908,151</b>

# **PACIFIC SALMON FOUNDATION**

## **NOTES TO FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)  
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021

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### **1. DESCRIPTION AND CONTINUANCE OF 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 of 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 in the year in which the related expenses are incurred.



**PACIFIC SALMON FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021

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## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (*continued*)

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.

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 to 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 general operations, because they are restricted for 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.

### **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.

**PACIFIC SALMON FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**Financial instruments**

*Measurement of financial instruments*

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized costs.

Financial assets measured at fair value include cash and cash equivalents, terms deposits and restricted project cash.

Financial assets measured at amortized cost include accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, project awards payable and capital lease obligations.

*Impairment*

Financial assets measured at amortized cost are measured for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. Previously recognized impairment losses may be reversed to the extent of the impairment, directly or by adjusting an 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 the statement of operations.

*Transaction costs*

The Foundation recognizes its transaction costs in the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

**3. RESTRICTED PROJECT CASH AND TERM DEPOSITS**

Restricted project cash and term deposits of \$6,783,282 [2021 - \$6,640,442] consist of cash of \$2,140,051 [2021 - \$6,640,442] and term deposits of \$4,643,231 [2021 - \$0] 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 the general operations of the Foundation.

	2022	2021
Project awards payable (Note 7)	401,396	928,506
Deferred revenue (Note 9)	7,166,043	6,587,465
Less: Restricted accounts receivable (Note 4)	(784,157)	(875,529)
	<b>6,783,282</b>	<b>6,640,442</b>

**4. ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following:

	2022	2021
Outstanding GST rebates	18,253	15,998
Other Operating Receivables	139,291	89,565
Outstanding grants and awards receivables	784,157	875,529
	<b>941,701</b>	<b>981,092</b>

**PACIFIC SALMON FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021

The 2022 balance is comprised of operating accounts receivable of \$157,544, [2021 - \$105,563] and restricted accounts receivable of \$784,157 [2021 - \$875,529].

**5. PROPERTY AND EQUIPMENT**

	Cost	Accumulated Amortization	Net Book Value 2022	Net Book Value 2021
Copier	20,270	14,865	5,405	8,648
Computer equipment	524,352	429,629	94,723	107,643
Furniture and fixtures	161,619	96,900	64,721	44,457
Leasehold improvement	44,479	44,479	-	-
	<b>750,720</b>	<b>585,873</b>	<b>164,849</b>	<b>160,748</b>

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable consists of the following:

	2022	2021
Trade accounts payables	900,177	135,366
Wages payable	-	152,760
Vacation payable	38,725	22,088
WorkSafeBC payable	1,647	1,295
	<b>940,549</b>	<b>311,509</b>

**7. PROJECT AWARDS PAYABLE**

Project awards payable of \$401,396 [2021 – \$928,506] represents amounts committed to specific restricted programs or projects which have not been disbursed as at year end.

**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 3.34%.

The Foundation's capital lease obligations are as follows:

	2022	2021
Future minimum lease payments	3,698	7,732
Less portion representing interest to be recorded over the remaining term of the lease	59	248
	<b>3,639</b>	7,484
Less: current portion	3,639	3,845
Long term portion	-	3,639

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

2023	3,698
<b>Total</b>	<b>3,698</b>

**PACIFIC SALMON FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021

**9. DEFERRED REVENUE**

Deferred revenue consists primarily of contributions restricted for specific projects and will be recognized as revenue when the related expenses are incurred. All deferred revenue relates to deferrals of restricted award amounts.

Deferred revenue consists of the following:

By Funding Source	Opening Balance	Amount Recognized before			Ending Balance
	January 1, 2022	Amount Collected	Administrative Fees [i]	Administrative Fees	December 31, 2022
Governments	2,902,390	6,689,320	6,812,217	520,922	2,258,571
Corporations	2,075,357	2,105,233	1,287,026	127,991	2,765,573
Pacific Salmon Endowment Fund Society	1,080,561	2,058,853	1,497,980	-	1,641,434
Non-governmental organizations	510,944	803,517	920,103	18,262	376,096
Individuals	18,213	296,632	156,358	20,718	137,769
<b>Grand-total</b>	<b>6,587,465</b>	<b>11,953,555</b>	<b>10,673,684</b>	<b>687,893</b>	<b>7,179,443</b>

By Activity	Opening Balance	Amount Recognized before			Ending Balance
	January 1, 2022	Amount Collected	Administrative Fees [i]	Administrative Fees	December 31, 2022
Climate Adaptation Program	1,230,179	2,908,180	1,693,433	93,575	2,351,351
Rivers Inlet	885,951	818,185	365,553	81,819	1,256,764
Salmon Watersheds Program	271,743	3,145,967	2,214,537	132,668	1,070,505
Marine Science Program	1,303,706	3,144,161	3,487,207	150,442	810,218
Other Programs	672,502	308,688	246,292	270	734,628
Stewardship Community Bursary	427,527	5,253	52,500	250	380,030
Provincial Portfolio <sup>1</sup>	1,447,001	(1,045,000)	27,699	-	374,302
Community Salmon Program	42,623	1,745,733	1,419,770	217,316	151,270
High Seas Expedition	306,233	908,988	1,166,693	11,553	36,975
<b>Sub-total Activities</b>	<b>6,587,465</b>	<b>11,940,155</b>	<b>10,673,684</b>	<b>687,893</b>	<b>7,166,043</b>
Operations	-	13,400	-	-	13,400
<b>Grand-total</b>	<b>6,587,465</b>	<b>11,953,555</b>	<b>10,673,684</b>	<b>687,893</b>	<b>7,179,443</b>

[i] Amounts recognized during the year were utilized within the following portfolios of activity and supported by the following funding sources;

Activity / Funder	Pacific Salmon Endowment Fund Society	Non-governmental organizations	Governments	Corporations	Individuals	Total
	Marine Science Program	1,031,734	73,319	1,719,028	656,016	7,111
Salmon Watersheds Program	-	87,072	2,127,465	-	-	2,214,537
Climate Adaptation	390,660	-	1,302,773	-	-	1,693,433
Community Salmon Program	-	55,438	1,220,952	130,214	13,166	1,419,770
High Seas Expedition	-	618,365	308,000	240,327	-	1,166,693
Rivers Inlet	-	23,234	6,300	210,473	125,546	365,553
Other Programs	75,586	62,675	100,000	2,500	5,531	246,292
Provincial Portfolio <sup>1</sup>	-	-	27,699	-	-	27,699
Stewardship Community Bursary	-	-	-	47,495	5,004	52,499
<b>Sub-total Activities</b>	<b>1,497,980</b>	<b>920,103</b>	<b>6,812,217</b>	<b>1,287,025</b>	<b>156,358</b>	<b>10,673,684</b>
Operations	-	-	-	-	-	-
<b>Grand-total</b>	<b>1,497,980</b>	<b>920,103</b>	<b>6,812,217</b>	<b>1,287,025</b>	<b>156,358</b>	<b>10,673,684</b>

# PACIFIC SALMON FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)  
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021

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### 9. DEFERRED REVENUE *(continued)*

**Marine Science Program** – The Foundation has designed the Marine Science Program to focus on 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) and other marine environments.

**Salmon Watersheds Program** – The Foundation's Salmon Watersheds Program is working to help foster healthy, diverse and abundant wild salmon populations in B.C. Watersheds. The Salmon Watersheds Program's current focus is to help implement Fisheries and Oceans Canada's Wild Salmon Policy ("the WSP") in B.C. Watershed. The Policy is a key tool for facilitating salmon conservation in British Columbia. Activities specifically support the technical aspects of salmon conservation and management. 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 B.C. and beyond.

**Climate Adaptation Program** – Climate change is the greatest threat facing wild Pacific salmon with rivers and streams that provide vital salmon habitat warming and flow patterns changing. The Foundation's Climate Adaptation Program works with partners across British Columbia to deploy action-based solutions that help mitigate the effects of a changing climate on wild Pacific salmon.

**Community Salmon Program** – 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 majority of these funds are proceeds generated through sales of the Salmon Conservation Stamp through Fisheries and Oceans Canada (DFO).

**High Seas Expedition** – The expedition was the Signature Project of the International Year of the Salmon, a 5-year initiative to establish the conditions for resilience for salmon and people. Led by the North Pacific Anadromous Fish Commission, the partnership included the North Atlantic Salmon Conservation Organization (NASCO), and a number of NGO's, private sector, government and academic organizations. The Pacific Salmon Foundation assisted with fundraising and technical capacity for the first two years of the project.

**Rivers Inlet** – In April 2017, the Foundation entered into a 5-year agreement to manage and operate the Wuikinuxv Hatchery (the Percy Walkus Hatchery) in Rivers Inlet, B.C., which involves two primary tasks: hatchery operations and evaluation, and delivery of annual salmon assessment and monitoring projects. The hatchery is owned and staffed by the Wuikinuxv Nation who is responsible for day-to-day operations while the Hatchery Management Committee (HMC) oversees the defining annual priorities, preparing annual hatchery budgets and working with DFO where required.

**Other** – The Foundation engages in a variety of other activities including monitoring projects, training programs, and other salmon related projects. Full details can be found on the Foundation's website at [www.psf.ca](http://www.psf.ca).

**Provincial Portfolio** – In April 2019, the Foundation received a \$5,000,000 donation from the British Columbia Provincial Government in support of salmon enhancement and habitat restoration. These deferred contributions provide support for various programmatic activities within the Foundation. Upon approval from the Board of Director's deferred contributions are either transferred out to other programmatic areas or expensed within the Provincial Portfolio.

**Stewardship Community Bursary** – The Pacific Salmon Foundation Stewardship Community Bursaries are awarded to students in British Columbia and the Yukon who are dedicated to the conservation and restoration of Pacific salmon and their habitat.

**PACIFIC SALMON FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)  
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021

## 10. COMMITMENTS

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

2023	232,678
2024	281,303
2025	281,303
2026	282,878
2027	286,028
2028	262,192
	<b>1,626,382</b>

## 11. CORPORATE AND INDIVIDUAL CONTRIBUTIONS

Corporate and individual contributions consist of the following:

	2022	2021
Corporations	1,300,341	1,546,679
Pacific Salmon Endowment Fund Society (Note 13)	2,997,980	1,303,091
Non-governmental organizations	937,875	1,146,681
Individuals	248,562	445,482
	<b>5,484,758</b>	<b>4,441,933</b>

## 12. GOVERNMENT CONTRIBUTIONS

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

	2022	2021
Fisheries and Oceans Canada BC Salmon Restoration & Innovation Fund [i]	3,839,471	3,381,127
Fisheries and Oceans Canada Community Salmon Program contribution agreement [ii]	1,221,072	1,036,811
Environment and Climate Change Canada Grants [iii]	1,034,156	254,760
Province of British Columbia [iv]	711,217	320,138
Other Federal, Provincial & Municipal Governments	6,300	501,727
	<b>6,812,217</b>	<b>5,494,564</b>

[i] Beginning in September 2019 and continuing throughout 2022 the Foundation entered into multi-year contribution agreements with Fisheries and Oceans Canada including support for the high seas expedition, a hatchery effectiveness review, development of machine learning algorithms for automated stock identification, a bottlenecks study focused on in-river stock enumeration, further development of the Pacific Salmon Explorer, and climate adaptability for salmon. A summary of expenses and administrative fees follows:

BCSRIF Agreement	FY 2022			FY 2021		
	Expenses	Admin Fees	Total	Expenses	Admin Fees	Total
Pacific Salmon Explorer	1,241,518	124,045	1,365,563	312,839	31,284	344,123
Climate Adaptation	1,136,292	93,575	1,229,867	771,373	55,982	827,355
Bottlenecks	766,653	38,822	805,475	1,741,607	83,041	1,824,648
Hatchery Effectiveness	299,238	27,889	327,128	366,029	37,277	403,306
High Seas Expedition	308,000	-	308,000	-	-	-
Machine Learning	87,770	4,891	92,661	189,279	11,254	200,533
<b>Total</b>	<b>3,839,471</b>	<b>289,222</b>	<b>4,128,693</b>	<b>3,381,127</b>	<b>218,838</b>	<b>3,599,965</b>

# PACIFIC SALMON FOUNDATION NOTES TO FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)  
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021

## 12. GOVERNMENT CONTRIBUTIONS *(continued)*

- [ii] 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, that is required by all recreational and commercial fishers that wish to retain salmon, fishing in tidal waters. The contribution agreement provides for up to 15% 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. Effective April 1, 2020, the agreement was again renewed for an additional five years.
- [iii] Beginning in 2021 and continuing throughout 2022 the Foundation entered into three contribution agreements with Environment and Climate Change Canada including support for compiling and visualizing data to support planning and implementation of informed and effective restoration projects, a breach of the Fraser River estuary north arm, and strengthening adoption of nature-based solutions for climate adaptation and shoreline resilience in British Columbia.
- [iv] In April 2019, the Foundation received a \$5,000,000 donation from the British Columbia Provincial Government in support of salmon enhancement and habitat restoration. The donation stipulates that any monies unused by March 31, 2024, must be returned to the Provincial government.

## 13. PACIFIC SALMON ENDOWMENT FUND SOCIETY

In 1998, the federal government, under its Canadian Fisheries Adjustment and Restructuring plan for the future of Canada's West Coast salmon resource, allocated \$30 million to provide ongoing funding for initiatives to conserve, protect, and restore salmon and their habitat. In 2001 the 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 2019, the federal government donated an additional \$5 million to the Society.

In 2021, the Foundation and the Society entered into a three-year agreement which provides support for capacity, leadership, and development support, and additional funding over three years in support of the Marine Science Program, the Salmon Watersheds Program, and a newly initiated Climate Adaptation Program.

The amount of the overall contribution to the Foundation is reviewed annually and must be approved by the Society's Board of Directors.

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

	2022	2021
Capacity and resource development	1,500,000	1,200,000
Marine Science Program	1,031,734	-
Climate Adaptation Program	390,660	16,147
Other	75,586	45,900
High Seas Expedition	-	30,491
Salmon Watersheds Program	-	10,554
<b>Total revenues included in corporate and individual donations (Note 11)</b>	<b>2,997,980</b>	<b>1,303,092</b>

**PACIFIC SALMON FOUNDATION**  
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## **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 these agreements. The fund balance of Ducks Unlimited Canada as at December 31, 2022 is \$23,029 [2021 - \$23,029]. These funds are not recorded on the statement of financial position as they are not part of the Foundation's assets.

## **15. FINANCIAL INSTRUMENTS RISKS**

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

### **Credit Risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Foundation is exposed to credit risk mainly on its accounts receivables. For accounts 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. However, the Foundation deals with a significant number of donors and various organizations and government agencies which minimizes the concentration of credit risk. The Foundation only extends credit to those organizations and government agencies from whom collection of accounts receivable is reasonably assured.

### **Liquidity Risk**

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. The Foundation's exposure to this risk is mainly dependent on the receipt of funds from its donors and various organizations and government agencies. The Foundation has significant unrestricted net assets and deferred revenues which helps mitigate liquidity risk.

### **Currency Risk**

Currency risk arises from the fluctuations of foreign exchange rates and the degree of volatility of these rates. 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. The Foundation does not use any hedge or futures instruments to manage this risk.

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to other significant risks arising from these financial instruments.

## **16. INTERNALLY RESTRICTED NET ASSETS**

The Foundation has adopted an operating reserve policy to set aside and maintain a portion of unrestricted net assets to be used for specific ongoing projects and programs upon approval of the Board. Included in net assets is an internally restricted operating reserve of \$61,759 (2021 - \$114,259).



**PACIFIC SALMON FOUNDATION**  
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**17. CLASSIFICATION OF EXPENSES**

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

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

**18. COMPARATIVE FIGURES**

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