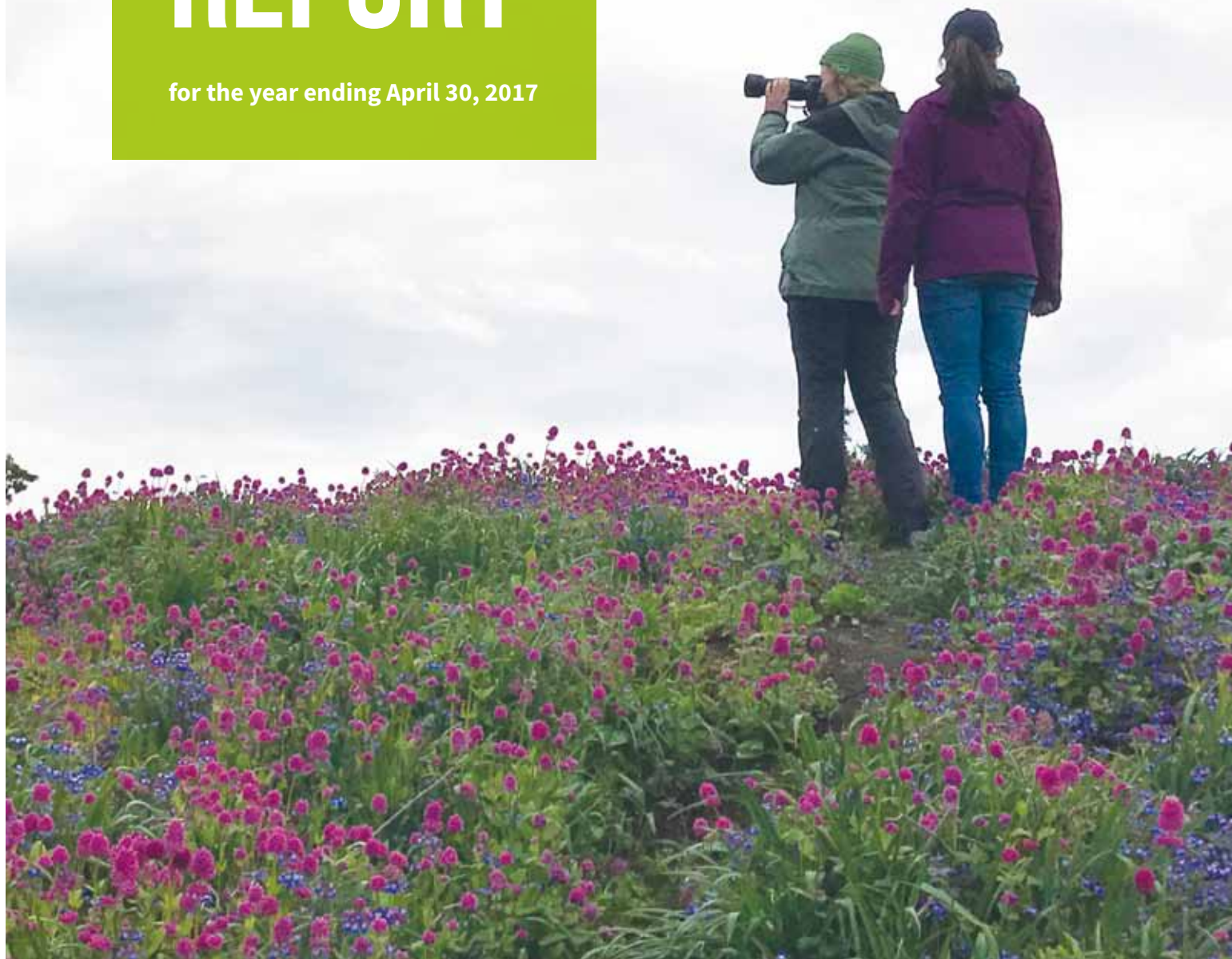


# ANNUAL REPORT

for the year ending April 30, 2017



CELEBRATING 20 YEARS  
OF CONSERVATION





A photograph of two hikers in a field of tall, dry grass. The hiker on the left is wearing a black jacket, a black beanie, and a large black backpack. The hiker on the right is wearing a green jacket, a red baseball cap, and a blue and red plaid scarf. They are both looking down at the ground. The background is a blurred forest with green and brown foliage.

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# TO OUR STAKEHOLDERS

Overcoming monumental obstacles brings renewed appreciation for the everyday activities that fulfill TLC's mandate of conservation.

Looking back at what we have accomplished together over the last year it's hard to believe that our small but mighty team has come so far.

Over the last fiscal year, from May 2016 through April 2017, we have successfully monitored 94% of our covenants and delivered restoration programming including a multi-tiered invasive removal project at Ayum Creek Regional Park Reserve.

We have partnered with community groups like the Greater Victoria Green Team, Trail Wildlife Association and Vancouver Island University to educate, engage and ensure that our properties and covenants remain protected.

At Abkhazi Garden we received a generous matching grant to enable updates including fence

replacements, stonework restoration, hand railing installation and painting.

What makes these program and project accomplishments that much more impressive is the over-arching restructuring that was shaping our organization simultaneously. TLC successfully emerged from the *Companies' Creditors Arrangement Act* (CCAA) process on March 6, 2017.

Over the past two decades we have seen some trying times, but together we have accomplished extraordinary feats. Thank you for your support of our mission to protect and restore the biological diversity of B.C. for present and future generations.

Frances Pugh & Tom Watson  
2015/2016 Board Co-Chairs



HAVE YOU BEEN WANTING TO GET  
MORE **INVOLVED?** GIVE US A CALL,  
SEND US AN EMAIL OR DROP BY.

# MESSAGE FROM CATHY



The 2016/2017 fiscal year brought a sea change to TLC. The summer and fall of 2016 was consumed with preparing a Revised Plan of Arrangement and completing the last of the property transfers. In December we were successful in securing the support of our creditors for the Revised Plan, and subsequently, in early 2017 we distributed the funds to our creditors. This allowed us to return to the Supreme Court of British Columbia for our Certificate of Completion, which meant that the process was finally at a conclusion in March.

This was a bittersweet moment for TLC. While we were relieved to exit the arduous process and stop the ongoing costs, we were disappointed that the results were not what were envisioned at the outset.

There was satisfaction in repaying 29 secured creditors to the fullest extent, and also repaying in full 70 unsecured creditors, however, 55 unsecured creditors received less than the full amount of their debt repaid.

I would especially like to recognize those individuals and organizations today and acknowledge the price that was paid to conclude the process.

So what have we learned from this process? We recognize and appreciate that much was accomplished in twenty years. That many irreplaceable sites were saved. We acknowledge that quick action can sometimes be necessary to achieve objectives. We realize that working with other organizations and levels of government can reap huge conservation benefits. The fundamental lesson however is that sustainability is essential for 'forever' solutions.

Holding costs can be significant, especially where there are structures, public use or where tax exemptions are not available. Leveraging assets through mortgaging adds additional ongoing costs. TLC deeply appreciates the green lenders that stepped up, however servicing those debts proved to be a challenge.

Today TLC sustains its operations through memberships and donations. We are a lean operation relying heavily on volunteers. We honour our commitments to monitor 240 covenants. We hold eight properties: Abkhazi Garden, Madrona Farm, Second Lake, Nimpo Lake, Todd Road, Fort Shepherd, Clearwater Wetland and Qualicum Bat House.

To protect endangered lands TLC works with governments, partner organizations, donors and members to find long term solutions. An example of this approach is our current role as facilitators in the preservation of Owl Island. This rare ecosystem is a small, privately-owned island off the coast of Salt Spring Island. Owl Island has few invasive species and thus serves as a baseline for scientific study. It also serves as an important site for local First Nation communities.

The Board and staff have been humbled by the support we have received as we negotiated this transformative year. We have been working hard to incorporate the lessons learned into our ongoing operational practices. We welcome your feedback on our progress.

Cathy Armstrong  
Executive Director





Ox Island Photo Peter McCallister

“

**THE FUNDAMENTAL LESSON LEARNED HOWEVER IS THAT SUSTAINABILITY IS ESSENTIAL FOR 'FOREVER' SOLUTIONS."**



# OUR DEDICATED VOLUNTEERS AND THEIR SUCCESSES

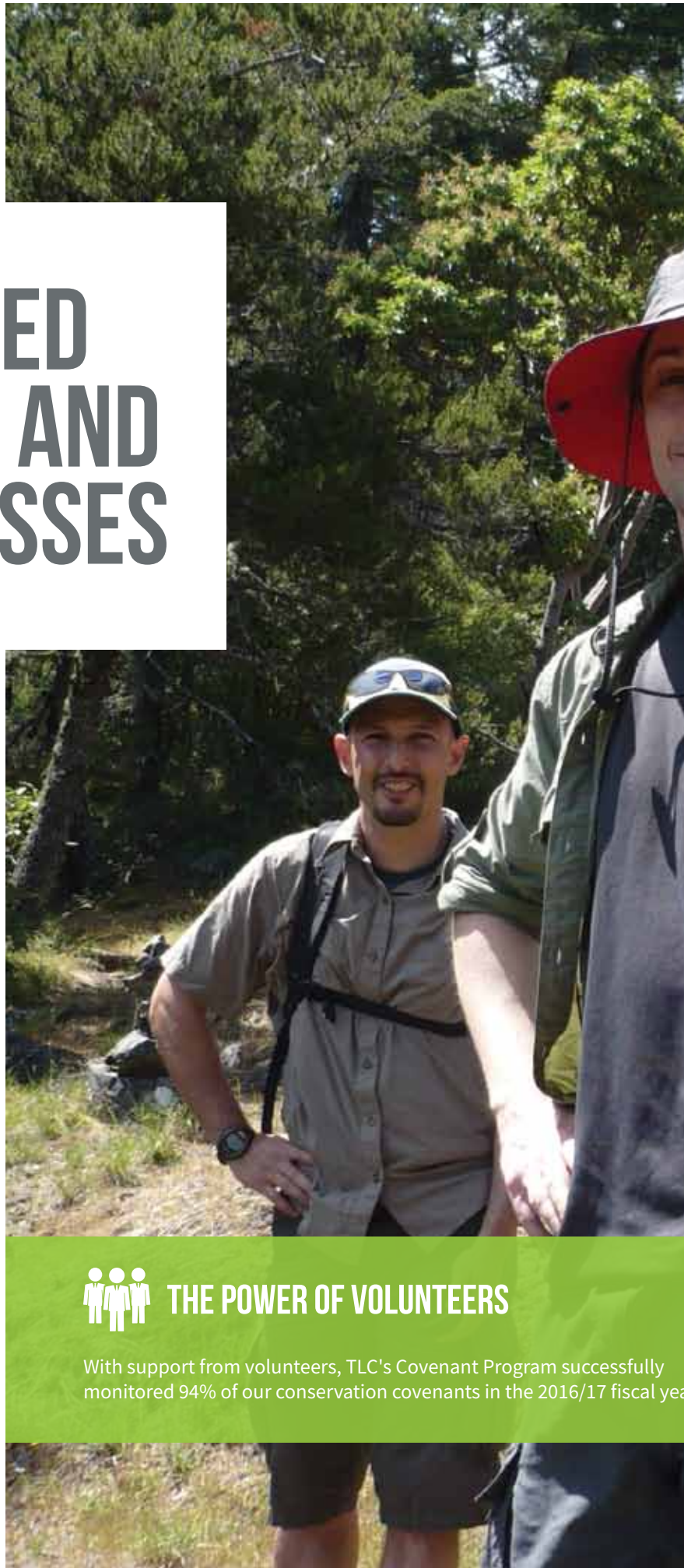
TLC has been involved in the protection of many conservation areas over its 20 year history. We currently hold 240 conservation covenants on properties throughout B.C., from less than a hectare in size to over 1,350 hectares. In total TLC protects more than 12,750 acres. These areas include streams, lakes, riparians, forests, greenbelts, and rare and endangered species.

This conservation work would not be possible without the collaboration of partners and the support of dedicated volunteers. In the last year TLC has been able to successfully train 219 volunteers and support those volunteers in donating 975 hours while learning hands-on monitoring and restoration skills.

Each property has its own requirements and our incredibly skilled volunteers bring priceless experience to every task they tackle. At Abkhazi Garden volunteers showcase a variety of passions from welcoming guests, touring groups and caring for the rare plants in the garden.

Want to get involved, meet interesting people and give back to the community? We are always looking for volunteers to join our team. Check out the 5 ways you can get involved this year on the following page.

Two of TLC's Covenant Program volunteers with TLC Conservation Manager Andrew MacKinnon (left) monitoring the Covenant on Mt. Quimper.



## THE POWER OF VOLUNTEERS

With support from volunteers, TLC's Covenant Program successfully monitored 94% of our conservation covenants in the 2016/17 fiscal year.





Mt. Quimper Covenant Photo: Torrey Archer

1

#### **COVENANT PROGRAM MONITORING VOLUNTEERS**

Covenant Program volunteers, often UVic and VIU students, learn about monitoring, ecological integrity and scientific reporting. This training helps support the next generation of conservationists.

2

#### **RESTORATION EVENT PARTICIPANTS**

Last year volunteers helped remove 136 m<sup>3</sup> of invasive species, collected approximately 60 pounds of garbage and restored a 2,500 ft<sup>2</sup> area previously blanketed with invasive periwinkle.

3

#### **HORTICULTURAL ENTHUSIASTS AT ABKHAZI GARDEN**

Gardeners at Abkhazi Garden have been lovingly caring for the magical space since TLC purchased the site. Their annual plant sale helps fund their work including purchasing plants and tools.

4

#### **WELCOMING VISITORS TO ABKHAZI GARDEN**

Not all of our volunteers spend time digging in the dirt. A team of friendly greeters welcome visitors to Abkhazi Garden and our docents bring a wealth of historical knowledge to each tour.

5

#### **TLC OFFICE VOLUNTEERS**

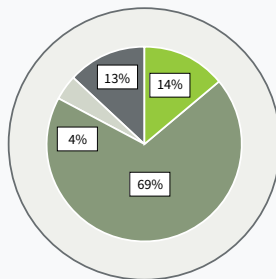
From postage stamp sorting to stuffing envelopes, volunteers help TLC achieve our routine office tasks. Donating a few hours each week, these valued volunteers are an integral part of TLC's team!

WITH THE COMPETITION OF CCAA, TLC IS IN THE BEST POSITION FOR CONTINUED SUSTAINABILITY

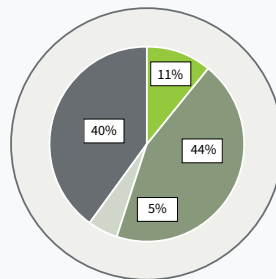
# FINANCIAL R

TLC's fully audited 2016/2017 Financial Statements are available online at [conservancy.bc.ca](http://conservancy.bc.ca) or in hard copy by contacting (250) 479-8053 or [admin@conservancy.bc.ca](mailto:admin@conservancy.bc.ca).

## REVENUE VARIETY BY FISCAL YEAR



May 1, 2016 to  
April 30, 2017



May 1, 2015 to  
April 30, 2016

- Annual and Monthly Memberships by Individuals, Families and Small Businesses
- Donations including bequests left to the organization
- In-kind donations including gifts of stock and endowment fund disbursements
- Other income including rental income and grants from foundations

## SPONSORS

TLC's Board of Directors wishes to thank the following sponsors and supporters for their contributions this year:

CanadaHelps.org  
Charitable Gift Funds Canada Foundation  
Community Foundation of the South Okanagan  
Craigdarroch Castle Historical Museum Society  
Friends of Abkhazi Garden Society  
Saint Louis Community Foundation  
Historic Joy Kogawa House Society

Kutenai Growth Society  
MacIsaac and MacIsaac  
Nanose Edibles Organic Farm  
North Okanagan Parks and Natural Areas Trust  
Oxford Foods Ltd  
Pacific Ecoscapes  
Peloton Technologies Inc  
Provincial Employees Community Services Fund  
Private Giving Foundation  
Public and Private Workers of Canada  
Raymond James Ltd

Schneider Electric Canada Inc  
Sherwin Williams Canada  
Strategic Charitable Giving Foundation  
Team TELUS Cares  
TD Friends of the Environment Foundation  
United Way of Greater Toronto  
United Way of Greater Victoria  
United Way of the Lower Mainland  
VanCity Community Fund  
Vancouver Foundation  
Victoria Foundation  
Yellow Point Lodge Ltd



# REPORT

# \$97.14

## AVERAGE ANNUAL MEMBERSHIP GIFT

TLC Members have the option of giving annually or monthly. The average monthly membership gift is \$13.61.

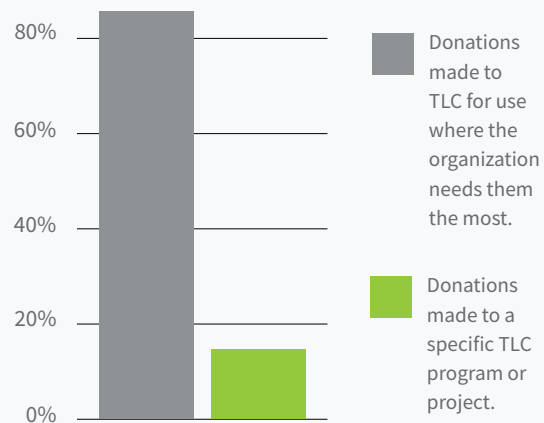
## GIFTS SPEAK TO DONORS' PRIORITIES

### Some donors give to specific projects.

Whether to fund a restoration event on a covenanted property in their neighbourhood or to support projects on a TLC site that means the most to them, donors' specified gifts help accomplish specific goals.

### Others give to where TLC needs it most.

Donations given for unspecified purposes ensure that pressing projects are accomplished. Gifts are directed in accordance with TLC's bylaws, financial policies, strategic plan and annual operating budget.



## ENDOWMENT FUNDS ON THE RISE

As at March 31, 2017, TLC's endowment funds held by the Victoria Foundation had a fair market value of \$922,231. TLC's endowments held with the Vancouver Foundation had a fair market value of \$167,977.

In comparison, at March 31, 2016, the funds had fair market values of \$744,765 and \$123,124, respectively.

Endowment funds grew a combined \$222,319 or 26%.



# RESULTS OF OPERATIONS

Having emerged from the *Companies' Creditors Arrangement Act* (CCAA) process, TLC's Financial Statements show the land trust's sustainability.

My role as Treasurer is to maintain oversight of TLC's finances, and to help educate the Board on 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, including ensuring that a financial audit of operations is undertaken.

Looking to TLC's 2016/2017 audited Financial Statements you will note many significant achievements. One, which is easily overlooked, is the removal of the "Emphasis of Matter" in the audit of our operations, which noted, "material uncertainty regarding the Society's ability to maintain a going concern". This 'emphasis' has been noted on TLC's Financial Statements since the 2005/2006 fiscal year, due to TLC's prior inability to service its debts and other obligations.

Our 2016/2017 Financial Statements show the extinguishment of \$4,638,644 of debt, owing to the successful transfer of properties to other conservation-minded institutions. Liabilities are

limited to current payables, accruals and one remaining mortgage held on the Qualicum Bat House. The creditors voted in favor of extinguishing this debt in exchange for the property, which was later approved by the Supreme Court of British Columbia. The mortgage holders have yet to make this exchange.

TLC's Financial Statements also make note of \$233,578 promised to unsecured creditors, should the densities zoned on Abkhazi Garden be sold for use on a development within the City of Victoria. This contingent liability is not reflected directly in our statements due to the uncertainty of the transaction and its timing of occurrence.

The successful completion of the CCAA process in March 2017 has allowed the organization to continue fulfilling its land conservation mission, and to proceed with engendering transparent and responsible financial policies and practices.

With the support of Board of Directors, TLC staff and you, our valued members and donors, we will be able to march forward on a revitalized path to long-term sustainability.

Lori Roter  
Board Treasurer



Owl Island, Photo: Dianna Stenberg



**TLC'S 2016/2017 FINANCIAL  
STATEMENTS SHOW \$4,638,644  
OF LIABILITIES EXTINGUISHED**



**FULL FINANCIAL STATEMENTS ARE  
AVAILABLE FROM OUR OFFICE OR  
ONLINE AT [CONSERVANCY.BC.CA](http://CONSERVANCY.BC.CA)**



For the fiscal year ending April 30, 2017

Consolidated Statement of Operations	2016/2017	2015/2016
<b>Revenue</b>		
Donations	811,110	825,542
Grants	12,047	14,558
Memberships	168,569	198,184
Other income	6,516	8,776
Donations in-kind	147,927	756,378
Rental income	31,695	66,078
	1,177,864	1,869,516
<b>Expenses</b>		
Advertising	8,616	5,728
Amortization	16,886	20,467
Consulting	7,607	2,345
Fundraising	1,148	43
Interest and bank charges	13,145	64,134
Interest on long-term debt	42,652	163,893
Insurance	25,345	51,143
Licenses, dues, and fees	1,403	(2,240)
Office supplies, printing, postage	23,699	17,633
Other expenses	67,732	68,691
Professional fees	120,334	128,961
Property taxes	20,312	42,965
Rent and utilities	38,139	40,800
Repairs and maintenance	62,744	20,487
Salaries, wages and benefits	341,373	297,280
Telephone	13,968	18,958
Transfer to other agencies	110,259	1,214
Travel	5,409	4,874
CCAA related expenses	57,533	357,038
	978,304	1,304,414
Excess (deficiency) of revenue over expenses before other items	199,560	565,102
<b>Debt extinguishment</b>	<b>2,307,985</b>	<b>1,139,102</b>
Transfer of conservation lands	(443,182)	(13,084,362)
Excess (deficiency) of revenue over expenses	2,064,363	(11,380,158)

Consolidated Statement of Financial Position	2016/2017	2015/2016
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	523,853	594,850
Cash held in trust	56,050	101,131
Receivables	36,437	13,106
Prepays	7,736	10,333
	624,076	719,420
<b>Investments</b>	<b>129,000</b>	<b>164,000</b>
Conservation covenants	16,413,399	16,413,399
Capital assets	9,031,419	11,475,356
	26,197,894	28,772,175
<b>Liabilities</b>		
<b>Current</b>		
<b>Payables and accruals</b>	<b>134,618</b>	<b>1,711,841</b>
Deposits on land	-	40,000
Due to (from) other Fund	-	-
<b>Long-term debt</b>	<b>124,934</b>	<b>3,146,355</b>
	259,552	4,898,196
<b>Fund Balances</b>		
Invested in conservation covenants	16,413,399	16,413,399
Invested in capital assets	8,908,726	11,815,026
Internally restricted	134,259	-
Externally restricted	116,548	344,412
Unrestricted	365,410	(4,698,858)
Externally restricted	25,938,342	23,873,979
	26,197,894	28,772,175

**94.7%**  
**DECREASE IN LIABILITIES**  
**COMPARED TO 2015/2016**



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