

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA

CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2002

## AUDITORS' REPORT

To the Directors of TLC The Land Conservancy of British Columbia

We have audited the consolidated balance sheet of TLC The Land Conservancy of British Columbia as at April 30, 2002 and the consolidated statements of operations and changes in fund balances, changes in funds invested in capital assets and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Society derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to donations, excess of revenue over expenditures, current assets and fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Society as at April 30, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Victoria, British Columbia  
September 16, 2002

CHARTERED ACCOUNTANTS

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA  
(Incorporated under the Society Act of British Columbia)

CONSOLIDATED BALANCE SHEET AS AT APRIL 30, 2002

	General Fund	Restricted Fund	2002 Total	2001 Total
<b>ASSETS</b>				
<b>Current</b>				
Cash and short-term deposits	\$ 56,940	\$ -	\$ 56,940	\$ 48,270
Accounts receivable	50,561	33,596	84,157	70,740
Short-term investments (Note 2)	-	-	-	178,431
Prepaid expenses	10,273	1,726	11,999	20,014
Inventory	46,194	-	46,194	29,000
Deposits on land (Note 3)	-	10,000	10,000	70,000
	163,968	45,322	209,290	416,455
Investments (Note 4)	-	20,000	20,000	115,010
Due from related entity	-	-	-	54,523
Capital assets (Note 5)	68,151	14,558,090	14,626,241	11,147,140
	<b>\$ 232,119</b>	<b>\$ 14,623,412</b>	<b>\$ 14,855,531</b>	<b>\$ 11,733,128</b>
<b>LIABILITIES</b>				
<b>Current</b>				
Accounts payable and accrued liabilities	\$ 266,240	\$ -	\$ 266,240	\$ 135,821
Due to (from) other Fund	(286,617)	286,617	-	-
Current portion of long-term debt (Note 6)	80,000	1,350,000	1,430,000	1,739,185
	59,623	1,636,617	1,696,240	1,875,006
Deposits held in trust (Note 7(b))	-	200,000	200,000	-
Long-term debt (Note 6)	-	4,986,947	4,986,947	4,155,586
Funds held in trust (Note 8)	-	-	-	95,000
	59,623	6,823,564	6,883,187	6,125,592
<b>FUND BALANCES</b>				
Invested in capital assets	68,151	8,281,143	8,349,294	5,562,369
Externally restricted	-	(481,295)	(481,295)	37,834
Unrestricted	104,345	-	104,345	7,333
	172,496	7,799,848	7,972,344	5,607,536
	<b>\$ 232,119</b>	<b>\$ 14,623,412</b>	<b>\$ 14,855,531</b>	<b>\$ 11,733,128</b>

See accompanying notes to consolidated financial statements

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA

CONSOLIDATED STATEMENT OF OPERATIONS  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED APRIL 30, 2002

	General Fund	Restricted Fund	2002 Total	2001 Total
<b>Revenue</b>				
Memberships	\$ 49,615	\$ -	\$ 49,615	\$ 35,600
Donations in kind	82,653	1,539,110	1,621,763	313,872
Donations	303,262	1,449,853	1,753,115	1,671,234
Grants	204,260	1,202,591	1,406,851	3,107,770
Rental income	-	63,410	63,410	208,705
Other income	2,425	39,244	41,669	39,081
	<u>642,215</u>	<u>4,294,208</u>	<u>4,936,423</u>	<u>5,376,262</u>
<b>Expenses</b>				
Advertising and promotion	42,631	24,036	66,667	62,201
Amortization	19,986	23,582	43,568	27,930
Donations	10,537	304,275	314,812	1,258,831
Conferences and seminars	11,152	5,721	16,873	14,822
Consulting	10,435	106,573	117,008	31,684
Fund raising	2,696	24,596	27,292	31,637
Interest and bank charges	7,951	362	8,313	6,726
Interest on long-term debt	2,330	385,827	388,157	222,954
Insurance	18,544	8,044	26,588	8,278
Licences, dues and fees	526	906	1,432	5,269
Memberships	2,214	-	2,214	3,035
Office	40,649	28,613	69,262	45,379
Postage	15,906	3,511	19,417	14,658
Professional fees	34,030	21,665	55,695	75,409
Property appraisals and commissions	381	56,952	57,333	82,276
Property taxes	-	47,892	47,892	14,280
Rent and utilities	5,700	37,859	43,559	21,522
Repairs and maintenance	60,882	41,094	101,976	48,896
Salaries, wages and benefits	163,391	881,457	1,044,848	501,324
Telephone	20,090	10,360	30,450	26,919
Travel	36,842	51,417	88,259	67,861
	<u>506,873</u>	<u>2,064,742</u>	<u>2,571,615</u>	<u>2,571,891</u>
Excess of revenue over expenses for the year	135,342	2,229,466	2,364,808	2,804,371
Fund balances, beginning of year	37,154	5,570,382	5,607,536	2,803,165
Fund balances, end of year	<u>\$ 172,496</u>	<u>\$ 7,799,848</u>	<u>\$ 7,972,344</u>	<u>\$ 5,607,536</u>

See accompanying notes to consolidated financial statements

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS  
 INVESTED IN CAPITAL ASSETS  
 FOR THE YEAR ENDED APRIL 30, 2002

	General Fund	Restricted Fund	2002 Total	2001 Total
Investment in capital assets, beginning of year	\$ 52,711	\$ 5,532,548	\$ 5,585,259	\$ 2,420,686
Additions to capital assets	35,426	4,137,453	4,172,879	7,076,137
Disposition of capital assets	-	(673,100)	(673,100)	(21,529)
Amortization of capital assets	(19,986)	(23,582)	(43,568)	(27,930)
Reduction in deposits on land	-	(60,000)	(60,000)	(94,950)
Additions to debt relating to purchase of assets	-	(1,956,165)	(1,956,165)	(5,531,182)
Debt principal repayments	-	1,323,989	1,323,989	1,741,137
Investment in capital assets, end of year	<u>\$ 68,151</u>	<u>\$ 8,281,143</u>	<u>\$ 8,349,294</u>	<u>\$ 5,562,369</u>

Approved on behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See accompanying notes to consolidated financial statements

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED APRIL 30, 2002

	General Fund	Restricted Fund	2002 Total	2001 Total
Cash flows from (used in) operating activities				
Excess of revenue over expenses for the year	\$ 135,342	\$ 2,229,466	\$ 2,364,808	\$ 2,804,371
Adjustments for:				
Amortization	19,986	23,582	43,568	27,930
Non-cash donations	-	73,100	73,100	-
	<u>155,328</u>	<u>2,326,148</u>	<u>2,481,476</u>	<u>2,832,301</u>
Changes in non-cash operating working capital (Note 11)	261,488	(139,385)	122,103	19,896
	<u>416,816</u>	<u>2,186,763</u>	<u>2,603,579</u>	<u>2,852,197</u>
Cash flows from (used in) financing activities				
Loan proceeds	-	1,956,165	1,956,165	5,641,182
Loan principal repayments	(110,000)	(1,323,989)	(1,433,989)	(1,746,137)
Due to (from) other Fund	(262,720)	262,720	-	-
	<u>(372,720)</u>	<u>894,896</u>	<u>522,176</u>	<u>3,895,045</u>
Cash flows from (used in) investing activities				
Purchase of land and capital assets	(35,426)	(4,137,453)	(4,172,879)	(7,076,137)
Donations and proceeds on sale of capital assets	-	600,000	600,000	21,529
Deposits on land	-	60,000	60,000	94,950
Net advance from (repayment to) related entity	-	17,363	17,363	(54,533)
Deposits received	-	200,000	200,000	-
	<u>(35,426)</u>	<u>(3,260,090)</u>	<u>(3,295,516)</u>	<u>(7,014,191)</u>
Change in cash during the year	8,670	(178,431)	(169,761)	(266,949)
Cash, beginning of year	48,270	178,431	226,701	493,650
Cash, end of year	<u>\$ 56,940</u>	<u>\$ -</u>	<u>\$ 56,940</u>	<u>\$ 226,701</u>
Cash balance consists of:				
Cash	\$ 56,940	\$ -	\$ 56,940	\$ 48,270
Short-term investments	-	-	-	178,431
	<u>\$ 56,940</u>	<u>\$ -</u>	<u>\$ 56,940</u>	<u>\$ 226,701</u>

See accompanying notes to consolidated financial statements

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
APRIL 30, 2002

**Purpose**

The purpose of the Society is to protect plants, animals, natural communities and landscape features that represent diversity of life on Earth, by protecting the lands and waters they need to survive, and to protect areas of scientific, historical, cultural, scenic or compatible recreation value. This is accomplished by acquiring protective control of these lands and waters through ownership of the land, long-term leases or Conservation Covenants. The Society is a registered charity under the provisions of the Income Tax Act.

1. Summary of significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of the significant accounting policies used in the preparation of the consolidated financial statements.

(a) Basis of accounting

The consolidated financial statements consist of the accounts of the Society and its wholly owned subsidiary company, TLC The Land Conservancy (Enterprises) Ltd.

(b) Fund accounting and revenue recognition

The Society follows the restricted fund method of accounting for contributions. Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions in kind are recognized at fair value at the date of contributions, if determinable. All other revenue is recognized in the period in which it is earned.

The General Fund accounts for the Society's administrative and operational activities. This fund also reports donations received for which there are no restrictions attached by the donor.

Restricted contributions are subject to externally imposed instructions specifying how the funds are to be used and are disclosed in the Restricted Fund.

The Society receives a significant amount of donated services, the fair market value of which cannot be determined and, therefore, has not been recorded in the accounts.

(c) Investments

Short-term investments are recorded at the lower of cost and market value. Long-term investments are carried at cost and are written down when there has been a loss in value that is other than temporary.

(d) Inventory

Inventory is valued at the lower of cost and net realizable value.

## 1. Summary of significant accounting policies, continued

## (e) Capital assets and amortization

Capital assets are recorded at cost. Amortization is provided for by using the declining balance method and the following rates:

Buildings	5%
Office furniture and equipment	20%
Computer equipment	30%
Equipment	20%
Vehicle	30%

## (f) Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

## 2. Short-term investments

Term deposit bearing interest of 3.05% per annum. Matured May, 2001.

	2002	2001
	\$ -	\$ 178,431
	<u>          </u>	<u>          </u>

## 3. Deposits on land

During the year, the Society made the following deposits on land purchases:

- (a) Deposit on purchase of Salt Spring Island property PID 024-548-821, Lot 1 of Sections 63 and 64, South Salt Spring Island, Cowichan District Plan VIP69136. Purchase completed November 30, 2001.

	\$ -	\$ 50,000
	<u>          </u>	<u>          </u>

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
APRIL 30, 2002

3. Deposits on land, continued

	2002	2001
Balance forward	\$ -	\$ 50,000
(b) Deposit on the purchase of property known as Thwaytes Landing which is comprised of 19 lots. Purchase completed January 23, 2002.	-	20,000
(c) Deposit on the purchase of property comprised of 3 lots in the Kootenay District. Purchase to complete November 29, 2002.	10,000	-
	<u>\$ 10,000</u>	<u>\$ 70,000</u>

4. Investments

(a) 95 units in Northern Star Hedge Fund. A condition of the donation is that these units be retained for ten years in trust for the Greenway and Blueway Foundation. The Society possesses a letter indemnifying them of any loss in the value of the investment. (See Note 9).	\$ -	\$ 95,000
(b) Donations required to be held for ten years are as follows:		
(i) Term deposit bearing interest of 5.35% per annum. Matures August, 2004.	15,000	15,000
(ii) Term deposit bearing interest of 2.2% per annum. Matures April, 2004.	5,000	5,000
(c) Investment in TLC The Land Conservancy (Enterprises) Ltd.	-	10
	<u>\$ 20,000</u>	<u>\$ 115,010</u>

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
APRIL 30, 2002

5. Capital assets

	Cost	Accumulated Amortization	2002 Net Carrying Amount	2001 Net Carrying Amount
<b>Restricted Fund</b>				
Land	\$ 13,663,999	\$ -	\$ 13,663,999	\$ 10,749,291
Covenants	564,592	-	564,592	37,501
Buildings	334,421	41,931	292,490	289,652
Office furniture and equipment	6,967	2,765	4,202	12,828
Equipment	49,964	17,157	32,807	28,046
	<u>14,619,943</u>	<u>61,853</u>	<u>14,558,090</u>	<u>11,117,318</u>
<b>General Fund</b>				
Office furniture and equipment	18,488	6,217	12,271	4,774
Computer equipment	40,599	19,153	21,446	15,041
Equipment	42,998	11,212	31,786	8,807
Vehicle	3,540	892	2,648	1,200
	<u>105,625</u>	<u>29,755</u>	<u>68,151</u>	<u>29,822</u>
	<u>\$ 14,725,568</u>	<u>\$ 99,327</u>	<u>\$ 14,626,241</u>	<u>\$ 11,147,140</u>

6. Long-term debt

	2002	2001
(a) Non-interest bearing note is unsecured and has no set terms of repayment.	\$ 350,000	\$ 350,000
(b) Non-interest bearing note is unsecured and has no set terms of repayment.	50,000	50,000
(c) Promissory note.	-	50,000
Sub-total	<u>\$ 400,000</u>	<u>\$ 450,000</u>

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 APRIL 30, 2002

6. Long-term debt, continued	2002	2001
Balance forward	\$ 400,000	\$ 450,000
(d) Promissory note, unsecured, bears interest at prime plus 0.5% per annum and repayable in blended monthly payments of \$465.	78,860	79,280
(e) Promissory note, secured by personal assets of the Executive Director, bears interest at 6.0% per annum. Due June 23, 2002, at which time it is expected to be renewed under similar conditions.	30,000	30,000
(f) Mortgage payable is secured by South Winchelsea Island property, bears interest at 8.0% per annum and is repayable in semi-annual payments of \$50,000, plus interest. Due December, 2002.	95,000	195,000
(g) Mortgage payable to Coast Capital Savings Credit Union is secured by real property, bears interest at 6.7% per annum and is repayable by payments of \$619, principal plus interest. Due April, 2004.	85,093	86,843
(h) Mortgage payable to the Abkhazi Garden Preservation Corp., is secured by real property, bears interest at 7.0% per annum and is repayable in quarterly payments of \$25,000, plus interest. Due February, 2005.	800,000	900,000
(i) Mortgage payable to Coast Capital Savings Credit Union is secured by real property, bears interest at 5.35% per annum and is repayable in blended monthly payments of \$1,156, principal plus interest. Due April, 2002, at which time it is expected to be renewed under similar terms.	182,171	185,625
Sub-total	<u>\$ 1,671,124</u>	<u>\$ 1,926,748</u>

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
APRIL 30, 2002

6. Long-term debt, continued

	2002	2001
Balance forward	\$ 1,671,124	\$ 1,926,748
(j) Mortgage payable is secured by Wildwood property, bears interest at 7.5% per annum and is repayable in monthly payments of \$3,500, plus interest. Due June 20, 2003.	379,000	520,000
(k) Mortgage payable is secured by Wildwood property, bears interest at 8.0% per annum and is repayable in annual payments of \$10,000, principal plus interest. Due December 20, 2009.	80,000	90,000
(l) Mortgage payable is secured by Nanaimo River property, bears interest at 7.0% per annum and is repayable in two annual payments of \$41,667, principal plus interest. Due June 26, 2003. See Note 10.	83,333	125,000
(m) Mortgage payable is secured by Nanaimo River property, bears interest at 7.0% per annum and is repayable in two annual payments of \$3,333, principal plus interest. Due June 26, 2003.	6,667	10,000
(n) Mortgage payable is secured by Harper property, bears interest at 6.5% per annum and is repayable in two semi-annual payments of \$50,000, plus interest. Due December 31, 2002.	100,000	200,000
(o) Mortgage payable is secured by Cowichan property, bears no interest and is repayable in one annual payment of \$16,666.	16,666	33,332
(p) Mortgage payable is secured by Abkhazi property #2, bears no interest and is repayable in quarterly payments of \$800. Due February 9, 2006.	76,000	80,000
Sub-total	<u>\$ 2,412,790</u>	<u>\$ 2,985,080</u>

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 APRIL 30, 2002

6. Long-term debt, continued

	2002	2001
Balance forward	\$ 2,412,790	\$ 2,985,080
(q) Promissory note payable to the District of Saanich is unsecured and bears no interest. Due September 15, 2003.	392,850	392,850
(r) Mortgage payable is secured by Sooke Hills property, bears interest at 7.6% per annum and is repayable in annual principal payments of \$600,000, with interest paid monthly. Due April 1, 2005. See Note 7(a).	1,800,000	2,400,000
(s) Loan payable.	-	60,000
(t) Mortgage payable to Coast Capital Savings Credit Union is secured by real property, bears interest at 8.5% per annum and is repayable in blended monthly payments of \$467.	56,063	56,841
(u) Mortgage payable with a charge on the Abkhazi property, bears interest at 7.5% per annum and is repayable in blended monthly payments of \$512. Due May, 2006.	69,078	-
(v) Mortgage payable to Island Savings Credit Union is secured by a charge on the Salt Spring Island property, bears interest at the prime rate plus 1.0% per annum and is due on demand with monthly interest payments and an annual principal payment of \$200,000. See Note 7(b).	800,000	-
(w) Mortgage payable to Mearnie Summers is secured by a charge on the Thwaytes Landing property, bears interest at 4.0% per annum. \$200,000 is repayable on January 3, 2003 and the balance is due on January 3, 2004.	500,000	-
(x) Loan payable.	40,367	-
Sub-total	<u>\$ 6,071,148</u>	<u>\$ 5,894,771</u>

## 6. Long-term debt, continued

	2002	2001
Balance forward	\$ 6,071,148	\$ 5,894,771
(y) Loan payable to the Executive Director bears no interest and has no set terms of repayment.	27,799	-
(z) Loan payable bears no interest and has no set terms of repayment.	18,000	-
(aa) Loan payable to the Province of British Columbia bears interest at the CIBC reference rate per annum, payable annually. Due on demand.	300,000	-
	<u>6,416,947</u>	<u>5,894,771</u>
Less: Current portion	1,430,000	1,739,185
	<u>\$ 4,986,947</u>	<u>\$ 4,155,586</u>

Principal payments for the next five years are as follows:

2003	\$ 1,430,000
2004	1,790,000
2005	1,437,000
2006	67,000
2007	67,000
	<u>\$ 4,791,000</u>

## 7. Agreements for sale

## (a) Sooke Hills

On February 4, 2001, the Society entered into an agreement with the Capital Regional District for the sale of lands held by the Society in the Malahat, Otter and Sooke Districts (known as "the Sooke Hills"). The total purchase price for the properties is \$3,000,000. Title to the properties will transfer to the Capital Regional District as payments are received by the Society. During the year ended April 30, 2002, the Society transferred Parcels 6, 7, 8, and 17 of the property and received \$600,000. When land is transferred, the difference between the proceeds and cost are treated as a donation.

## 7. Agreements for sale, continued

## (a) Sooke Hills, continued

The remainder of the property will be transferred as follows:

Transfer Date	Land Parcel	Proceeds per Agreement	Cost
April 1, 2003	11 and 13	\$ 600,000	\$ 1,038,800
April 1, 2004	12	600,000	1,240,200
April 1, 2005	10, 14, 15 and 16	600,000	1,319,700
		<u>\$ 1,800,000</u>	<u>\$ 3,598,700</u>

## (b) Salt Spring Island

On December 6, 2001, the Society entered into an agreement with the Capital Regional District ("CRD") for sale of land held on South Salt Spring Island. The total purchase price for the properties is \$1,000,000. The parcel of land consists of three lots, which will be transferred to the CRD on January 15, 2003, 2004 and 2006. Payment consists of five \$200,000 payments on January 15, 2002 through 2006. As property was not transferred during 2002, the \$200,000 received has been treated as a deposit held. The property will be transferred as follows:

Transfer Date	Land Parcel	Proceeds per Agreement	Cost
January 15, 2003	41	\$ 400,000	\$ 389,274
January 15, 2004	17	200,000	335,537
January 15, 2006	57	400,000	1,275,189
		<u>\$ 1,000,000</u>	<u>\$ 2,000,000</u>

## (c) Thwaytes Landing

On January 23, 2002, the Society entered into an agreement with Pacific Parklands Foundation, the District of North Vancouver and the Greater Vancouver Regional District ("GVRD") to purchase a property referred to as Thwaytes Landing. The Society's one-third interest in this property has been recorded as land. The Society has also recognized a \$500,000 mortgage against the property.

Concurrent with the purchase, the Society has granted the GVRD an option to purchase the property for \$1. Under the terms of the option, the GVRD would assume the remaining balance of the mortgage, if any.

## 8. Funds held in trust

95 units of the North Star Hedge Fund are held for the Greenway and Blueway Foundation. The Society possesses a letter indemnifying them of any loss in the value of the investment. Prior to this current fiscal year, \$95,000 was presented as an asset, with an offsetting liability.

## 9. Subsequent event

On July 9, 2002, the Society entered into an agreement to purchase a property on the Selkirk Waterway in Victoria on October 1, 2002 for the price of \$334,900. The Society intends to transfer the contract of purchase to the City of Victoria, prior to completion.

## 10. Commitments and contingencies

## Nanaimo River property lease

During the year ended April 30, 2001, the Society entered into a ninety-nine year lease with the Regional District of Nanaimo for the Nanaimo River property. Under the terms of this lease, the Society will receive future lease revenue, designed to coincide with payment requirements of the mortgage on the same property, as follows:

June 26, 2002	\$	50,000
June 26, 2003		50,000
	\$	<u>100,000</u>

## 11. Supplemental cash flow information

## Changes in non-cash working capital

	General Fund	Restricted Fund	2002 Total	2001 Total
Decrease (increase) in accounts receivable	\$ 11,289	\$ (24,706)	\$ (13,417)	\$ (60,929)
Decrease (increase) in prepaid expenses	3,573	4,442	8,015	(11,113)
Decrease in inventory	1,072	-	1,072	3,485
Increase (decrease) in accounts payable and accrued liabilities	245,554	(119,121)	126,433	88,453
	<u>\$ 261,488</u>	<u>\$ (139,385)</u>	<u>\$ 122,103</u>	<u>\$ 19,896</u>

Interest on long-term debt paid on a cash basis was \$372,808 (2001 - \$222,954).

12. Comparative figures

The comparative figures were audited by another chartered accountant.