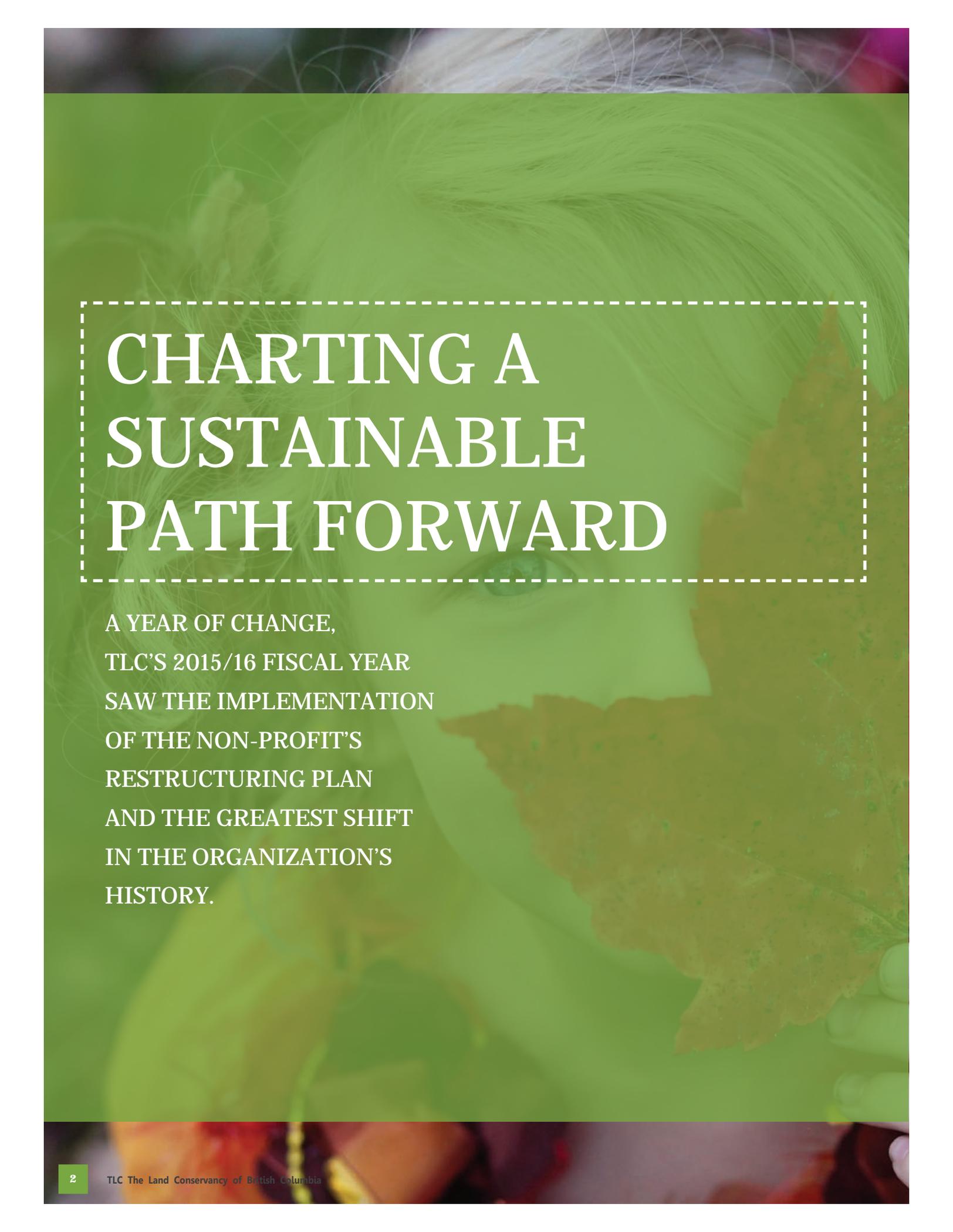


ANNUAL REPORT 2016



CHARTING A SUSTAINABLE PATH FORWARD

A YEAR OF CHANGE,
TLC'S 2015/16 FISCAL YEAR
SAW THE IMPLEMENTATION
OF THE NON-PROFIT'S
RESTRUCTURING PLAN
AND THE GREATEST SHIFT
IN THE ORGANIZATION'S
HISTORY.

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OUR COMMUNITY

From the heaps of invasive species removed on our covenants to our success in the Supreme Court of British Columbia, TLC's 2015/16 has been one for the record books.

With a small and efficient team of staff members, TLC has successfully completed one of the most intense years in its history. The restructuring of the organization was largely fulfilled in this fiscal; these changes resonate through TLC from large-scale property transfers to the daily interactions with TLC Members.

The bulk of TLC's property transfers (35) under the *Companies' Creditors Arrangement Act* (CCAA) occurred in the past year, and the resulting revenues were distributed to professional fees and creditors. Tremendous work was done by Andrew MacKinnon to ensure the process went smoothly. Thank you Andrew.

Our Accounting Department worked tirelessly to keep our

records current, ensuring a smooth year end. Complex transactions that furthered the organization's efforts to achieve its goals under the CCAA process — a monumental task — were accomplished with a smile and a calm assurance that all was under control. Thank you Connie and Sherry.

Updating our members and the general public with professional and polished results was our talented communications guru Dianna. Our aging IT infrastructure also falls to Dianna to maintain, a challenging task! Thank you Dianna.

Looking after our cherished members and donors is an important task, and Mara is a dedicated steward, ensuring that tax receipts are issued and that prompt attention is paid to enquiries. Thank you Mara.

Community engagement keeps conservation alive

TLC Members, donors, volunteers, sponsors and partners are involved in everything we do. Support from our community enables us to reach our conservation goals with a small, efficient staff.



Torrey has wrapped up the covenant monitoring season with a record number of volunteers. Restoration projects have increased with the assistance of partners like the Victoria Green Team and the Capital Regional District. Thank you Torrey and our community partners.

I am proud of TLC's staff for the professional approach to all they do, and thankful to our partners for their cooperative spirit in working with us to ensure the ongoing protection of all properties. Thank you Carmel and Woody Thomson, Regional District of Kootenay Boundary, District of Tofino, the Nature Conservancy of Canada, The

Nature Trust of BC, Nanaimo Area Land Trust, Ross Bay Villa Society, Cowichan Valley Regional District, Capital Regional District and the T'Sou-ke First Nation.

Our volunteers are the heart of TLC; from gardeners, guides and greeters at Abkhazi Garden to hikers, broom pullers and postage stamp sorters. They make us smile, enrich our lives, and inspire our efforts. **Thank you especially, volunteers!**

A handwritten signature in black ink that reads "Cathy Armstrong".

Cathy Armstrong
Executive Director



LEARN

Our Covenant Program trained 217 volunteers to monitor ecological sites this fiscal year. Join our next session.



CONNECT

Looking to get involved in your community? We are always looking for volunteers to join our team.



COMMENT

Suggestions on how we can improve? Give us a call, write us an email or leave us a comment on our website.



COVENANT CARE

Monitoring and enforcing TLC's conservation covenant portfolio provides opportunities for students to learn about invasive species, scientific monitoring methods and land protection.

How does a non-profit land trust reduce expenses while increasing the area it protects? TLC uses conservation covenants to protect areas of ecological importance throughout the province. Registered on title, a covenant is a legal agreement between a landowner and a conservation organization to protect land in specific ways. The promises the landowner makes are attached on title forever, regardless of who owns the land. In return, the organization agrees to monitor and ensure that the objectives of the covenant are maintained.

Each year TLC monitors and enforces more than 200 covenants in our portfolio. This form of protection has become TLC's focus as a cost-effective resource that allows land trusts to partner with landowners to protect parcels that may not be available for purchase.

A cornerstone of TLC's operating model, partnerships were central to this year's Covenant Program. TLC has partnered with the University of Victoria and Vancouver Island University to train students in environmental geography and other relevant disciplines in the best practices for scientific covenant monitoring and data collection. This year TLC partnered with other land trusts to extend our training reach.

While students gain valuable field experience from The Land Conservancy staff, TLC benefits from additional volunteers to aid in covenant monitoring and restoration efforts.

Interested in joining the team for next year's restoration and monitoring season? Contact Torrey Archer, TLC's Covenant Manager, at (250) 479-8053 or covenants@conservancy.bc.ca.

RESTORATION

This fiscal year TLC volunteers and partners removed more than 1,440 m³ of Scotch broom, ivy and other invasive species from covenant areas, roadsides and parks in the Township of Esquimalt, the District of Highlands and the District of Saanich.



THE NEXT GENERATION

TLC trained 217 volunteers, including UVic and VIU students, and volunteers from other land trusts, to identify invasive species and monitor covenants using scientific methodology.



PROTECTION

TLC's Covenant Program volunteers donated 881 hours to protecting B.C.'s ecological beauty this year. Lead by TLC's Covenant Manager, volunteers learn hands-on skills while aiding the organization in monitoring covenants.





FROM THE BOARD

Concentrated on restructuring, TLC's volunteer Board has focused on protecting properties by transferring them with covenants to societies and qualified individuals to continue stewardship.

Weeks before our 2016 Annual General Meeting, TLC received approval from the Supreme Court of British Columbia to transfer Lohbrunner Farm to the FarmFolk/CityFolk Society. A fantastic steward for this property, the Society are committed to working with TLC's volunteers to continue community farming operations. Transfers like this were our goal when we entered the *Companies' Creditors Arrangement Act* (CCAA) process; TLC's creditors receive payment while properties remain protected. We are committed to ensuring that the Lohbrunner's legacy continues; a covenant is on title to restrict activity to farming.

The Lohbrunner Estate also included a bird sanctuary. This was transferred to the Nature Conservancy of Canada last fall along with 25 other ecological properties for continued stewardship.

The Ross Bay Villa Society is a wonderful example of a dedicated group of volunteers who have spent thousands of hours caring for a site. In October 2015 we had the pleasure of being able to transfer Ross Bay Villa to the Society. We are not alone in our praise for the hardworking group; since the transfer the Society have been awarded an Outstanding Achievement in Heritage Conservation Award from Heritage B.C.

Last fiscal year we were also successful in transferring Monks Point Park to the District of Tofino, three parcels adjacent to the Sooke Potholes Regional Park to the Capital Regional District (CRD), the Hardy Mountain Doukhobor Village to the Regional District of Kootenay Boundary and 29% undivided interest in Maltby Lake to long-time TLC Members Woody and Carmel Thompson.

Members support a sustainable approach

Through restructuring TLC's operations over the past few years, the Board has focused and reshaped the land trust. Our vision for the future includes our continued partnership with local communities.



In the past fiscal year we began repaying creditors. We raised \$2.95 million in debt repayment and creditor forgiveness towards our Plan of Arrangement. We are looking forward to the completion of the CCAA process in the coming months. The remaining transfers to be completed are now under contract and include Wildwood Ecoforest, TLC's 6% undivided interest in Maltby Lake, the densities zoned on Abkhazi Garden and the Historic Joy Kogawa House.

TLC's restructuring has also reinforced our conservation purpose; TLC continues to protect more than 12,768 acres of land throughout British Columbia via conservation covenants. In 2016 we trained more than 200 volunteers to assist in monitoring and restoration efforts.

Further, our staff welcomed volunteers from other land trusts to our training sessions. Working in partnership with other land trusts, regional districts and community groups allows us all to extend our reach. We are honoured to work along side

our partners in the conservation community including but not limited to the Greater Victoria Green Team, Highlands Estates Community Association, CRD, and District of the Highlands.

While our Covenant Program continues to inspire new volunteers to join our conservation efforts, Abkhazi Garden is a testament to the level of commitment and the sense of ownership volunteers develop. Abkhazi Garden volunteers dedicated more than 3,483 hours in the past year to maintaining the garden, guiding the public on educational tours of the grounds, and welcoming visitors from around the world.

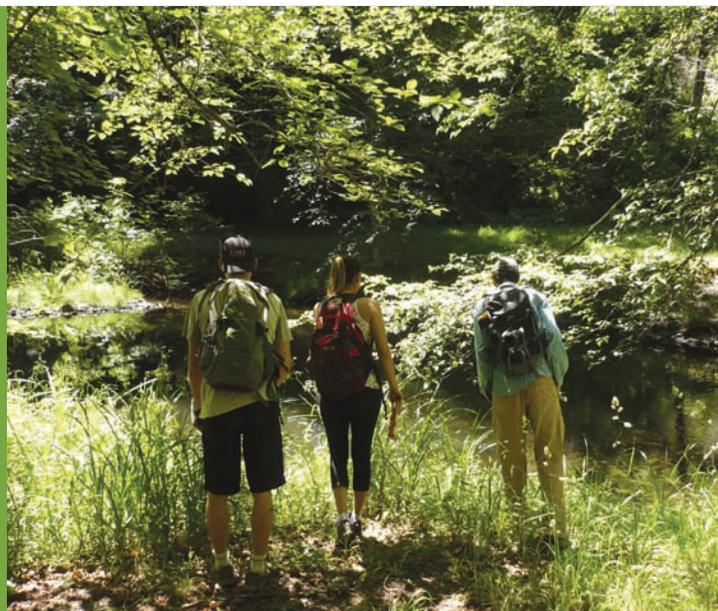
On behalf of the Board of Directors we wish to thank our members, donors, volunteers, community partners, and staff for their dedication and support this year. We look forward to a successful 2017 with all of you!

**Frances Pugh and Tom Watson
Co-Chairs, Board of Directors**

**Board of Directors: Mel Lehan ■ Fred Newhouse ■ Briony Penn
Frances Pugh ■ Lori Roter ■ Fran Sloan Sains ■ Tom Watson**

SPECIES SURVIVAL

TLC Members, by supporting the Covenant Program, are protecting ecosystems, biological resources and social benefits. From less than a hectare to over 1,350 hectares in size, covenants protect species at risk and their habitats.



PARTNERSHIP IN ACTION

In 2015/16, TLC partnered with the Greater Victoria Green Team on restoration projects in the CRD. By working with land owners, governments, and NGO's, TLC continues to increase the species and habitats we protect.

EDUCATION

Covenant monitoring is a great way to engage volunteers and reach out to educate others on the importance of conservation while providing hands-on opportunities to participate. Get involved with the program by contacting covenants@conservancy.bc.ca.



2016 Financial Statements

TLC's 2016 fiscal year runs from May 1, 2015 to April 30, 2016. Following the close of the 2016 fiscal year our Financial Statements were prepared by the independent professional accounting firm of Grant Thornton LLP.

The following are an excerpt from this years Financial Statements. Full versions of the Financial Statements are available by request from TLC's office at 250-479-8053 or online at conservancy.bc.ca. The Treasurer's Report will be available at TLC's Annual General Meeting on October 22, 2016.

Consolidated Statement of Operations

Revenue	
Donations and bequests	855,182
Grants	14,558
Memberships	198,184
Other income	8,776
Donations in-kind	591,291
Rental income	66,078
Debt forgiveness	<u>1,274,428</u>
	<u>3,008,497</u>
Expenses	
Amortization	20,466
Consulting	2,345
Interest and bank charges	64,134
Interest on long-term debt	163,893
Insurance	51,143
Loss on sale of capital assets	6,752
Office supplies, printing, postage	17,633
Professional fees	129,051
Other expenses	65,260
Property taxes	42,965
Rent and utilities	40,800
Repairs and maintenance	20,487
Salaries, wages and benefits	297,280
Telephone	18,958
Transfer of conservation lands	13,085,576
Travel	4,874
Restructuring fees	<u>357,038</u>
	<u>14,388,655</u>
Excess (deficiency) of revenue over expenses	<u>(11,380,158)</u>

Consolidated Statement of Financial Position

Assets	
Current	
Cash and cash equivalents	594,850
Cash held in trust	101,131
Receivables	13,106
Prepays	<u>10,333</u>
	719,420
Investments	164,000
Conservation covenants	16,413,399
Capital assets	<u>11,475,356</u>
	<u>28,772,175</u>
Liabilities	
Current	
Payables and accruals	1,711,841
Deposits on land	40,000
Due to (from) other Fund	0
Senior secured loans	0
Long-term debt	<u>3,146,355</u>
	<u>4,898,196</u>
Fund Balances	
Invested in conservation covenants	16,413,399
Invested in capital assets	11,815,026
Externally restricted	344,412
Unrestricted	<u>(4,698,858)</u>
	<u>23,873,979</u>
	<u>28,772,175</u>

**TLC's Board of Directors
wishes to thank the following
sponsors and supporters:**

Alexandria Bancorp Ltd.

Brian Coote, ScotiaMcLeod

CanadaHelps.org

Clace Holdings Ltd.

Community Foundation of the South Okanagan

Corporation of the District of Tofino

Friends of Abkhazi Garden Society

Greater Saint Louis Community Foundation

Lees & Associates Consulting Ltd.

Lyoness Estate Ltd.

MacIsaac and MacIsaac

McConnan Bion O'Connor and Peterson

Mountain Equipment Co-op

Oxford Foods Ltd.

Pacific Ecoscapes

Peloton Technologies Inc.

Provincial Employees Community Services Fund

Raymond James Ltd.

Schneider Electric Canada Inc.

Seaflora Skincare

Shaw Communications Inc.

Sherwin Williams Canada

Strategic Charitable Giving Foundation

Team TELUS Cares

The Charitable Gift Funds Canada Foundation

The Noodle Box

The Outdoor Club of Victoria

United Way of Greater Toronto

United Way of Greater Victoria

United Way of Ottawa

United Way of the Lower Mainland

VanCity Community Foundation

Vancouver Foundation

Victoria Foundation

Yellow Point Lodge



PO Box 50054 Fairfield Plaza, Victoria, BC V8S 5L8

Head Office: Gonzales Observatory, 302 Denison Road, Victoria, BC V8S 4K3

1-877-485-2422 conservancy.bc.ca

2016 Treasurer's Report

My role as Treasurer is to maintain oversight of TLC's finances, and to help educate the Board on the financial aspects of operations. The Board of Directors as a whole are responsible for overseeing management and ensuring the financial statements represent reality and are presented to membership. Management is responsible for selecting the organization's accounting policies, and preparing, presenting and acting on financial information.

Audited financial statements provide an independent professional accounting opinion on whether financial figures are fairly presented. They are a key measure of the Board's accountability to members. TLC has fulfilled its commitment to issue audited financial statements for the 2015/16 fiscal which runs from May 1, 2015 to April 30, 2016.

In the past year, as Treasurer, I have, with the Board's endorsement and accounting staff's assistance, implemented a budget and a monthly monitoring process to identify and explain any potentially significant variances in operational accounts, in order to justify amounts and allow necessary spending adjustments to be made on an ongoing basis where possible.

While TLC's going concern is ultimately dependent on the successful culmination of the CCAA process, I am happy to convey that we had a positive operating income at year end of \$153,393. While the positive change is partly attributable to circumstances beyond our control, this turnaround goes a long way to show TLC's commitment to fiscal prudence. To note, in 2014/15, TLC reported an operational *deficiency* of \$506,726.

In last year's report, I stated that I would work with the Board and staff to formalize governance and financial policies to help prevent problems from the past becoming concerns of the future. A proposal was put forth to the Board, and a commitment was made, to develop financial accountability, internal control and overall governance policies to help the Board and auditors assess operational effectiveness. Given the intense focus of Board and staff on the CCAA process, this project should take place in 2016/17 fiscal year.

On behalf of the Board of Directors I would like to thank Grant Thornton LLP for undertaking the 2015/16 audit, the Board for their continued support, and the accounting staff for facilitating a seamless process.

A handwritten signature in blue ink, appearing to read "Lori Roter".

Lori Roter
Board Treasurer