

**Vancouver Botanical Gardens
Association
Financial Statements
For the year ended December 31, 2017**

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Financial Statements
For the year ended December 31, 2017**

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Independent Auditor's Report

To the Directors of Vancouver Botanical Gardens Association

We have audited the accompanying financial statements of Vancouver Botanical Gardens Association, which comprise the Statement of Financial Position as at December 31, 2017 and the Statements of Operations and Changes in Net Assets and Cash Flows 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 controls. 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 qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, Vancouver Botanical Gardens Association derives revenue from donations and fundraising activities 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 the entity. Therefore, we were unable to determine whether any adjustments might be necessary to donations and fundraising revenues, excess of receipts over expenditures, cash flows from operations for the years ended December 31, 2017 and 2016, current assets as at December 31, 2017 and 2016 and net assets as at January 1 and December 31 for both the 2017 and 2016 years. Our audit opinion on the financial statements for the year ended December 31, 2016 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Vancouver Botanical Gardens Association as at December 31, 2017 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Chartered Professional Accountants

Vancouver, British Columbia
March 21, 2018

Vancouver Botanical Gardens Association
Statement of Financial Position

December 31	2017	2016
Assets (Note 16)		
Operating Fund		
Cash (Note 2)	\$ 31,284	\$ 390,995
Short-term investments (Note 3)	562,590	249,951
Accounts receivable (Note 13)	30,545	26,866
Prepaid expenses	37,101	33,115
Restricted cash (Note 5)	203,466	131,483
Property and equipment (Note 4)	6,153	7,692
	871,139	840,102
Capital Campaign Fund		
Restricted cash (Note 5)	-	22,863
Restricted investment (Note 3 and 6)	22,573	-
	22,573	22,863
Capital General Fund		
Restricted cash (Note 5)	-	37,558
Restricted investments (Note 3 and 6)	30,952	-
Property and equipment (Note 4)	53,199	72,632
	84,151	110,190
Garden Collections Funds		
Restricted cash (Note 5)	-	681,912
Restricted investments (Note 3 and 6)	765,979	-
Property and equipment (Note 4)	361,382	362,149
	1,127,361	1,044,061
Endowment Holding Fund		
Restricted cash (Note 5)	-	44,054
Restricted investments (Note 3 and 6)	44,054	-
Restricted donation (Note 7)	140,000	140,000
	184,054	184,054
	\$ 2,289,278	\$ 2,201,270
Liabilities		
Operating Fund		
Accounts payable and accrued liabilities (Note 13)	\$ 40,360	\$ 220,637
Obligation under capital lease	3,121	5,999
Deferred revenue (Note 8)	278,283	251,252
Deferred contributions (Note 8)	203,466	131,483
	525,230	609,371
Net Assets (Note 10)		
Operating fund	345,909	230,731
Capital campaign fund	22,573	22,863
Capital general fund	84,151	110,190
Garden collections funds	1,127,361	1,044,061
Endowment holding fund	184,054	184,054
	1,764,048	1,591,899
	\$ 2,289,278	\$ 2,201,270

Approved on behalf of the Board:

_____ Director

_____ Director

Vancouver Botanical Gardens Association
Statement of Operations and Changes in Net Assets

For the year ended December 31

	Operating Fund	Capital Campaign Fund	Capital General Fund	Garden Collections Funds	Endowment Holding Fund	Total 2017	Total 2016
Receipts							
Bequests and legacies	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 277,992
Membership dues	352,478	-	-	-	-	352,478	351,888
Vancouver Foundation (Note 11)	195,848	-	-	17,122	-	212,970	207,246
Donations (Note 7)	197,142	12,500	-	25,601	-	235,243	189,419
Fund-raising events, net (Note 9)	52,929	-	-	-	-	52,929	53,046
Course fees	181,705	-	-	-	-	181,705	173,866
Park Board revenue sharing	31,641	-	-	-	-	31,641	50,759
Interest	752	74	356	3,377	595	5,154	2,883
Miscellaneous	25,542	-	-	192	-	25,734	19,289
	1,338,037	12,574	356	46,292	595	1,397,854	1,326,388
Expenditures							
Education and library (Note 12)	359,105	-	-	-	-	359,105	279,402
Marketing (Note 12)	23,180	-	-	-	-	23,180	16,871
Administration (Note 12)	326,537	-	-	-	-	326,537	295,996
Fundraising (Note 12)	149,666	-	-	-	-	149,666	124,243
Volunteer services (Note 12)	80,573	-	-	-	-	80,573	130,577
Communication services (Note 12)	27,060	-	-	-	-	27,060	7,720
Gardens enhancement (Note 12)	-	-	2,253	97,540	-	99,793	40,920
Membership and supplies (Note 12)	115,795	-	-	-	-	115,795	100,643
Contributions to Vancouver Park Board (Note 14)	-	12,864	-	-	-	12,864	173,760
Amortization	1,538	-	24,142	5,452	-	31,132	44,234
	1,083,454	12,864	26,395	102,992	-	1,225,705	1,214,366
Excess (deficiency) of receipts over expenditures	254,583	(290)	(26,039)	(56,700)	595	172,149	112,022
Interfund transfers:							
Endowment to operating	595	-	-	-	(595)	-	-
Operating to garden collections	(140,000)	-	-	140,000	-	-	-
Net assets, beginning of year	230,731	22,863	110,190	1,044,061	184,054	1,591,899	1,479,877
Net assets, end of year	\$ 345,909	\$ 22,573	\$ 84,151	\$1,127,361	\$ 184,054	\$ 1,764,048	\$1,591,899

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

Vancouver Botanical Gardens Association
Statement of Cash Flows

For the year ended December 31	2017	2016
Cash flows provided by (used in)		
Operating activities		
Excess of receipts over expenditures	\$ 172,149	\$ 112,022
Add items not involving cash:		
Amortization	31,132	44,234
Unrealized gain on short-term investments	(5,057)	(1,857)
	<u>198,224</u>	<u>154,399</u>
Changes in non-cash working capital balance		
Prepaid expenses	(3,986)	(4,685)
Accounts receivable	(3,679)	41,551
Accounts payable and accrued liabilities	(180,277)	139,148
Capital lease obligations	(2,878)	(2,653)
Deferred revenue	27,031	8,745
Deferred contributions	71,983	18,667
	<u>(91,806)</u>	<u>200,773</u>
	<u>106,418</u>	<u>355,172</u>
Investing activities		
Purchase of property and equipment	(9,393)	(3,324)
Purchase of investments	(1,171,140)	-
Transfers from (to) restricted cash	714,403	(109,678)
	<u>(466,130)</u>	<u>(113,002)</u>
Increase (decrease) in cash during the year	(359,711)	242,170
Cash beginning of year	390,995	148,825
Cash end of year	\$ 31,284	\$ 390,995

Vancouver Botanical Gardens Association

Notes to the Financial Statements

December 31, 2017

1. Significant Accounting Policies

(a) Purpose

Vancouver Botanical Gardens Association (the "Association") was incorporated under the Society Act (British Columbia) and was transitioned under the Societies Act (BC) ("New Act"), effective March 3, 2017.

The objective of the Association is to enhance and preserve VanDusen Botanical Garden (the "Garden") and Bloedel Conservatory (the "Conservatory"), to provide promotional and educational programs related to botanical and environmental awareness, and to raise funds and provide volunteers to assist with the development of the Garden and Conservatory and to support the Association's endeavors.

The Association is a charitable organization registered under the Income Tax Act of Canada, and as such is exempt from income taxes and is authorized to issue donation receipts for income tax purposes.

The Association operates pursuant to a joint operating agreement dated June 1, 1994 (to which was added Appendix B effective January 1, 2013 to include the Conservatory), with the City of Vancouver - Board of Parks and Recreation (the "Park Board"), the registered owner of the Garden and the Conservatory, which outlines the responsibilities of the parties with respect to the Garden and Conservatory, and the sharing of operating revenues and expenses. The agreement is in effect on a year by year basis, and is renewed automatically for an additional year unless terminated by either party, requiring notice of one year.

(b) Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations ("ASNPO").

(c) Short-term investments

Short-term investments include liquid investments with terms to maturity of greater than three months when purchased. Short-term investments are carried at estimated market value at the balance sheet date.

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2017

1. Significant Accounting Policies - Continued

(d) Property and Equipment

Assets classified as property and equipment are recorded as assets at the acquisition cost amount. Amortization is recorded at the following rates:

Office equipment	20%	- declining balance
Office equipment held under capital lease	20%	- declining balance
Building improvements	20%	- declining balance
Solarium	20%	- declining balance
Garden equipment	20%	- declining balance
Computer equipment	30%	- declining balance
Computer software	30%	- declining balance
Library digitization	3 year	- straight line
Website development	2 year	- straight line

Artwork has an indefinite life and is not subject to amortization. When a property and equipment asset is considered to no longer have long-term service potential to the Association, the excess of the net carrying amount over any residual value is recognized as an expense in the statement of operations in the relevant fund.

(e) Restricted Cash and Investments

Cash and equivalents and market investments held by the Association, which are not available for general operating purposes are presented as restricted cash or restricted investments and reported at estimated fair value.

(f) Leases

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incidental to the ownership of property is classified as a capital lease. At the inception of a capital lease, an asset and obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of the lease. Assets recorded under capital leases are amortized on a straight-line basis over the term of the lease that is the estimated useful lives of the assets. All other leases are accounted for as operating leases.

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2017

1. Significant Accounting Policies - Continued

(g) Revenue Recognition

Revenue from membership dues paid in advance is initially recorded as deferred revenue, and is recognized as revenue over the membership period, determined evenly on a month by month basis.

Income received from the Vancouver Foundation is recognized when received, and allocated to the Operating Fund and Garden Collections Fund as appropriate (Note 11).

Donations, grants and bequests are recorded on a cash basis. Pledges are not recorded as revenue as they are not legally enforceable claims.

Amounts from fundraising events are recorded as revenue on a net basis in the operating fund in the period in which the event occurs.

Course fees are recorded as revenue when the course has been delivered and fees received unless restricted for specific courses in which case they are recorded as deferred revenue and recognized as revenue in the period that the related expenses are incurred.

Interest and investment income is recognized as revenue in the fund that holds the investment on which the investment income was earned.

Income received from the Park Board is recognized when received, and allocated to the Operating Fund and Capital General Fund as appropriate.

The Association uses the restricted fund method for accounting for contributions including donations, grants and bequests, described as follows:

- i) Unrestricted contributions are recognized as revenue of the operating fund.
- ii) Restricted contributions are recognized as contributions to the appropriate restricted fund.
- iii) Restricted contributions related to program delivery are recognized as contributions to the Operating Fund. These contributions are initially recorded as deferred contributions and included as revenue in specific future periods, in cases when the related operating expenses are incurred in subsequent years.

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2017

1. Significant Accounting Policies - Continued

(h) Fund Accounting

The Association segregates its net assets into specific funds as follows:

i) Operating Fund

The Operating Fund reports the assets, liabilities, receipts and expenses of the Association's program delivery and administrative activities. This fund represents resources, the use of which is generally not subject to special restrictions.

ii) Capital Campaign Fund (Restricted)

The Capital Campaign Fund reports the assets, liabilities, receipts and expenses of the Association's major capital campaign project, the objective of which is restricted to enhancement and expansion of the Garden and Conservatory and its infrastructure, to be undertaken in association with the Park Board, which owns the Garden and Conservatory. Capital expenditures of the fund are considered to be contributions to the Park Board and are reported as expenditures in the Statement of Operations.

iii) Capital General Fund (Restricted)

The Capital General Fund reports the assets, liabilities, receipts and expenses of the funds of the Association which are designated for general capital expenditures and projects.

iv) Garden Collections Funds (Restricted)

The Garden Collections Funds reports assets, liabilities receipts and expenses restricted to the Association's gardens collection acquisitions and activities. During 2009, the Board of Directors authorized an expansion of the scope of the fund to include plant and tree acquisitions, tree maintenance, plant documentation and such other purposes as may be approved by the Board.

v) Endowment Holding Fund (Restricted)

The Endowment Holding Fund reports assets, liabilities receipts and expenses related to the amounts contributed which are to be held as endowments. All income earned from the Endowment Holding fund is transferred to the Operating Fund unless the donor or the Association specify otherwise.

Vancouver Botanical Gardens Association Notes to the Financial Statements

December 31, 2017

1. Significant Accounting Policies - Continued

(i) Donated Services and Assets

The Association depends upon donated services for various activities, including volunteer time. The value of donated services is not recognized in these financial statements, since accurate fair values cannot reasonably be determined.

The Association occasionally receives donated assets. Donated assets are recorded at the estimated fair market value in cases in which the value can be reasonably estimated.

(j) Use of Estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Significant areas requiring the use of management estimates include the estimated useful life of capital assets, valuation of accounts receivable and accrued liabilities. Although these estimates are based on management's knowledge of current events and actions the Association may undertake in the future, actual results may differ from such estimates.

(k) Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains or losses reported in operations, other than financial instruments related to endowment holding fund. In addition, all bonds and guaranteed investments certificates have been designated to be in the fair value category, with gains and losses reported in operations, other than financial instruments related to the Endowment Holding Fund. Changes in fair value of financial instruments related to the Endowment Holding Fund are recorded directly in net assets. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2017

2. Cash

The Association's cash is held in multiple Canadian chartered banks and earns interest at the current prevailing rates for operating and savings accounts.

3. Short-term Investments

The short-term investments earn fixed income and are readily convertible to cash and as such are current investments with a balance of \$562,591 at December 31, 2017 (2016 - \$249,951).

4. Property and Equipment

Included in the Operating Fund is the following property and equipment:

	2017		2016	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Library digitization	\$ 29,238	\$ 29,238	\$ -	\$ -
Office equipment under capital lease	13,354	7,201	6,153	7,692
	\$ 42,592	\$ 36,439	\$ 6,153	\$ 7,692

Included in the Capital General Fund is the following property and equipment:

	2017		2016	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment	\$ 14,536	\$ 7,361	\$ 7,175	\$ 8,334
Building improvements	6,042	3,815	2,227	2,783
Gardens equipment	54,073	31,287	22,786	28,483
Computer equipment	44,343	33,493	10,850	10,467
Computer software	31,325	21,164	10,161	14,516
Website development	32,195	32,195	-	8,049
	\$ 182,514	\$ 129,315	\$ 53,199	\$ 72,632

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2017

4. Property and Equipment - Continued

Included in the Garden Collections Funds are the following property and equipment:

	2017		2016	
	Accumulated Cost	Amortization	Net Book Value	Net Book Value
Office equipment	\$ 11,647	\$ 3,420	\$ 8,227	\$ 5,012
Building improvements	12,393	5,255	7,138	8,923
Computer software	10,324	9,818	506	723
Solarium	21,480	13,562	7,918	9,898
Art work	337,593	-	337,593	337,593
	\$ 393,437	\$ 32,055	\$ 361,382	\$ 362,149

5. Restricted Cash

Restricted cash in the funds of the Association are allocated as follows:

	2017		2016	
Operating Fund	\$ 203,466	\$	131,483	\$
Capital Campaign Fund	-	-	22,863	-
Capital General Fund	-	-	37,558	-
Garden Collections Funds	-	-	681,912	-
Endowment Holding Fund	-	-	44,054	-
	\$ 203,466	\$	917,870	\$

6. Restricted Investments

	2017		2016	
Capital Campaign Fund	\$ 22,573	\$	-	-
Capital General Fund	30,952	-	-	-
Garden Collections Funds	765,979	-	-	-
Endowment Holding Fund	44,054	-	-	-
	\$ 863,558	\$	-	-

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2017

7. Restricted Donation

In 2013, the Association established an endowment fund (the "Fund") in the amount of \$140,000 in accordance with a deed of gift agreement (the "Agreement") with the Vancouver Foundation. The Agreement allows the Association to encroach on the capital of the Fund under the following conditions:

- i) no encroachment on the capital of the Fund shall be made unless it has been requested in writing by the Association;
- ii) no encroachment on the capital of the Fund shall be made until at least 5 years after the Fund has been established;
- iii) any request from the Association for an encroachment on the capital of the Fund must be received by Vancouver Foundation at least one year prior to the encroachment;
- iv) no encroachment upon the capital of the Fund shall be made unless the Association is a qualified donee as defined in the Income Tax Act at the time of the encroachment.

8. Deferred Revenue and Deferred Contributions

	Deferred Contributions	Deferred Memberships	Gift Certificates & Others	Total
December 31, 2015	\$ 112,816	\$ 219,054	\$ 23,453	\$ 355,323
Funds received	48,186	356,265	68,809	473,260
Amounts recognized as revenue	(29,519)	(353,022)	(63,307)	(445,848)
December 31, 2016	131,483	222,297	28,955	382,735
Funds received	130,323	368,562	115,675	614,560
Amounts recognized as revenue	(58,340)	(352,478)	(104,728)	(515,546)
December 31, 2017	<u>\$ 203,466</u>	<u>\$ 238,381</u>	<u>\$ 39,902</u>	<u>\$ 481,749</u>

Deferred revenue and deferred contributions consist of grants and other contributions received that are restricted for specific programs, memberships and other amounts, which consist of gift certificates and education fees.

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2017

9. Fund-Raising Events

An analysis of gross operating receipts and expenditures for fund-raising events of the Association is as follows:

	2017		2016	
	Gross Revenues	Gross Expenditures	Net Revenues	Net Revenues
Plant, manure, and compost sale	\$ 145,859	\$ 92,930	\$ 52,929	\$ 53,046
	\$ 145,859	\$ 92,930	\$ 52,929	\$ 53,046

10. Externally and Internally Restricted Net Assets

Externally restricted net assets are those subject to restrictions imposed by contributors and therefore not available for use by the Association other than for specified purposes. Internally restricted net assets may be made available for other purposes, as the internal restrictions imposed on the net assets may be removed at the discretion of the Directors of the Association. An analysis at December 31, 2017 is as follows:

	Operating Fund	Capital Campaign Fund	Capital General Fund	Garden Collections Funds	Endowment Holding Fund	Total
Externally restricted	\$ 203,466	\$ 12,500	\$ 1,096	\$ 727,202	\$ 159,625	\$ 1,103,889
Internally restricted	-	10,073	83,055	400,159	24,429	517,716
Unrestricted	142,443	-	-	-	-	142,443
	\$ 345,909	\$ 22,573	\$ 84,151	\$ 1,127,361	\$ 184,054	\$ 1,764,048

Vancouver Botanical Gardens Association Notes to the Financial Statements

December 31, 2017

11. Vancouver Foundation Funds

The Vancouver Foundation holds certain funds wholly or partially for the benefit of the Association. The Vancouver Foundation periodically disburses funds at its discretion to the Association, typically from income and on a quarterly basis, which are used for enhancement of the Association and for other activities beneficial to the Association.

12. Salaries and Wages

For the year ended December 31, 2017 included in various expenditure categories on the Statement of Operations are wages and benefits totaling \$709,306 (2016 - \$690,946).

13. Amounts Due to and From the Park Board

At December 31, 2017, the Park Board owed an amount of \$29,786 (2016 - \$26,000) to the Association, which is included in accounts receivable. At December 31, 2017, the Association also owed an amount of \$nil (2016 - \$127,908) to the Park Board, which is included in accounts payable and accrued liabilities, service and maintenance fees, and contributions to the Park Board described in Note 14.

14. Contributions to the Park Board

The Association completed a Memorandum of Agreement ("MOA") dated May 6, 2010 with the Park Board related to the construction of a new visitor centre at the Garden.

Pursuant to the agreement, the Association is obliged to pay the Park Board funds in its Capital Campaign Fund on a schedule generally outlined as follows:

- (a) \$300,000 when the construction of the visitor centre has commenced;
- (b) 45% of the Capital Campaign Fund when the visitor centre is 50% complete; and
- (c) the balance of the Capital Campaign Fund 30 days after the completion of the visitors centre.

During the year ended December 31, 2017, the Association paid \$12,864 (2016 - \$173,760) to the Park Board in relation to construction of the visitor centre. From inception, the Association has paid \$4,208,396 to the Park Board including contributions for the Bentall Garden. As at December 31, 2017, the Association has \$12,574 (2016 - \$12,863) of funds available for donation to the Park Board. In addition, the Association has outstanding pledges of \$12,500 (2016 - \$12,500) which will be donated to the Park Board upon receipt.

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2017

15. Financial Instruments and Risk Management

The Association through its financial assets and liabilities is exposed to various risks. The following analysis provides a measurement of those risks at December 31, 2017 and 2016.

(a) Credit and Market Risk

Credit risk is the risk that the Association will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Association to significant concentrations of credit risk consist primarily of cash, short-term investments, and receivables.

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market. The Association limits its exposure to credit risk by placing its cash and short-term investments with high credit quality financial institutions and corporations in accordance with investment policies adopted by the Board.

(b) Capital Risk

The Association considers its capital to be its net assets. The Association's objectives when managing its capital are to safeguard its ability to continue as a going concern so it can continue to enhance and preserve the Garden and Conservatory. Annual budgets are developed and monitored to ensure the organization's capital is maintained at an appropriate level.

16. Capital Disclosures

The Association maintains net assets held in restricted funds, which are subject to external restrictions. These funds are generally invested in cash or fixed income financial instruments, as described in Notes 5 and 6.

17. Commitments

The Association has also entered into a postage machine lease expiring December 2021 and is required to pay \$2,107 per annum for the next 4 years.

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2017

18. Remuneration of Directors, Employees and Contractors

By March 3, 2017, the Association had fully transitioned to Societies Act (BC) (“New Act”).

Under the requirements of the New Act the Association must disclose the total remuneration paid to the Directors, for either being a director or for acting in another capacity, as well as the total number of employees or contractors with annual remuneration equal to or greater than \$75,000 and the aggregate remuneration of those employees/contractors. During the years ended December 31, 2017 and December 31, 2016 there was no remuneration paid to the Directors of the Association. A total of 1 (2016 - 2) employees/contractors received remuneration in excess of \$75,000 which resulted in an aggregate expenditure of \$79,885 (2016 - \$175,242).