

Financial Statements of

**SIERRA CLUB OF BRITISH COLUMBIA  
FOUNDATION**

Year ended December 31, 2024

# SIERRA CLUB OF BRITISH COLUMBIA FOUNDATION

## Financial Statements

Year ended December 31, 2024

	<u>Page</u>
Independent Auditor's Report	1
Statement of Financial Position	4
Statement of Operations and Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7



**KPMG LLP**  
PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Canada  
Telephone 604 691 3000  
Fax 604 691 3031

## **INDEPENDENT AUDITOR'S REPORT**

To the Directors of Sierra Club of British Columbia Foundation

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

#### ***Opinion***

We have audited the accompanying financial statements of Sierra Club of British Columbia Foundation (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



*Sierra Club of British Columbia Foundation*

## ***Responsibilities of Management and Those Charged with Governance 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.

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

Those charged with governance are responsible for overseeing the Entity'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 and 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



*Sierra Club of British Columbia Foundation*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure 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 Entity'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 Entity 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 matter that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

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

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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Victoria, Canada  
May 29, 2025

# SIERRA CLUB OF BRITISH COLUMBIA FOUNDATION

## Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 2,180,780	\$ 2,603,267
Accounts receivable	39,660	51,872
Prepaid expenses	33,297	17,772
	<u>2,253,737</u>	<u>2,672,911</u>
Capital assets (note 2)	25,754	7,916
	<u>\$ 2,279,491</u>	<u>\$ 2,680,827</u>

## Liabilities

Current liabilities:		
Accounts payable and accrued liabilities (note 3)	\$ 132,680	\$ 158,617
Deferred revenue (note 4)	800,151	1,000,646
	<u>932,831</u>	<u>1,159,263</u>

## Net Assets

Unrestricted	1,220,180	1,438,584
Internally restricted (note 7)	126,480	82,980
	<u>1,346,660</u>	<u>1,521,564</u>
Commitments (note 8)		
	<u>\$ 2,279,491</u>	<u>\$ 2,680,827</u>

See accompanying notes to financial statements.

Approved by the Board:



Director



Director

# SIERRA CLUB OF BRITISH COLUMBIA FOUNDATION

## Statement of Operations and Changes in Net Assets

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Grants	\$ 1,928,965	\$ 1,613,287
Community Gaming Grant	121,000	125,289
Federal government grants	7,715	63,941
Donations and fundraising	1,003,272	1,079,076
Other income	26,834	16,877
	3,087,786	2,898,470
Expenses:		
Program costs	1,081,942	1,021,628
Salaries and benefits	600,759	613,572
Development and fundraising	329,998	307,247
Administration and office	226,671	135,696
Charitable activities carried out under agency agreements (note 5)	823,399	562,199
Rent and occupancy costs	37,133	33,099
Amortization	17,031	9,676
Professional fees	128,567	127,228
Service charges and interest	17,190	17,314
	3,262,690	2,827,659
Excess (deficiency) of revenue over expenses	(174,904)	70,811
Net assets, beginning of year	1,521,564	1,450,753
Net assets, end of year	\$ 1,346,660	\$ 1,521,564

See accompanying notes to financial statements.

# SIERRA CLUB OF BRITISH COLUMBIA FOUNDATION

## Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ (174,904)	\$ 70,811
Items not involving cash:		
Amortization of capital assets	17,031	9,676
Amortization/recognition of deferred capital contributions	-	(4,289)
Changes in non-cash working capital balances:		
Accounts receivable	12,212	27,051
Prepaid expenses	(15,525)	(151)
Accounts payable and accrued liabilities	(25,937)	38,410
Deferred revenue	(200,495)	100,314
	(387,618)	241,822
Investing activities:		
Purchase of capital assets	(34,869)	-
Redemption of term deposit	-	401,000
	(34,869)	401,000
Increase (decrease) in cash and cash equivalents	(422,487)	642,822
Cash and cash equivalents, beginning of the year	2,603,267	1,960,445
Cash and cash equivalents, end of year	\$ 2,180,780	\$ 2,603,267

See accompanying notes to financial statements.



# SIERRA CLUB OF BRITISH COLUMBIA FOUNDATION

## Notes to Financial Statements

Year ended December 31, 2024

---

The Sierra Club of British Columbia Foundation (the "Foundation") is registered under the Societies Act of British Columbia and is a registered charity under the Income Tax Act. The purpose of the Foundation is to encourage exploration and preservation of the earth's ecosystems; to promote public awareness of natural values; to promote research on natural resource usage and preservation; and to conduct education in order to protect these resources.

### 1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### (a) Fund accounting:

The Foundation previously applied fund accounting and recorded its activities in an Operating Fund and Special Purpose Fund. During the year the Society made the decision to no longer apply fund accounting. The change in accounting policy did not result in and changes to the 2023 comparative information.

#### (b) Revenue recognition:

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are deferred and recognized as revenue in the appropriate fund in the year in which the related expenses are incurred.

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

Restricted contributions for the purchase of capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Donated materials and services are recognized in the financial statements when a fair value can be reasonably established, when the materials and services are used in the normal course of operations and would otherwise have been purchased.

#### (c) Cash and cash equivalents:

Cash and cash equivalents include short-term investments with original maturities of three months or less.

# SIERRA CLUB OF BRITISH COLUMBIA FOUNDATION

## Notes to Financial Statements

Year ended December 31, 2024

---

### 1. Significant accounting policies (continued):

#### (d) Capital assets:

Purchased capital assets are stated at cost. Contributed capital assets are recorded at fair value at the date of contribution.

Rates and the basis of amortization applied to write off the cost less estimated salvage value of capital assets over their estimated lives are as follows:

Asset	Basis
Computer equipment - general	55% declining balance
Computer equipment - server	10 years straight line
Computer software	45% declining balance or 3 years straight line

When a capital asset no longer has any long-term service potential to the Foundation, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

#### (e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

#### (f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

# SIERRA CLUB OF BRITISH COLUMBIA FOUNDATION

## Notes to Financial Statements

Year ended December 31, 2024

---

### 1. Significant accounting policies (continued):

#### (f) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### 2. Capital assets:

December 31, 2024	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 133,189	\$ 107,435	\$ 25,754

  

December 31, 2023	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 98,320	\$ 90,404	\$ 7,916

### 3. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$30,728 (2023 - \$10,178) which consist of payroll related liabilities.

# SIERRA CLUB OF BRITISH COLUMBIA FOUNDATION

## Notes to Financial Statements

Year ended December 31, 2024

### 4. Deferred revenue:

Deferred revenue comprises externally restricted contributions received in the current year or a prior year which will be recognized as revenue when the related expenses are incurred.

	2024	2023
Deferred revenue, beginning of year	\$ 1,000,646	\$ 900,332
Amounts received during the year	1,850,484	1,836,867
Amounts recognized as revenue in the year	(2,050,979)	(1,736,553)
Deferred revenue, end of year	\$ 800,151	\$ 1,000,646

Included in deferred revenue at December 31, 2024, are restricted contributions from private foundations and donors of \$701,751 (2023 - \$879,646) and Community Gaming grants deferred at year end of \$98,400 (2023 - \$121,000).

### 5. Charitable activities carried out under agency agreements:

The Foundation has agency agreements with various organizations to carry out joint initiatives that further the Foundations objectives. Administration fees are charged on cash received that is to be paid out in accordance with agency agreements. During the year, the Foundation recognized \$30,602 (2023 - \$51,818) in administration fees related to external agent contracts of service.

### 6. Financial risks and concentration of credit risk:

#### (a) Foreign currency risk

The Foundation occasionally receives monetary donations and grants denominated in US dollars. The Canadian equivalent upon conversion of these US dollar contributions is subject to foreign exchange risk. The Foundation held US dollar cash and cash equivalents valued at \$172 CAD as at December 31, 2024 (2023 - \$126 CAD).

#### (b) Credit risk

Credit risk is the risk that a third party to a financial instrument might fail to meet its obligations under the terms of the financial instrument. For cash and receivables the Foundation's credit risk is limited to the carrying value on the statement of financial position.

The Foundation manages the risk associated with the concentration of credit risk through its policy of dealing with credit worthy financial institutions.

It is management's opinion that the Foundation is not exposed to significant interest or liquidity risks arising from its financial instruments.

# SIERRA CLUB OF BRITISH COLUMBIA FOUNDATION

## Notes to Financial Statements

Year ended December 31, 2024

---

### **7. Internal restrictions:**

On January 23, 2020, the Foundation Board of Directors approved a motion to internally restrict \$106,008 of the December 31, 2019 unrestricted net assets for information technology upgrades. During the year, the Foundation incurred information technology costs of \$24,692 which were funded from this reserve. The ending balance in the reserve as at December 31, 2024 is \$58,288 (2023 - \$82,980).

On July 18, 2024 the Foundation Board of Directors approved a motion to internally restrict \$100,000 of the December 31, 2023 unrestricted net assets for office rent, board support, and human resource costs. During the year the Foundation incurred \$31,808 in costs which were funded from this reserve. The ending balance in the reserve as at December 31, 2024 is \$68,192.

### **8. Commitments:**

The Foundation is committed under an operating lease agreement for office space from March 1, 2025 to August 31, 2025. Future minimum lease payments under the lease are \$19,562.

### **9. Director, employee and contractor remuneration:**

The BC Societies Act requires disclosure in the financial statements of the remuneration of directors, employees and contractors. For employee and contractor remuneration the requirement is to disclose amounts paid to individuals whose remuneration was greater than \$75,000.

The Foundation paid four (2023 – four) employees remuneration greater than \$75,000 totaling \$378,177 (2023 - \$372,180).

There were no remuneration payments made to directors in 2024 or 2023.

### **10. Comparative information:**

Certain 2023 comparative information has been reclassified to conform to the financial statement presentation adopted in the current year.