

**Vancouver Botanical Gardens  
Association  
Financial Statements  
For the year ended December 31, 2018**

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Financial Statements  
For the year ended December 31, 2018**

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## Independent Auditor's Report

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**To the Members of  
Vancouver Botanical Gardens Association**

### Qualified Opinion

We have audited the accompanying financial statements of Vancouver Botanical Gardens Association, which comprise the Statement of Financial Position as at December 31, 2018 and the Statements of Operations and Changes in Net Assets and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for 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 revenue over expenses, cash flows from operations for the years ended December 31, 2018 and 2017, current assets as at December 31, 2018 and 2017 and net assets as at January 1 and December 31 for both the 2018 and 2017 years. Our audit opinion on the financial statements for the year ended December 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### 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 Accounting Standards for Not-For-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association'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 Association, to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing Association's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally-accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally-accepted auditing standards we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. But not for the purpose of expressing an opinion on the effectiveness of Association'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 Association'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 Association 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**


As required by the Societies Act of 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.

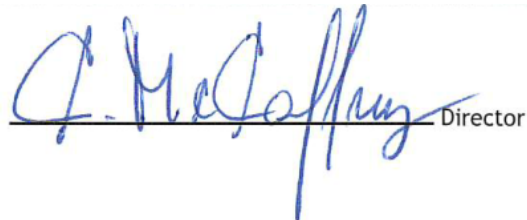
Chartered Professional Accountants  
Vancouver, British Columbia  
March 20, 2019

**Vancouver Botanical Gardens Association**  
**Statement of Financial Position**

December 31	2018	2017
<b>Assets (Schedule)</b>		
<b>Current</b>		
Cash (Note 2)	\$ 447,270	\$ 31,284
Short-term investments (Note 3)	475,648	562,590
Accounts receivable (Note 12)	39,340	30,545
Prepaid expenses	34,130	37,101
	<u>996,388</u>	<u>661,520</u>
<b>Non-current</b>		
Restricted cash	246,307	203,466
Restricted investments (Note 5)	1,085,398	863,558
Restricted donation (Note 6)	140,000	140,000
Tangible capital assets (Note 4)	412,964	420,734
	<u>1,884,669</u>	<u>1,627,758</u>
<b>Total Assets</b>	<b>2,881,057</b>	<b>2,289,278</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 45,386	\$ 40,360
Deferred revenue (Note 7)	324,820	278,283
	<u>370,206</u>	<u>318,643</u>
<b>Non-current</b>		
Obligation under capital lease	11,325	3,121
Deferred contributions (Note 7)	246,307	203,466
	<u>257,632</u>	<u>206,587</u>
<b>Total Liabilities</b>	<b>627,838</b>	<b>525,230</b>
<b>Net Assets (Note 9)</b>		
Operating fund	626,181	345,909
Capital campaign fund	10,210	22,573
Capital general fund	136,088	84,151
Garden collections funds	1,294,186	1,127,361
Endowment holding fund	184,054	184,054
Sustainability fund	2,500	-
	<u>2,253,219</u>	<u>1,764,048</u>
	<b>\$ 2,881,057</b>	<b>\$ 2,289,278</b>

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	Sustainability Fund	Total 2018	Total 2017
<b>Revenue</b>								
Bequests and legacies	\$ 523,620	\$ -	\$ -	\$ 123,851	\$ -	\$ -	\$ 647,471	\$ 300,000
Membership dues	371,814	-	-	-	-	-	371,814	352,478
Vancouver Foundation (Note 10)	206,885	-	-	17,996	-	-	224,881	212,970
Donations	226,757	-	2,026	19,178	-	1,500	249,461	235,243
Fund-raising events, net (Note 8)	57,729	-	-	-	-	-	57,729	52,929
Course fees	235,248	-	-	-	-	-	235,248	181,705
Park Board revenue sharing	34,680	-	-	-	-	-	34,680	31,641
Interest	16,509	-	-	-	-	-	16,509	5,154
Miscellaneous	8,924	-	-	-	-	1,000	9,924	25,734
	<b>1,682,166</b>	<b>-</b>	<b>2,026</b>	<b>161,025</b>	<b>-</b>	<b>2,500</b>	<b>1,847,717</b>	<b>1,397,854</b>
<b>Expenses</b>								
Education and library (Note 11)	435,238	-	-	-	-	-	435,238	359,105
Marketing (Note 11)	7,618	-	-	-	-	-	7,618	23,180
Administration (Note 11)	351,747	-	-	-	-	-	351,747	326,537
Fundraising (Note 11)	159,642	-	-	-	-	-	159,642	149,666
Volunteer services (Note 11)	106,988	-	-	-	-	-	106,988	80,573
Communication services (Note 11)	31,478	-	-	-	-	-	31,478	27,060
Gardens enhancement (Note 11)	-	-	5,922	100,196	-	-	106,118	99,793
Membership and supplies (Note 11)	128,034	-	-	-	-	-	128,034	115,795
Contributions to Vancouver Park Board (Note 13)	-	12,574	-	-	-	-	12,574	12,864
Amortization	616	-	13,953	4,540	-	-	19,109	31,132
	<b>1,221,361</b>	<b>12,574</b>	<b>19,875</b>	<b>104,736</b>	<b>-</b>	<b>-</b>	<b>1,358,546</b>	<b>1,225,705</b>
Excess (deficiency) of revenue over expenses	460,805	(12,574)	(17,849)	56,289	-	2,500	489,171	172,149
<b>Interfund transfers:</b>								
Operating to capital general	(69,786)	-	69,786	-	-	-	-	-
Operating to capital campaign	(211)	211	-	-	-	-	-	-
Operating to garden collections	(110,536)	-	-	110,536	-	-	-	-
<b>Net assets, beginning of year</b>	<b>345,909</b>	<b>22,573</b>	<b>84,151</b>	<b>1,127,361</b>	<b>184,054</b>	<b>-</b>	<b>1,764,048</b>	<b>1,591,899</b>
<b>Net assets, end of year (Note 9)</b>	<b>\$ 626,181</b>	<b>\$ 10,210</b>	<b>\$ 136,088</b>	<b>\$ 1,294,186</b>	<b>\$ 184,054</b>	<b>\$ 2,500</b>	<b>\$ 2,253,219</b>	<b>\$ 1,764,048</b>

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**

**2018**

**2017**

**Cash flows provided by (used in)**

**Operating activities**

Excess of revenue over expenses	\$ 489,171	\$ 172,149
Add items not involving cash:		
Amortization	19,109	31,132
Unrealized gain on short-term investments	(13,630)	(5,057)
Loss on disposal	3,945	-
	<u>498,595</u>	<u>198,224</u>
Changes in non-cash working capital balance		
Prepaid expenses	2,971	(3,986)
Accounts receivable	(8,795)	(3,679)
Accounts payable and accrued liabilities	5,026	(180,277)
Deferred revenue	46,537	27,031
Deferred contributions	42,841	71,983
	<u>88,580</u>	<u>(88,928)</u>
	<u>587,175</u>	<u>109,296</u>

**Investing activities**

Purchase of tangible capital assets	(4,257)	(9,393)
Purchase of investments	(121,268)	(1,171,140)
Transfers from (to) restricted cash	(42,841)	714,404
	<u>(168,366)</u>	<u>(466,129)</u>

**Financing activity**

Capital lease repayments	(2,823)	(2,878)
<b>Increase (decrease) in cash during the year</b>	<b>415,986</b>	<b>(359,711)</b>
Cash beginning of year	<u>31,284</u>	<u>390,995</u>
<b>Cash end of year</b>	<b>\$ 447,270</b>	<b>\$ 31,284</b>

**Non cash items:**

Acquisition of tangible capital assets under capital lease	\$ (12,619)	\$ -
Forgiveness of capital lease obligation	1,592	-

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# Vancouver Botanical Gardens Association

## Notes to the Financial Statements

December 31, 2018

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### 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 endeavours.

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 readily convertible to cash but with terms to maturity of greater than three months when purchased. Short-term investments are carried at fair value at the balance sheet date.



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**Vancouver Botanical Gardens Association**  
**Notes to the Financial Statements**

**December 31, 2018**

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**1. Significant accounting policies - continued**

(d) Tangible capital assets

Assets classified as tangible capital assets 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		straight line over lease term
Building improvements	20%	- declining balance
Solarium	20%	- declining balance
Garden equipment	20%	- declining balance
Computer equipment	30%	- declining balance
Computer software	30%	- declining balance

Artwork has an indefinite life and is not subject to amortization. When an 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 marketable investments held by the Association, which are not available for general operating purposes due to restrictions imposed by external parties or the Board are presented as restricted cash or restricted investments and reported at fair value at the reporting date.

(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, the asset is recorded at an amount equal to the lesser of the present value of the minimum lease payments (the initial lease liability) 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.

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**Vancouver Botanical Gardens Association**  
**Notes to the Financial Statements**

**December 31, 2018**

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**1. Significant accounting policies - continued**

(g) Revenue recognition

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 initially recorded in the Operating Fund as deferred contributions and included as revenue when the related operating expenses are incurred in subsequent years.

Revenue from membership dues paid in advance is initially recorded as deferred revenue, and is recognized as revenue over the membership period, recorded 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 upon receipt. Pledges are not recorded as revenue until received 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 provided the Association does not bear the risk related to the event.

Course fees are recorded as revenue when the course has been delivered and fees received.

Unrestricted interest and investment income is initially recognized as revenue in the Operating Fund and subsequently transferred on a pro-rata basis to the funds that hold the investment on which the investment income was earned. Investment income that is restricted by external parties is recorded in the Fund to which the restriction relates.

Income received from the Park Board is recognized when received and allocated to the Operating Fund and Capital General Fund as appropriate depending on restrictions imposed by the Park Board.

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**Vancouver Botanical Gardens Association**  
**Notes to the Financial Statements**

**December 31, 2018**

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**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, revenue 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, revenue 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. As the capital assets are controlled by the Park Board, capital expenditures of the fund are considered to be contributions to the Park Board and are reported as expenses in the Statement of Operations.

iii) Capital General Fund (Restricted)

The Capital General Fund reports the assets, liabilities, revenue 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 revenue 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 revenue and expenses related to the amounts contributed which are to be held as endowments. All income earned from the Endowment Holding fund is recorded in the Operating Fund unless the donor specifies otherwise.

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**Vancouver Botanical Gardens Association**  
**Notes to the Financial Statements**

**December 31, 2018**

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**1. Significant accounting policies - continued**

vi) Sustainability Fund (Restricted)

The Sustainability Fund reports the assets, liabilities, revenue and expenses of the funds of the Association designated for urgent needs, unexpected expenses and/or emergency repairs to equipment. Disbursements from this fund in excess of \$10,000 will be on recommendation by the Executive Director for approval by the Board of Directors provided they are in accordance with the restrictions.

(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 and the assets would otherwise be purchased.

(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 lives of tangible capital assets, valuation of accounts receivable. 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 on inception. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains or losses reported in the operating fund, 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 the operating fund, 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 as gains and losses in the Statement of Operations of the Endowment Holding Fund. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets recorded at cost or amortized cost 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 cost or amortized cost.

**Vancouver Botanical Gardens Association**  
Notes to the Financial Statements

**December 31, 2018**

**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 with a balance of \$475,648 at December 31, 2018 (2017 - \$562,590) earn fixed income and are readily convertible to cash and as such are classified as current.

**4. Tangible capital assets**

Included in the Operating Fund are the following tangible capital assets:

	2018		2017	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Library digitization	\$ 29,238	\$ 29,238	\$ -	\$ -
Office equipment under capital lease	-	-	-	6,153
	<b>\$ 29,238</b>	<b>\$ 29,238</b>	<b>\$ -</b>	<b>\$ 6,153</b>

Included in the Capital General Fund are the following tangible capital assets:

	2018		2017	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment	\$ 14,535	\$ 8,751	\$ 5,784	\$ 7,175
Office equipment held under capital lease	12,619	1,262	11,357	-
Building improvements	8,068	4,463	3,605	2,227
Gardens equipment	54,073	35,844	18,229	22,786
Computer equipment	45,863	36,541	9,322	10,850
Computer software	63,521	56,408	7,113	10,161
	<b>\$ 198,679</b>	<b>\$ 143,269</b>	<b>\$ 55,410</b>	<b>\$ 53,199</b>

**Vancouver Botanical Gardens Association**  
Notes to the Financial Statements

**December 31, 2018**

**4. Tangible capital assets - continued**

Included in the Garden Collections Funds are the following tangible capital assets:

	<u>2018</u>		<u>2017</u>	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment	\$ 11,647	\$ 4,691	\$ 6,956	\$ 8,227
Building improvements	12,393	6,682	5,711	7,138
Computer equipment	712	107	605	-
Computer software	10,324	9,970	354	506
Solarium	21,480	15,145	6,335	7,918
Art work	337,593	-	337,593	337,593
	<u>\$ 394,149</u>	<u>\$ 36,595</u>	<u>\$ 357,554</u>	<u>\$ 361,382</u>
 Total tangible capital assets	 <u>\$ 622,066</u>	 <u>\$ 209,102</u>	 <u>\$ 412,964</u>	 <u>\$ 420,734</u>

**5. Restricted investments**

	<u>2018</u>		<u>2017</u>	
Capital Campaign Fund	\$ 10,210	\$ 22,573	\$ 10,210	\$ 22,573
Capital General Fund	92,003	30,952	92,003	30,952
Garden Collections Funds	936,631	765,979	936,631	765,979
Endowment Holding Fund	44,054	44,054	44,054	44,054
Sustainability Fund	2,500	-	2,500	-
	<u>\$ 1,085,398</u>	<u>\$ 863,558</u>	<u>\$ 1,085,398</u>	<u>\$ 863,558</u>

**Vancouver Botanical Gardens Association**  
Notes to the Financial Statements

**December 31, 2018**

**6. 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.

**7. Deferred revenue and deferred contributions**

	Deferred Contributions	Deferred Memberships	Gift Certificates & Others	Total
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	203,466	238,381	39,902	481,749
Funds received	128,359	412,090	135,133	675,582
Amounts recognized as revenue	(85,518)	(371,814)	(128,872)	(586,204)
December 31, 2018	\$ 246,307	\$ 278,657	\$ 46,163	\$ 571,127

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, 2018

**8. Fund-raising events**

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

	<b>2018</b>		2017	
	Gross Revenues	Gross Expenses	Net Revenues	Net Revenues
Plant, manure, and compost sale	\$ 151,976	\$ 94,247	\$ 57,729	\$ 52,929
	<b>\$ 151,976</b>	<b>\$ 94,247</b>	<b>\$ 57,729</b>	<b>\$ 52,929</b>

**9. 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, 2018 is as follows:

	Operating Fund	Capital Campaign Fund	Capital General Fund	Garden Collections Funds	Endowment Holding Fund	Sustainability Fund	Total
Externally restricted	\$ -	\$ 210	\$ -	\$ 702,463	\$ 159,625	\$ 2,500	<b>\$ 864,798</b>
Internally restricted	-	10,000	92,003	234,169	24,429	-	<b>360,601</b>
Unrestricted	626,181	-	-	-	-	-	<b>626,181</b>
Invested in capital	-	-	44,085	357,554	-	-	<b>401,639</b>
	<b>\$ 626,181</b>	<b>\$ 10,210</b>	<b>\$ 136,088</b>	<b>\$1,294,186</b>	<b>\$ 184,054</b>	<b>\$ 2,500</b>	<b>\$ 2,253,219</b>



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## Vancouver Botanical Gardens Association Notes to the Financial Statements

December 31, 2018

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### 10. Vancouver Foundation funds

In addition to the Fund described in Note 7, 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. As the Association does not control the underlying investments they are not recorded as assets in the financial statements.

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### 11. Salaries and wages

For the year ended December 31, 2018 included in various expenditure categories on the Statement of Operations are wages and benefits totaling \$910,831 (2017 - \$709,306).

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### 12. Amounts due from the Park Board

At December 31, 2018, the Park Board owed an amount of \$34,680 (2017 - \$29,786) to the Association, which is included in accounts receivable.

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### 13. 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, 2018, the Association paid \$12,574 (2017 - \$12,864) to the Park Board in relation to construction of the visitor centre. From inception, the Association has paid \$4,220,970 to the Park Board including contributions for the Bentall Garden. As at December 31, 2018, the Association has \$211 (2017 - \$12,574) of funds available for donation to the Park Board. In addition, the Association has outstanding pledges of \$12,500 (2017 - \$12,500) which will be donated to the Park Board upon receipt.

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**Vancouver Botanical Gardens Association**  
**Notes to the Financial Statements**

**December 31, 2018**

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**14. 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, 2018. There have been no significant changes in the risks since the prior year.

(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.

(c) Interest rate risk

Interest rate risk represents the potential increases or decreases in fair value or cash flows resulting from fluctuations in interest rates. The investments held by the Association at December 31, 2018 consisted of guaranteed interest certificates bearing a fixed interest rate of 1.18% maturing on July 12, 2019.

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**Vancouver Botanical Gardens Association**  
**Notes to the Financial Statements**

**December 31, 2018**

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**15. Commitments**

The Association has entered into a postage machine lease expiring December 2021 and photocopier lease expiring May 2023 for which it is required to pay \$2,107 and \$2,892 per annum respectively.

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**16. Remuneration of directors, employees and contractors**

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, 2018 and December 31, 2017 there was no remuneration paid to the Directors of the Association. A total of 2 (2017 - 1) employees/contractors received remuneration in excess of \$75,000 which resulted in an aggregate expenditure of \$192,260 (2017 - \$79,885).

**Vancouver Botanical Gardens Association**  
**Schedule of Assets by Fund**

<b>December 31</b>	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
<b>Operating Fund</b>		
Cash	\$ 447,270	\$ 31,284
Short-term investments	475,648	562,590
Accounts receivable	39,340	30,545
Prepaid expenses	34,130	37,101
Restricted cash	246,307	203,466
Tangible capital assets	-	6,153
	<b>1,242,695</b>	<b>871,139</b>
<b>Capital Campaign Fund</b>		
Restricted investment	10,210	22,573
	<b>10,210</b>	<b>22,573</b>
<b>Capital General Fund</b>		
Restricted investments	92,003	30,952
Tangible capital assets	55,410	53,199
	<b>147,413</b>	<b>84,151</b>
<b>Garden Collections Funds</b>		
Restricted investments	936,631	765,979
Tangible capital assets	357,554	361,382
	<b>1,294,185</b>	<b>1,127,361</b>
<b>Endowment Holding Fund</b>		
Restricted investments	44,054	44,054
Restricted donation	140,000	140,000
	<b>184,054</b>	<b>184,054</b>
<b>Sustainability Fund</b>		
Restricted investments	2,500	-
	<b>2,500</b>	<b>-</b>
	<b>\$ 2,881,057</b>	<b>\$ 2,289,278</b>