

**Vancouver Botanical Gardens
Association
Financial Statements
For the year ended December 31, 2024**

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Financial Statements
For the year ended December 31, 2024**

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Tel: 604 688 5421
Fax: 604 688 5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
Unit 1100 - Royal Centre
1055 West Georgia Street
Vancouver, BC V6E 3P3 Canada

Independent Auditor's Report

To the members of Vancouver Botanical Gardens Association

Qualified Opinion

We have audited the financial statements of *Vancouver Botanical Gardens Association (the "Association")*, which comprise the statement of financial position as at *December 31, 2024*, and the statements of operations, changes in fund balances 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, and schedule of assets by fund.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association 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 Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

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 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 qualified audit opinion.

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 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 the Entity'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 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 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.

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.

BDO Canada LLP

Chartered Professional Accountants
Vancouver, British Columbia
April 17, 2025

Vancouver Botanical Gardens Association
Statement of Financial Position

December 31	2024	2023
Assets (Schedule)		
Current		
Cash and cash equivalents	\$ 793,987	\$ 633,286
Accounts receivable (Note 10)	119,432	86,186
Prepaid expenses	37,688	40,300
	<u>951,107</u>	<u>759,772</u>
Non-current		
Restricted cash (Note 2)	176,706	140,840
Restricted donation (Note 3)	140,000	140,000
Restricted investments (Note 4)	2,076,371	2,285,834
Unrestricted investments (Note 4)	1,483,699	1,237,687
Tangible capital assets (Note 5)	427,688	415,729
	<u>4,304,464</u>	<u>4,220,090</u>
Total Assets	\$ 5,255,571	\$ 4,979,862
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 114,730	\$ 105,847
Deferred revenue (Note 6)	425,489	430,446
	<u>540,219</u>	<u>536,293</u>
Non-current		
Obligation under capital lease (Note 12)	6,920	8,817
Deferred contributions (Note 6)	176,706	140,840
	<u>183,626</u>	<u>149,657</u>
Total Liabilities	723,845	685,950
Fund Balances (Note 7)		
Operating Fund	1,904,809	1,463,555
Capital Campaign Fund	10,210	10,210
Capital General Fund	225,969	531,878
Garden Collections Funds	1,407,831	1,522,664
Endowment Holding Fund	514,054	414,054
Sustainability Fund	468,853	351,551
	<u>4,531,726</u>	<u>4,293,912</u>
	\$ 5,255,571	\$ 4,979,862

Approved on behalf of the Board:



Director



Director

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

Vancouver Botanical Gardens Association

Statement of Operations and Changes in Fund Balances

For the year ended December 31

	Operating Fund	Capital Campaign Fund	Capital General Fund	Garden Collections Fund	Endowment Holding Fund	Sustainability Fund	Total 2024	Total 2023
Revenue								
Bequests and legacies	\$ 789,174	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 789,174	\$ 775,700
Membership dues	536,801	-	-	-	-	-	536,801	505,889
Vancouver Foundation (Note 8)	307,926	-	-	25,545	-	-	333,471	294,373
Donations	484,271	-	81,800	37,370	-	-	603,441	917,498
Fundraising revenue	18,599	-	-	-	-	-	18,599	72,794
Course fees	403,941	-	-	-	-	-	403,941	384,405
Parks Board revenue sharing (Note 10)	52,415	-	-	-	-	-	52,415	52,037
Investment (loss)/income	466,526	-	-	-	-	-	466,526	212,672
Miscellaneous	53,208	-	-	-	-	-	53,208	21,249
	3,112,861	-	81,800	62,915	-	-	3,257,576	3,236,617
Expenses (Note 9)								
Education and library	914,166	-	60,625	-	-	-	974,791	822,913
Marketing	159,169	-	-	-	-	-	159,169	147,609
Administration	525,419	-	-	3,544	-	81,621	610,584	606,032
Development	193,613	-	-	-	-	-	193,613	141,908
Volunteer engagement	289,081	-	-	-	-	-	289,081	245,742
Fundraising supplies	18,742	-	-	-	-	-	18,742	72,419
Gardens enhancement	-	-	319,992	177,226	-	-	497,218	42,643
Membership services	249,192	-	-	-	-	-	249,192	214,301
Amortization	2,225	-	22,092	1,978	-	1,077	27,372	23,642
	2,351,607	-	402,709	182,748	-	82,698	3,019,762	2,317,209
Excess (deficiency) of revenue over expenses	761,254	-	(320,909)	(119,833)	-	(82,698)	237,814	919,408
Interfund transfers:								
Operating to Endowment	(100,000)	-	-	-	100,000	-	-	-
Operating to Capital General	(15,000)	-	15,000	-	-	-	-	-
Operating to Sustainability	(200,000)	-	-	-	-	200,000	-	-
Operating to Garden Collections	(5,000)	-	-	5,000	-	-	-	-
Fund Balances, beginning of year	1,463,555	10,210	531,878	1,522,664	414,054	351,551	4,293,912	3,374,504
Fund Balances, end of year (Note 7)	\$ 1,904,809	\$ 10,210	\$ 225,969	\$ 1,407,831	\$ 514,054	\$ 468,853	\$ 4,531,726	\$ 4,293,912

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

2024

2023

Cash flows provided by (used in)

Operating activities

Excess (Deficiency) of revenue over expenses	\$ 237,814	\$ 919,408
Add (deduct) items not involving cash:		
Amortization	27,372	23,642
Unrealized loss/(gain) on investments	(250,849)	(99,361)
Realized loss/(gain) on disposal of life insurance policy	(5,278)	-
Loss on disposal of tangible capital assets	-	1,488
	<u>9,059</u>	<u>845,177</u>
Changes in non-cash working capital balance	(33,246)	(6,437)
Accounts receivable		
Prepaid expenses	2,612	(2,375)
Accounts payable and accrued liabilities	8,884	48,890
Deferred revenue	(4,957)	32,995
Deferred contributions	<u>35,866</u>	<u>89,642</u>
	<u>9,159</u>	<u>162,715</u>
	<u>18,218</u>	<u>1,007,892</u>

Investing activities

Purchase of tangible capital assets	(39,331)	(37,077)
Net change in investments	199,559	(919,840)
Proceeds on disposal of tangible capital assets	-	479
Proceeds on disposal of life insurance policy (Note 2)	20,019	-
Transfer to/(from) restricted cash	<u>(35,867)</u>	<u>78,427</u>
	<u>144,380</u>	<u>(878,011)</u>

Financing activity

Capital lease entered	-	10,856
Capital lease repayments	<u>(1,897)</u>	<u>(3,228)</u>
	<u>(1,897)</u>	<u>7,628</u>

Increase (decrease) in cash during the year	160,701	137,509
Cash and cash equivalents beginning of year	<u>633,286</u>	<u>495,777</u>
Cash and cash equivalents at end of year	<u>\$ 793,987</u>	<u>\$ 633,286</u>

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2024

1. Significant Accounting Policies

(a) Purpose

Vancouver Botanical Gardens Association (the "Association") is incorporated under the Societies Act (BC).

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 "Parks 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.

During the year, the Association signed a new joint operating agreement which becomes effective on January 1, 2025. The future impact is described in Note 14.

(b) Basis of Accounting

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

(c) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit and highly liquid investments that are readily convertible to cash and subject to an insignificant risk. Cash and cash equivalents are held for the purpose of meeting short-term commitments.

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2024

1. Significant Accounting Policies - Continued

(d) Investments

Investments include life insurance policies and pooled exchange traded investment funds that are held with no intention of conversion in the short-term and are classified as non-current. Investments are carried at fair value at the balance sheet date. Life insurance policies are recorded at their cash surrender value until realized. Any excess of the amount received over the carrying value is recorded in the year it is received or receivable and collection is reasonably assured.

(e) 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 lesser of the term of the lease or the estimated useful lives of the assets. All other leases are accounted for as operating leases.

(f) Tangible Capital Assets

Tangible capital assets are recorded as assets at the acquisition cost amount. Amortization is recorded at the following rates:

Office equipment	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 books	5 year	- straight line

Artwork is considered to have an indefinite life and is therefore not amortized.

When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The write-downs of tangible capital assets are accounted for as expenses in the statement of operations.

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2024

1. Significant Accounting Policies - Continued

(g) Restricted Cash and Investments

Cash and cash equivalents and investments held by the Association that 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.

(h) Revenue Recognition

The Association uses the restricted fund method of accounting for contributions, including donations, grants and bequests, 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 as described in Note 1(j).
- iii) Restricted contributions related to program delivery are initially recorded in the Operating Fund as deferred contributions and recognized as revenue when the related operating expenses are incurred.

Revenue from membership dues received in advance is initially recorded as deferred revenue and subsequently recognized as revenue over the membership period.

Income received from the Vancouver Foundation is recognized when received and allocated to the Operating Fund and Garden Collections Fund as appropriate (Note 8).

Donations, grants and bequests are recorded upon receipt and in accordance with any restrictions that may be imposed. Pledges are not recorded as revenue until received as their collection is not reasonably certain.

Amounts from fundraising events are recorded as revenue on a gross 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 their collection is reasonably certain.

Unrestricted interest and investment income is initially recognized as revenue in the Operating Fund and subsequently transferred at the discretion of the Board 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 Parks Board is recognized as revenue in the Operating Fund when received.

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2024

1. Significant Accounting Policies - Continued

(i) 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 not subject to 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 Parks Board, which owns the Garden and Conservatory. As the capital assets are controlled by the Parks Board, capital expenditures of the fund are considered to be contributions to the Parks 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 Fund (Restricted)

The Garden Collections Fund reports assets, liabilities, revenue and expenses restricted to the Association's gardens collection acquisitions and activities, plant and tree acquisitions, tree maintenance, and 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 amount contributed to be held in perpetuity as endowments or transferred by the Board. Amounts transferred to the Endowment Fund by the Board may be transferred at a later date. All income earned from the Endowment Holding fund is recorded in the Operating Fund unless the donor specifies otherwise.

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.

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2024

1. Significant Accounting Policies - Continued

(j) 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 where the value can be reasonably estimated, and the assets would otherwise be purchased.

(k) Use of Estimates

The preparation of financial statements 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, and 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.

(l) 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 the 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, 2024

2. Restricted Cash

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

	2024	2023
Operating Fund	\$ 176,706	\$ 140,840
Other Restricted Funds	-	-
	<u>\$ 176,706</u>	<u>\$ 140,840</u>

3. 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 done as defined in the Income Tax Act at the time of the encroachment.

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2024

4. Investments

Restricted investments are comprised of the following:

	2024	2023
Equities (a)	\$ 1,088,924	\$ 1,405,834
GICs, interest range 3.5% to 5.41% (FY 2023 3.5% to 5.75%)	987,447	880,000
	<u>\$ 2,076,371</u>	<u>\$ 2,285,834</u>

Unrestricted investments are comprised of the following:

	2024	2023
Equities (a)	\$ 1,483,699	\$ 1,222,947
Life insurance (b)	-	14,740
	<u>\$ 1,483,699</u>	<u>\$ 1,237,687</u>

(a) Equities are pooled government and corporate bonds, Canadian, US, and international index-matched, and dividend income exchange traded funds, subject to medium risk, denominated in Canadian dollars and traded on TSX.

(b) During the fiscal year ended December 31, 2024, the Association received proceeds from a life insurance policy on a former member/donor. The total proceeds received amounted to \$20,019, which was recognized as miscellaneous income in the 2024 statement of operations. This amount represents the full payout of the policy previously disclosed.

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2024

5. Tangible Capital Assets

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

	2024		2023	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 20,812	\$ 10,590	\$ 10,222	\$ 2,389
Library digitization	29,238	29,238	-	-
	\$ 50,050	\$ 39,828	\$ 10,222	\$ 2,389

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

	2024		2023	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment	\$ 24,357	\$ 18,095	\$ 6,262	\$ 7,519
Office equipment held under capital lease	15,669	6,743	8,926	10,396
Building improvements	24,809	17,715	7,094	8,867
Gardens equipment	47,241	42,715	4,526	5,657
Computer equipment	68,812	38,726	30,086	29,917
Computer software	6,273	2,561	3,712	5,323
Library books	5,235	5,235	-	522
	\$ 192,396	\$ 131,790	\$ 60,606	\$ 68,201

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

	2024		2023	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment	\$ 22,321	\$ 13,896	\$ 8,425	\$ 5,368
Computer equipment	712	641	71	102
Computer software	10,324	10,324	-	-
Solarium	21,480	19,819	1,661	2,076
Artwork	337,593	-	337,593	337,593
	392,430	44,680	347,750	345,139

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2024

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

	2024		2023	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Building Improvements	\$ 9,023	\$ 902	\$ 8,121	\$ -
Computer software	1,165	176	989	-
	10,188	1,078	9,110	-
Total tangible capital assets	\$ 645,064	\$ 217,376	\$ 427,688	\$ 415,729

6. Deferred Revenue and Deferred Contributions

	Deferred Contributions	Deferred Memberships	Gift Certificates & Other	Deferred Revenue
December 31, 2022	\$ 51,198	\$ 347,337	\$ 50,114	\$ 397,451
Funds received	180,842	531,729	427,433	959,162
Amounts recognized as revenue	(91,200)	(505,889)	(420,278)	(926,167)
December 31, 2023	140,840	373,177	57,269	430,446
Funds received	217,575	557,672	437,772	995,444
Amounts recognized as revenue	(181,709)	(536,801)	(463,600)	(1,000,401)
December 31, 2024	\$ 176,706	\$ 394,048	\$ 31,441	\$ 425,489

Deferred contributions consist of grants and other contributions received that are restricted for specific programs. Deferred revenue includes advance payments received for memberships, gift certificates and education fees.

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2024

7. Externally and Internally Restricted Fund Balances

Externally restricted fund balances are those subject to restrictions imposed by contributors and therefore not available for use by the Association other than for specified purposes. Internally restricted fund balances may be made available for other purposes, as the internal restrictions imposed on the fund balances may be removed at the discretion of the Directors of the Association. Fund balances as at December 31, 2024 and 2023 are:

	2024					
	Operating Fund	Capital Campaign Fund	Capital General Fund	Garden Collections Funds	Endowment Holding Fund	Sustainability Fund
Externally restricted	\$ 176,706	\$ 210	\$ 127,281	\$ 971,865	\$ 189,625	\$ 18,100
Internally restricted	-	10,000	45,002	88,216	324,429	441,643
Unrestricted	1,728,069	-	-	-	-	-
Invested in capital	34	-	53,686	347,750	-	9,110
	\$ 1,904,809	\$ 10,210	\$ 225,969	\$ 1,407,831	\$ 514,054	\$ 468,853
						\$ 4,531,726
	2023					
	Operating Fund	Capital Campaign Fund	Capital General Fund	Garden Collections Funds	Endowment Holding Fund	Sustainability Fund
Externally restricted	\$ 140,840	\$ 210	\$ 301,700	\$ 1,037,165	\$ 189,625	\$ 18,100
Internally restricted	-	10,000	170,794	140,360	224,429	333,451
Unrestricted	1,320,326	-	-	-	-	-
Invested in capital	2,389	-	59,384	345,139	-	-
	\$ 1,463,555	\$ 10,210	\$ 531,878	\$ 1,522,664	\$ 414,054	\$ 351,551
						\$ 4,293,912

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2024

8. Vancouver Foundation Funds

In addition to the Fund described in Note 3, 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, to be used for enhancement of the Association and for other activities beneficial to the Association. For the year ended December 31, 2024, \$359,799 (2023 - \$315,539) was received. As the Association does not control the underlying investments they are not recorded as assets in the financial statements.

9. Salaries and Wages

For the year ended December 31, 2024, included in various expenditure categories on the Statement of Operations are wages and benefits totaling \$1,945,772 (2023 - \$1,724,956).

Administration	\$	398,399
Education		797,173
Fund Development		143,899
Marketing		143,828
Membership		208,208
Volunteer		254,265
		<hr/>
Total	\$	<u>1,945,772</u>

10. Transactions with the Parks Board

At December 31, 2024, the Park Board owed an amount of \$93,559 (2023 - \$77,596) to the Association, which is included in accounts receivable. This amount arises in the normal course of operations.

During the year ended December 31, 2024, the Park Board made contributions of \$0 (2023 - \$5,000) to the Association to subsidize the Garden Guide Cart Tour Program.

Vancouver Botanical Gardens Association
Notes to the Financial Statements

December 31, 2024

11. Financial Instruments and Risk Management

The Association is exposed to various risks arising through its financial assets and liabilities. The following analysis provides a measurement of those risks at December 31, 2024.

(a) Credit and Market Risk

Credit risk is the risk that the Association will incur a loss due to 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 investments.

The market risk is the risk that the value of investments in cash and pooled exchange traded investment funds will fluctuate because 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 with high credit quality financial institutions and its investments in corporations in accordance with investment policies adopted by the Board. The objective is to manage and control credit and market risk exposure within acceptable parameters, while maximizing return. This risk has increased in the current year with the acquisition of additional investments in equities.

(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 flow resulting from fluctuations in interest rates. The investments held by the Association at December 31, 2024 consist of pooled exchange traded funds. As a result, the Association is exposed to fair value risk.

Vancouver Botanical Gardens Association

Notes to the Financial Statements

December 31, 2024

11. Financial Instruments and Risk Management - Continued

(d) Liquidity Risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. Most of the Association's financial assets are cash and investments traded in active markets that can be readily liquidated and therefore the Association's liquidity risk is considered minimal. The Association aims to retain a sufficient cash position to manage liquidity.

Except as noted in (a) above, there have been no changes in the risks associated with financial instruments.

12. Commitments

The Association entered a postage machine lease expiring November 2027 and a photocopier lease expiring February 2028, for which it is required to pay \$2,244 and \$2,486 per annum respectively. There is also a communications arrangement expiring in May 2025 for which the association is required to pay \$7,483 per annum respectively.

The above operating lease agreements result in minimum annual payments as follows:

2025	\$ 7,848
2026	\$ 4,731
2027	\$ 4,357
2028	\$ 414
2029	\$ -

13. Remuneration of Directors, Employees and Contractors

Under the requirements of the Societies Act (BC), 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, 2024 and December 31, 2023 there was no remuneration paid to the Directors of the Association. A total of 5 (2023 - 4) employees/contractors received remuneration in excess of \$75,000 which resulted in an aggregate expense of \$605,950 (2023 - \$499,204).

Vancouver Botanical Gardens Association

Notes to the Financial Statements

December 31, 2024

14. Joint Operating Agreement

On May 29, 2024, the Association entered into a new Joint Operating Agreement (the "JOA") with the Vancouver Board of Parks and Recreation (the "Park Board") that became effective on January 1, 2025. This agreement replaces the previous joint operating agreement between the parties dated June 1, 1994, and the Vandusen JOA - Bloedel Extension Agreement dated January 1st, 2013. The Agreement reflects the working relationship, shared objectives and legal relationship of the parties, and is for a term of 10 years with an automatic renewal term of 5 years, unless either party gives notice.

The implementation of the JOA is expected to have an impact on the Association's future membership revenues, revenue sharing, and operating expenses. Material financial effects of the JOA are outlined below:

Impact on Revenues

(a) Garden Membership

The JOA includes a financial formula related to Garden Membership sales and supersedes all previous revenue sharing agreements. Revenues from the Garden Membership sales are to be shared between the Park Board and the Association according to the Financial Formula outlined below:

Revenue Thresholds	Revenue Split
\$0 - \$500,000	90% VBGA, 10% Park Board
Above \$500,000	30% VBGA, 70% Park Board

The previous revenue sharing agreement was based on 4% of Park Board revenues from the Vandusen gift shop and facilities rentals. The revenues received in 2024 under this agreement were \$52,728 (2023 - \$47,037).

(b) Park Board Revenue Sharing

As of 2025, the Association will no longer be receiving any shared revenue from the Park Board for any retail or rental income.

Impact on Expenses

Association Funding of Full-Time Equivalent ("FTE")

The Association will provide funds to the Park Board to fund two FTE's Park Board Staff annually, up to a maximum of \$200,000 per year, for the length of the JOA.

Dedicated Fund

A Dedicated Fund will be established to fund jointly agreed-upon projects focused on visitor experience enhancements at the Garden and the Conservatory. Both Parties contribute 5% of their Garden Membership revenues annually to their separately managed Dedicated Fund.

Uncertainties and Risks

The financial impacts described above are based on current expectations and interpretations of the JOA. The actual financial effects could differ due to unforeseen circumstances, changes in Park Board policies, or other factors. The Association will continue to monitor the implementation of the JOA and assess its ongoing financial impact.

Vancouver Botanical Gardens Association
Schedule of Assets by Fund

December 31	2024	2023
Assets		
Operating Fund		
Cash	\$ 793,987	\$ 633,286
Long-term investments	1,483,699	1,237,687
Accounts receivable	119,432	86,186
Prepaid expenses	37,688	40,300
Restricted cash (Note 2)	176,706	140,840
Tangible capital assets	10,222	2,389
	<u>2,621,734</u>	<u>2,140,688</u>
Capital Campaign Fund		
Restricted investment	10,210	10,210
	<u>10,210</u>	<u>10,210</u>
Capital General Fund		
Restricted investments	172,283	472,493
Tangible capital assets	60,606	68,201
	<u>232,889</u>	<u>540,694</u>
Garden Collections Funds		
Restricted investments	1,060,081	1,177,526
Tangible capital assets	347,750	345,139
	<u>1,407,831</u>	<u>1,522,665</u>
Endowment Holding Fund		
Restricted investments	374,054	274,054
Restricted donation	140,000	140,000
	<u>514,054</u>	<u>414,054</u>
Sustainability Fund		
Restricted investments	459,743	351,551
Tangible capital assets	9,110	-
	<u>468,853</u>	<u>351,551</u>
	<u>\$ 5,255,571</u>	<u>\$ 4,979,862</u>

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