

ISLAND CORRIDOR FOUNDATION

FINANCIAL STATEMENTS

Partners

Grant McDonald, CPA, CA*

Lee-Anne Harrison, CPA, CA*

Anna Jones, CPA, CA*

Joanne Novak, CPA, CA*

*incorporated



INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the members of the Island Corridor Foundation

We have reviewed the financial statements of **Island Corridor Foundation** that comprise the statement of financial position as at December 31, 2023, and the statement of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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.

Practitioner's responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for qualified conclusion

The Foundation's tangible capital assets include \$14,346,946 of track for which conditions indicate that the track assets may be impaired, requiring that the net carrying amount of the tangible capital asset be written down to the assets' fair value. In addition, included in amortization expense is \$ 2,016,355 of amortization for tracks that are not in use. We were unable to evaluate the impact of this possible impairment and related amortization adjustment as management did not prepare an analysis and estimate the assets' fair value as at December 31, 2023 and possible related impairment for the year ended December 31, 2023. Consequently, we were unable to perform the procedures we considered necessary.

25 Cavan Street, Nanaimo, BC V9R 2T9
Tel (250) 754-6396 Toll Free 1-866-754-6396
Fax (250) 754-8177 mail@churchpickard.com
www.churchpickard.com

Independent Practitioner's Review Engagement Report

(Continued)

Qualified conclusion

Based on our review, except for the effects of the matter described in the above paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Island Corridor Foundation as at December 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other matter

Without modifying our conclusion, we draw attention to Note 1 of the financial statements which indicates that as at December 31, 2023 uncertainty exists with respect to the Foundation's ability to obtain future funding to meet one of its' mandates of continuing to develop railway assets. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Foundation's ability to continue as a going concern.

Church Pickard

CHURCH PICKARD
Chartered Accountants

Nanaimo, BC
May 28, 2024

ISLAND CORRIDOR FOUNDATION

STATEMENT OF FINANCIAL POSITION as at **December 31, 2023**

	Operating Fund	Capital Funds	Total 2023	Total 2022
Assets				
Current				
Cash and equivalents - Note 4	\$ 165,988	\$ -	\$ 165,988	\$ 104,637
Term deposit - Note 5	475,321	-	475,321	-
Accounts receivable	146,973	-	146,973	118,258
Current portion of loan receivable - Note 6	14,950	-	14,950	-
Prepaid expenses	7,664	-	7,664	15,123
Interfund receivable (payable) - Note 4	<u>(21,101)</u>	<u>21,101</u>	<u>-</u>	<u>-</u>
	789,795	21,101	810,896	238,018
Loan receivable - Note 6	67,285	-	67,285	-
Tangible capital assets - Note 7	-	308,503,094	308,503,094	311,981,999
Deferred leasing costs - Note 8	<u>6,983</u>	<u>-</u>	<u>6,983</u>	<u>9,213</u>
	<u>\$ 864,063</u>	<u>\$ 308,524,195</u>	<u>\$ 309,388,258</u>	<u>\$ 312,229,230</u>

Liabilities

Current				
Accounts payable	\$ 221,805	\$ -	\$ 221,805	\$ 68,091
Callable debt due in one year - Note 9	-	55,290	55,290	71,694
Current portion of long term debt - Note 10	24,000	-	24,000	24,000
Deferred revenue	1,087	-	1,087	1,087
GST payable	3,284	-	3,284	3,468
Accrued interest payable - Note 10	<u>62,710</u>	<u>4,072</u>	<u>66,782</u>	<u>66,616</u>
	312,886	59,362	372,248	234,956
Callable debt, due thereafter - Note 9	-	572,188	572,188	610,706
Long term debt - Note 10	21,000	-	21,000	49,000
Deferred revenue	<u>636,923</u>	<u>-</u>	<u>636,923</u>	<u>173,578</u>
	<u>970,809</u>	<u>631,550</u>	<u>1,602,359</u>	<u>1,068,240</u>
Net assets	<u>(106,746)</u>	<u>307,892,645</u>	<u>307,785,899</u>	<u>311,160,990</u>
	<u>\$ 864,063</u>	<u>\$ 308,524,195</u>	<u>\$ 309,388,258</u>	<u>\$ 312,229,230</u>

Approved on Behalf of the Board:

Judith Sayers

Daniel Arbour

ISLAND CORRIDOR FOUNDATION

STATEMENT OF OPERATIONS

For the year ended **December 31, 2023**

	Operating Fund	Capital Fund	Total 2023	Total 2022
Revenue				
Donations and grants - Note 13	\$ 483,508	\$ -	\$ 483,508	\$ 352,718
Crossings, leases and fees	369,652	-	369,652	258,550
Rental income - Note 11	104,643	-	104,643	88,775
Interest	5,321	-	5,321	-
	963,124	-	963,124	700,043
Expenditures				
Wages and benefits	280,100	-	280,100	255,786
Repairs and maintenance	220,787	-	220,787	77,037
Legal fees	92,998	-	92,998	73,710
Insurance	48,356	-	48,356	33,414
Consulting fees and engineering	36,220	-	36,220	12,600
Board expenses	21,976	-	21,976	45,064
Advertising and promotion	19,772	-	19,772	17,652
Professional fees	19,005	-	19,005	28,193
Utilities	18,954	-	18,954	24,401
Management and administration services	18,000	-	18,000	24,000
Communications	8,986	-	8,986	18,801
Interest and bank charges	7,655	-	7,655	5,735
Travel	3,833	-	3,833	3,767
Office	3,083	-	3,083	3,436
Property taxes	1,254	-	1,254	-
Public relations	1,214	-	1,214	695
Interest on short-term debt	-	47,920	47,920	33,261
	802,193	47,920	850,113	657,552
Excess of revenues over expenses				
(expenses over revenues) before				
undernoted items	160,931	(47,920)	113,011	42,491
Amortization	-	3,488,102	\$ 3,488,102	\$ 3,488,950
Excess of revenues over expenses				
(expenses over revenues)	\$ 160,931	\$ (3,536,022)	\$ (3,375,091)	\$ (3,446,459)

ISLAND CORRIDOR FOUNDATION

STATEMENT OF CHANGES IN NET ASSETS

For the year ended **December 31, 2023**

	Operating Fund	Capital Fund	Total 2023	Total 2022
Balance, beginning of the year	\$ (155,802)	\$ 311,316,792	\$ 311,160,990	\$ 314,607,449
Excess (deficiency) of revenue over expenses	160,931	(3,536,022)	(3,375,091)	(3,446,459)
Interfund loans and repayment of debt	(111,875)	111,875	-	-
Balance, end of the year	<u>\$ (106,746)</u>	<u>\$ 307,892,645</u>	<u>\$ 307,785,899</u>	<u>\$ 311,160,990</u>

ISLAND CORRIDOR FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended **December 31, 2023**

	2023	2022
Cash provided (used):		
Operating activities		
Excess of (expenses over revenues)	\$ (3,375,091)	\$ (3,446,459)
Items not involving cash		
Amortization	<u>3,488,102</u>	<u>3,488,950</u>
	113,011	42,491
Changes in non-cash operating accounts		
Increase in accounts receivable	(28,715)	(108,043)
Increase in loan receivable	(82,235)	-
Decrease (increase) in prepaid expenses	9,689	(2,655)
Increase (decrease) in accounts payable and accrued liabilities	153,699	(26,352)
Increase in deferred revenue	<u>463,345</u>	<u>161,623</u>
	628,794	67,064
Investing activities		
Purchase of tangible capital assets	(9,199)	(1,848)
Increase in term deposit	<u>(475,321)</u>	<u>-</u>
	<u>(484,520)</u>	<u>(1,848)</u>
Financing activities		
Repayment of long term debt	(28,000)	(24,000)
Repayment of callable debt	<u>(54,923)</u>	<u>(71,694)</u>
	<u>(82,923)</u>	<u>(95,694)</u>
Increase (decrease) in cash	61,351	(30,478)
Cash, beginning of the year	<u>104,637</u>	<u>135,115</u>
Cash, end of the year	<u>\$ 165,988</u>	<u>\$ 104,637</u>

ISLAND CORRIDOR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2023**

Nature of operations

Island Corridor Foundation ("the Foundation") was incorporated under the laws of the Government of Canada on January 01, 2004 and was continued under the Canada Not-for-Profit Corporations Act. As a registered charity, the Foundation is exempt from the payment of income tax under Section 149(1) of the Income Tax Act and able to issue donation receipts for income tax purposes. In order to maintain the status of a charitable organization under the Act, the Foundation must meet certain requirements within the Act, which, in the opinion of the management, have been met.

The Foundation's primary purposes are to preserve the use of the corridor in perpetuity for the connection and the benefit for all Island communities and First Nations along the corridor; to preserve historical landmarks; to create trails, parks and other public areas; to preserve and develop the assets on the Island Corridor and to contribute to rail services along the rail corridor. The members of the Foundation are eleven First Nations and five Regional Districts. They assumed ownership of the 319-kilometre rail corridor in 2006 on behalf of communities of Vancouver Island. In 2023 they returned approximate 1.5-kilometre of the corridor to the Snaw-Naw-As First Nation.

1. Going concern

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which contemplate the continuation of the Foundation as a going concern including the realization of assets and the settlement of liabilities in the ordinary course of operations. However, certain conditions may cast significant doubt on the validity of this assumption.

The ability of the Foundation to meet one of its mandates of continuing to develop the railway assets located on the Island Corridor including certain tracks and bridges is dependent on the Foundation's ability to retain the commitment of a railway provider and to obtain grant funding to repair the bridges and tracks.

The Foundation has a Strategic Priorities & Operation Plan which outlines the Foundation's Key Focus Areas including multi-infrastructure plan for Rail. The Foundation remains optimistic regarding long-term upgrades and, in conjunction with Southern Railway of Vancouver Island (SVI), have identified and costed a series of Phase 1 rail infrastructure options that may be pursued.

The Foundation continues to maintain its infrastructure and pursue new property lease agreements and park developments as it awaits funding from the BC Government. The Province of BC released the Island Rail Corridor Condition Assessment Summary Report completed by WSP Canada Group Ltd. in April 2020. The summary identifies the railway corridor overall as being in poor to fair condition. The summary provides a conceptual cost estimate in support of three Improvement Phases evaluated: Initial, Intermediate and Ultimate. These phased cost estimates are separated between Victoria Subdivision and Port Alberni Subdivision and further divided into six geographical segments. In addition, the BC Government has completed the South Vancouver Island Transportation Strategy report of which rail featured prominently as a long-term investment.

ISLAND CORRIDOR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2023**

1. **Going concern** - cont.

Vital to the rail operations of the Foundation is the involvement with SVI. The Foundation entered into an agreement with Southern Railway of Vancouver Island (SVI) in which SVI will pay a license fee to the Foundation of \$2,000 per month and the Foundation will pay monthly loan payments of \$2,000 to SVI. As long as the Foundation pays the monthly payments, SVI has agreed to grant a waiver of interest on the remaining unpaid principal amount of the loan.

The Foundation has incurred a net loss of \$3,375,091 (2022 - \$3,446,459) which includes amortization of \$3,488,102 (2022 - \$3,488,950) for the year and as of December 31, 2023. The Foundation's current liabilities exceed its current assets by \$133,540 (2022 - \$607,644). Of this amount \$584,166 (2022 - \$626,410) is the mortgage on the Nanaimo Station building. The Nanaimo station is not included in current assets but the mortgage on the building is included in current liabilities which is the reason current liabilities exceed current assets.

On March 14, 2023 the federal and provincial governments announced that 10-plus acres of the land used by the corridor be returned the Snaw-Naw-As First Nation. Without making any promises about that concept, the federal and provincial government announced support for future planning on the corridor. The province did grant the Foundation \$600,000 in 2023 for corridor maintenance and repair that does not involve specific infrastructure.

These financial statements do not reflect the adjustments to the carrying amounts of reported assets and liabilities, revenues and expenses and balance sheet classifications which might be necessary should the going concern assumption not be appropriate. Such adjustments could be material.

2. **Significant accounting policies**

These financial statements have been prepared in accordance with the Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

- Fund accounting

Island Corridor Foundation uses the restricted fund method of accounting for contributions and maintains two funds - Operating Fund and Capital Fund.

The Operating Fund accounts for assets, liabilities, revenues and expenses related to the Foundation's program delivery in the preservation of the railway corridor and its administrative activities.

The Capital Fund reports the assets, liabilities, revenues and expenses related to Island Corridor Foundation's capital assets, including acquisitions and disposals and debt commitments.

ISLAND CORRIDOR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2023**

2. Significant accounting policies - cont

- Revenue recognition

The Foundation recognizes donations when received. Grant revenue is recognized over the period that the service is performed, as specified by the grantor. Interest revenue is recognized when earned. Revenue from crossing departments and lease agreements is recognized over the term of the agreement. Rental income is recognized as earned over the term of the lease. Fundraising revenue is recognized when received. File opening fees for crossing agreements are recorded when an agreement is in place and their collectibility is reasonably assured.

- Contributed materials and services

Contributions of services and materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the services and materials are used in the normal course of the Foundation's operations and would otherwise have been purchased.

- Financial instruments

The Foundation considers any contract creating a financial asset or liability as a financial instrument, except in certain limited circumstances. The Foundation accounts for the following as financial instruments:

- Cash
- Accounts receivable
- Accounts payable
- Callable debt
- Long term debt

A financial asset or liability is recognized when the Foundation becomes party to contractual provisions of the instrument.

The Foundation initially measures its financial assets and liabilities at fair value. The Foundation subsequently measures all of its financial assets and financial liabilities from arm's length transactions at cost or amortized cost less any reduction for impairment.

Financial assets measured at cost or amortized cost less any reduction for impairment include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable, callable debt, and long term debt.

ISLAND CORRIDOR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2023**

2. Significant accounting policies - cont.

Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

The Foundation removes financial liabilities, or a portion thereof, when the obligation is discharged, cancelled or expires.

A financial asset (or group of similar financial assets) measured at cost or amortized cost are tested for impairment when there are indicators of impairment. Impairment losses are recognized in the statement of operations. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount paid that would have been the carrying amount had no impairment loss been recognized properly. The amount of any write-downs or reversals are recognized in net income.

- Tangible capital assets

Tangible capital assets are recorded at cost. The Foundation provides for amortization using the straight-line method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows

Railway stations	Straight line	20 years
Equipment	Straight line	5 years
Fences	Straight line	10 years
Track	Straight-line	21.5-27 years
Railway signals	Straight line	8.8 years
Culverts	Straight-line	20 years
Bridges and tunnels	Straight-line	40 years

- Callable debt

The Foundation's demand loans are classified as current liabilities because the lender has the right to demand repayment within one year.

- Measurement uncertainty

The preparation of the financial statements in conformity with the Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they they become known. Actual results could differ from these estimates.

Significant areas requiring the use of management estimates include accounts receivable, amortization and contingencies.

ISLAND CORRIDOR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2023**

2. **Significant accounting policies** - cont.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets, as outlined above.

These estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. **Financial instruments**

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Foundation's risk exposure and concentration as of December 31, 2023.

a) Credit risk

Credit risk from the potential that a counter party will fail to perform its obligations. The Foundation is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

The credit risk regarding cash is considered to be negligible because it is held by a reputable financial institution with an investment grade external credit rating.

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, callable debt, long-term debt and accounts payable.

c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financial activities. The Foundation is exposed to interest rate risk primarily through its variable rate callable debt and variable rate long term debt.

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant other price risks arising from these financial instruments.

ISLAND CORRIDOR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2023**

4. Externally restricted cash and net assets

Included in cash is \$21,101 (2022 - \$21,101) of grants and donations from the Courtenay Rotary Club and other donors. The use of the funds is restricted for the future construction of the Courtenay train station and trailways along the corridor in the Nanaimo region.

5. Term deposit

The Foundation has a flexible GIC with CIBC for \$470,000 that earns interest at 4.5% and due October 07, 2024.

6. Loan receivable

	2023	2022
Loan receivable from 1338415 B.C. Ltd bearing interest at 6% per annum with monthly installments of \$1,613. The loan matures on December 1, 2028 and is unsecured.	\$ 82,235	\$ -
Less principal due in one year	<u>(14,950)</u>	<u>-</u>
	<u>\$ 67,285</u>	<u>\$ -</u>

ISLAND CORRIDOR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2023**

7. Tangible capital assets

	Cost	Accumulated Amortization	Net 2023	Net 2022
Land	\$ 274,470,628	\$ -	\$ 274,470,628	\$ 274,470,628
Track	4,782,419	3,396,987	1,385,432	1,562,381
Bridges and tunnels	29,630,124	13,240,940	16,389,184	17,129,937
Culverts	7,872,370	7,033,923	838,447	\$ 1,232,065
Fences	34,556	8,640	25,916	29,372
Equipment	44,467	26,442	18,025	22,534
Computer equipment	4,529	3,931	598	1,330
Railway stations	3,039,251	2,011,334	1,027,917	1,170,451
Railway signals	5,723,000	5,723,000	\$ -	-
Track - not in use	<u>50,901,904</u>	<u>36,554,957</u>	<u>14,346,947</u>	<u>16,363,301</u>
	<u>\$ 376,503,248</u>	<u>\$ 68,000,154</u>	<u>\$ 308,503,094</u>	<u>\$ 311,981,999</u>

The Foundation's tangible capital assets include track assets for which conditions indicate that the assets may be impaired because they no longer have long term service potential. Management has estimated that approximately 91.41% of the track requires upgrades to the railway ties. The railway ties represent a approximately 30% of the track net book value.

8. Deferred leasing costs

Deferred leasing costs include commissions paid to Pemberton Homes Ltd for acquiring a tenant for the Nanaimo Train Station. The amount is amortized over the life of the related lease.

ISLAND CORRIDOR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2023**

9. Callable debt

	2023	2022
CIBC non-revolving installment loan bearing interest at prime rate plus 1% per annum, repayable in monthly blended payments of \$7,500. The loan matures on December 31, 2031 and is secured by an agreement granting first security interest over chattel owned by the Foundation, registered assignment of rents and a \$1.1 million registered first charge over the Nanaimo Train Station property. The net book value of Nanaimo Train Station Building is \$918,939	\$ 584,166	\$ 626,410
CIBC non-revolving installment loan, bearing interest at prime plus 2% per annum, repayable in monthly blended payments of \$1,425. The loan matures on July 22, 2026 and is secured by an agreement granting first security in all property owned by the Foundation	43,312	55,990
Less principal due in one year	<u>(55,290)</u>	<u>(71,694)</u>
	<u>\$ 572,188</u>	<u>\$ 610,706</u>

Principal repayments terms are approximate, assuming the loan continues under the same terms, are as follows :

2024	\$ 55,290
2025	59,955
2026	63,489
2027	53,262
2028	<u>57,627</u>
	<u>\$ 289,623</u>

ISLAND CORRIDOR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2023**

10. Long-term debt

	2023	2022
Southern Railway of Vancouver Island (SVI) loan bearing interest at prime plus 1% per annum, repayable annually by \$24,000 plus interest. The loan is secured by promissory note and a second charge over all of the Foundation's assets	\$ 45,000	\$ 73,000
Less: Principal due in one year	<u>(24,000)</u>	<u>(24,000)</u>
	<u>\$ 21,000</u>	<u>\$ 49,000</u>

Principal re-payments terms are approximate, assuming the loan continues under the same terms, are as follows :

2024	\$ 24,000
2025	<u>21,000</u>
	<u>\$ 45,000</u>

On October 1, 2018 the Foundation signed an Operations Agreement with the first extension term commencing on October 13, 2023 and expiring on September 30, 2024, and up to 4 additional one year terms. Under the terms of the agreement, SVI will pay a license fee to the Foundation of \$2,000 per month and the Foundation will pay monthly loan payments of \$2,000 to SVI. As long as the Foundation pays the monthly payments. SVI has agreed to grant a waiver of interest on the remaining principal amount of the loan. Included in the interest payable is \$62,710 (2022 - \$62,710) related to this loan.

11. Rental income

Rental revenue and expenses related to the Nanaimo and Courtenay Train Stations are as follows:

	2023	2022
Commercial rent	\$ 124,376	\$ 111,510
Recoveries from tenant	\$ 37,535	\$ 33,175
Rental expense	<u>(57,268)</u>	<u>(55,910)</u>
	<u>\$ 104,643</u>	<u>\$ 88,775</u>

ISLAND CORRIDOR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2023**

12. Contingencies

On February 01, 2023, Halalt nation filed a class action suit against the Federal and Provincial Government, Municipality of North Cowichan, Timberwest, Mosaic and Island Corridor Foundation relating flooding done on their land. As of the date of the Financial Statement, there is no court ruling on this case.

13. Economic dependence

One of the Foundation's primary source of revenue is from an annual donation received from the Canadian Pacific Railway of \$386,607 (2022 - \$352,255) per year. The amount is based on an agreement regarding payments from Telus to the Canadian Pacific Railway and then donated to the Foundation regarding land use for Fibre Optic Cable. The Foundation's ability to continue viable operations is dependant upon the continued support of the entity.

14. Related party transactions

Property taxes and utility rates of \$16,863 (2022 - \$16,140) were paid to members of the Foundation. Crossings, leases and fees include \$36,079 (2022 - \$9,100) received from members of Foundation for land use and sundry fees. These transactions are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Municipal members have provided the Foundation with an exemption from paying property taxes in which case no expense is recorded. Included in accounts receivable is \$31,129 (2022 - \$11,100) owing from the members of the Foundation. Included in accounts payable is \$49,472(2022 - \$14,797) owed to the members of the Foundation.

Included in salaries and wages are the current CEO's salary and benefits for services of \$168,865 (2022 - \$145,012) .

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount which is the amount of consideration established and agreed to by the related parties.

ISLAND CORRIDOR FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **December 31, 2023**

15. Subsequent events

Island corridor had an ongoing litigation against Bell Group to recoup expenses related to Shawnigan slide. The case has been resolved in March 2024 and they have received settlement from the insurance company representing the engineer and another settlement for the repairs to the corridor that requires the developer to restore the land and the right of way. They have recovered all the fees related to the lawsuit.

On February 01, 2023, Halalt nation filed a class action suit against the Federal and Provincial Government, Municipality of North Cowichan, Timberwest, Mosaic and Island Corridor Foundation relating flooding done on their land. The case was amended on January 01, 2024. The estimate of the amount of the lawsuit cannot be made.

Partners

Grant McDonald, CPA, CA*

Lee-Anne Harrison, CPA, CA*

Anna Jones, CPA, CA*

Joanne Novak, CPA, CA*

*incorporated



May 28, 2024

Larry Stevenson
Island Corridor Foundation
PO Box 375 Station A
Nanaimo, BC V9R 5L3

Dear Mr. Stevenson:

Re: Year ended December 31, 2023

During the course of our review of the Island Corridor Foundation for the year ended December 31, 2023, we have identified the following items for your consideration:

General

- We recommend to establish a capitalization policy in writing and documenting in finance policies. A written capitalization policy will help you in preventing immaterial expenses appearing on the balance sheet. Most NPO's use \$1,000 to \$2,000 as the base depending on the nature of operations
- Ensure that the filing of the Foundation's annual report is current. This can be filed on-line at www.bconline.gov.bc.ca/main.html.

Please note that we do not keep a copy of all your records on file; therefore, it is the Foundation's responsibility to keep its daily business records for a minimum of six years from the end of the latest year to which they relate, or six years from the filing date of the tax return. Certain documents must be kept in perpetuity. All records, including electronic records, must be maintained in Canada and made available to CRA officials upon request.

It is important to note that for any records that we do keep our retention policy is ten years, after which they will be destroyed.

At this time, we are returning your books and records used in preparing your financial statements. Please contact us if you have any questions.

Yours truly,

CHURCH PICKARD

Anna Jones, CPA, CA

AJ/hp

Enclosure



25 Cavan Street, Nanaimo, BC V9R 2T9
Tel (250) 754-6396 Toll Free 1-866-754-6396
Fax (250) 754-8177 mail@churchpickard.com
www.churchpickard.com

Island Corridor Foundation
PO Box 375 Station A
Nanaimo, BC
V9R 5L3

May 28, 2024

Church Pickard
25 Cavan Street
Nanaimo, British Columbia
V9R 2T9

Dear Sir/Madame:

This representation letter is provided in connection with your review of the financial statements of Island Corridor Foundation for the period ended December 31, 2023 for the purposes of you expressing a conclusion that, based on your review, nothing has come to your attention that causes you to believe that the financial statements of Island Corridor Foundation do not present fairly, in all material respects, the financial position of Island Corridor Foundation as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Accounting Standards for Not-for-Profit Organizations (ASNPO).

Certain representations in this letter are described as being limited to matters that are material. Misstatements (including omissions) are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm, to the best of our knowledge and belief, the following representations made to you during your review:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated April 15, 2024, for the preparation and fair presentation of the financial statements in accordance with ASNPO.

2 of 4
Church Pickard
May 28, 2024

- We reviewed, approved and recorded all of your proposed adjustments (except for uncorrected misstatements, which are addressed in the next bullet point) to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.
- The effects of uncorrected misstatement are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this representation letter.
- Management or other appropriate persons (such as those charged with governance) have accepted responsibility for the financial statements, including the related notes.

Information Provided

- We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the review; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you:
 - The identity of the entity's related parties and all the related-party relationships and transactions of which we are aware;
 - Significant facts relating to any fraud or suspected fraud known to us that may have affected the entity;
 - Known actual or possible non-compliance with laws and regulations for which the effects of non-compliance impact the financial statements of Island Corridor Foundation;
 - All information relevant to use of the going concern assumption in the financial statements;
 - All events occurring subsequent to the date of the financial statements that may require adjustment or disclosure;
 - Material commitments, contractual obligations or contingencies that have affected or may affect the entity's financial statements, including disclosures; and
 - Material non-monetary transactions or transactions for no consideration undertaken by the entity in the financial reporting period under consideration.

3 of 4
Church Pickard
May 28, 2024

Other Representations

- ***Fair values of financial instruments***

The significant assumptions used in arriving at the fair values of financial instruments, as measured and disclosed in the financial statements, are reasonable and appropriate in the circumstances.

- ***Material transactions***

There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

- ***Future plans***

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

- ***Related-party transactions***

All related-party transactions have been appropriately measured and disclosed in the financial statements.

- ***Estimates***

The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

- ***Claims***

We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.

- ***Liabilities and contingencies***

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

- ***Ownership***

The company has satisfactory title to all assets, and there are no liens or encumbrances on the company's assets.

4 of 4

Church Pickard

May 28, 2024

- **Compliance**

We have disclosed to you, and the company has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

Acknowledged and agreed on behalf Shoreside Management Corporation by

Larry Stevenson

Title: Chief Executive Officer

Larry Stevenson

Island Corridor Foundation

Year End: December 31, 2023

Trial Balance

Prepared by	Reviewed by	Manager	Partner
NK 4/5/2024			AMJ 5/6/2024

1B

Account	Prelim	Adj's	Reclass	Rep	Rep 12/22	%Chg
0200 Telpay Clearing	26,263.06	0.00	0.00	26,263.06	(15,389.18)	(271)
1005 CCCU - Operating Account	108,913.36	0.00	0.00	108,913.36	120,020.71	(9)
1008 CCCU - Share Account	5.00	0.00	0.00	5.00	5.00	0
1010 CIBC - 14-10105	30,806.63	0.00	0.00	30,806.63	0.00	0
1017 Corridor Maintenance Fund	96,456.86	(96,456.86)	0.00	0.00	0.00	0
1061 GIC	470,000.00	5,321.30	0.00	475,321.30	0.00	0
A. 1 Cash	732,444.91	(91,135.56)	0.00	641,309.35	104,636.53	513
1050 Accounts Receivable	150,272.63	0.00	(3,299.58)	146,973.05	118,258.34	24
1055 Current portion of Loan receivable	0.00	0.00	14,950.00	14,950.00	0.00	0
B Accts Receivable trade & other	150,272.63	0.00	11,650.42	161,923.05	118,258.34	37
1100 Prepaid Expenses	7.50	0.00	0.00	7.50	1,500.00	(100)
1101 Prepaid - Insurance	7,656.98	0.00	0.00	7,656.98	13,622.86	(44)
1102 Prepaid Lease Agent Fees - Selby	6,983.36	0.00	0.00	6,983.36	9,213.32	(24)
D Prepaid expenses	14,647.84	0.00	0.00	14,647.84	24,336.18	(40)
001 1308 - Fencing	34,555.50	0.00	0.00	34,555.50	34,555.50	0
1305 Land	274,470,627.77	0.00	0.00	274,470,627.77	274,470,627.77	0
1306 Brush Cutter	36,611.24	0.00	0.00	36,611.24	36,611.24	0
1307 Accum Amort - Brush Cutter	(18,630.34)	(3,596.18)	0.00	(22,226.52)	(18,630.34)	19
1308 Trackmobile	2,800.00	0.00	0.00	2,800.00	2,800.00	0
1309 Accumulated Amort - Trackmobile	(784.00)	(403.20)	0.00	(1,187.20)	(784.00)	51
1310 Track	4,782,418.57	0.00	0.00	4,782,418.57	4,782,418.57	0
1311 Acc Amort - Track	(3,220,037.76)	(176,949.00)	0.00	(3,396,986.76)	(3,220,037.76)	5
1318 Accum Amort - Fencing	(5,183.78)	(3,456.00)	0.00	(8,639.78)	(5,183.78)	67
1320 Signals	5,723,000.00	0.00	0.00	5,723,000.00	5,723,000.00	0
1321 Acc Amort - Signals	(5,723,000.00)	0.00	0.00	(5,723,000.00)	(5,723,000.00)	0
1330 Culverts	7,872,369.64	0.00	0.00	7,872,369.64	7,872,369.64	0
1331 Acc Amort - Culverts	(6,640,304.61)	(393,618.00)	0.00	(7,033,922.61)	(6,640,304.61)	6
1340 Bridges and Tunnels	29,630,123.97	0.00	0.00	29,630,123.97	29,630,123.97	0
1341 Acc Amort - Bridges and Tunnels	(12,500,187.44)	(740,753.00)	0.00	(13,240,940.44)	(12,500,187.44)	6
1350 Railway Stations	2,913,364.99	0.00	0.00	2,913,364.99	2,913,364.99	0
1351 Acc Amort - Railway Stations	(1,855,031.14)	(151,732.96)	0.00	(2,006,764.10)	(1,855,031.14)	8
1360 Computers	4,529.01	0.00	0.00	4,529.01	4,529.01	0
1361 Acc Amort - Computers	(3,199.12)	(731.44)	0.00	(3,930.56)	(3,199.12)	23
1364 Tracks Not In Use	50,901,903.51	0.00	0.00	50,901,903.51	50,901,903.51	0
1366 Acc Amort - Tracks Not In Use	(34,538,602.36)	(2,016,355.00)	0.00	(36,554,957.36)	(34,538,602.36)	6
1370 Leaseholds - Selby St. Renovations	49,255.17	0.00	0.00	49,255.17	49,255.17	0
1371 Accumulated Amortization	(4,569.72)	0.00	0.00	(4,569.72)	(4,569.72)	0
1372 VRV units (2)	76,630.53	0.00	0.00	76,630.53	67,432.00	14
1380 Specialty Train Assets	4,007.29	0.00	0.00	4,007.29	4,007.29	0
1381 Accum Amort - Specialty Train Assets	(2,074.20)	(507.35)	0.00	(2,581.55)	(2,074.20)	24
1390 Equipment	1,047.99	0.00	0.00	1,047.99	1,047.99	0
1391 Equipment: Accumulated Amortization	(444.35)	0.00	0.00	(444.35)	(444.35)	0

Island Corridor Foundation

Year End: December 31, 2023

Trial Balance

Prepared by	Reviewed by	Manager	Partner
NK 4/5/2024			AMJ 5/6/2024

1B-1

Account	Prelim	Adj's	Reclass	Rep	Rep 12/22	%Chg
G Capital assets	311,991,196.36	(3,488,102.13)	0.00	308,503,094.23	311,981,997.83	(1)
1054 Loan Receivable - Black Rabbit	82,235.20	0.00	(14,950.00)	67,285.20	0.00	0
H Other assets	82,235.20	0.00	(14,950.00)	67,285.20	0.00	0
239 Federal Taxes	(4,563.27)	0.00	0.00	(4,563.27)	0.00	0
2005 CF Accounts Payable - System	(193,222.64)	0.00	4,543.81	(188,678.83)	(52,634.06)	258
2006 CIBC - Credit Card	(6,063.02)	1,094.71	0.00	(4,968.31)	(2,977.45)	67
2008 Rentals - Security Deposits	(2,357.65)	0.00	0.00	(2,357.65)	(2,357.65)	0
2011 Accrued Expenses	(19,994.28)	0.00	0.00	(19,994.28)	(8,924.95)	124
2016 Accrued Interest Mortgage	0.00	(4,071.53)	0.00	(4,071.53)	(3,906.44)	4
2070 Worksafe Premiums Payable	0.00	0.00	(1,244.23)	(1,244.23)	(1,194.70)	4
2503 Cur portion of def rev	(1,086.71)	0.00	0.00	(1,086.71)	(1,086.71)	0
2550 GST/HST Payable	(3,284.33)	0.00	0.00	(3,284.33)	(3,467.82)	(5)
J. 1 Accounts payable/accrued liab	(230,571.90)	(2,976.82)	3,299.58	(230,249.14)	(76,549.78)	201
2017 Accrued Interest Payable-ST	(62,710.00)	0.00	0.00	(62,710.00)	(62,710.00)	0
J. 2 Accrued interest SVI	(62,710.00)	0.00	0.00	(62,710.00)	(62,710.00)	0
2004 CIBC - Loan	(43,312.06)	0.00	0.00	(43,312.06)	(55,990.19)	(23)
2347 CIBC Loan 00090	(584,165.64)	0.00	0.00	(584,165.64)	(626,410.54)	(7)
2355 Cur portion of callable debt	71,693.57	0.00	(16,403.73)	55,289.84	71,693.57	(23)
L Other current liabilities	(555,784.13)	0.00	(16,403.73)	(572,187.86)	(610,707.16)	(6)
2500 Westhills ROW - Deferred	(9,781.20)	0.00	0.00	(9,781.20)	(10,868.00)	(10)
2502 Deferred Revenue	(153,598.68)	0.00	0.00	(153,598.68)	(162,710.02)	(6)
2505 Externally Restricted - Province	(570,000.00)	96,456.86	0.00	(473,543.14)	0.00	0
L. 1 Deferred income	(733,379.88)	96,456.86	0.00	(636,923.02)	(173,578.02)	267
2013 Current Portion of Note Pay	(24,000.00)	0.00	0.00	(24,000.00)	(24,000.00)	0
2354 Cur portion of callable debt	(71,693.57)	0.00	16,403.73	(55,289.84)	(71,693.57)	(23)
M. 1 Current portion LTD	(95,693.57)	0.00	16,403.73	(79,289.84)	(95,693.57)	(17)
2012 Note payable to SVI	(45,000.00)	0.00	0.00	(45,000.00)	(73,000.00)	(38)
2014 Current Portion of Note Payable	24,000.00	0.00	0.00	24,000.00	24,000.00	0
M. 2 Long-term debt	(21,000.00)	0.00	0.00	(21,000.00)	(49,000.00)	(57)
3010 Retained Earnings	158,800.71	(3,427,145.66)	0.00	(3,268,344.95)	(3,290,657.96)	(1)
O. 2 Retained earnings	158,800.71	(3,427,145.66)	0.00	(3,268,344.95)	(3,290,657.96)	(1)
3100 Equity invest in Capital Assets	(311,295,690.06)	3,424,145.66	0.00	(307,871,544.40)	(311,295,690.06)	(1)
3102 Externally Restricted	(21,101.00)	0.00	0.00	(21,101.00)	(21,101.00)	0
O. 3 Capital fund	(311,316,791.06)	3,424,145.66	0.00	(307,892,645.40)	(311,316,791.06)	(1)
4006 Income - Operating:Grants & Donat	(444.00)	0.00	0.00	(444.00)	(452.46)	(2)

Island Corridor Foundation

Year End: December 31, 2023

Trial Balance

Prepared by	Reviewed by	Manager	Partner
NK 4/5/2024			AMJ 5/6/2024

1B-2

Account	Prelim	Adj's	Reclass	Rep	Rep 12/22	%Chg
4020 Income - Operating:CP Rail Donatic	(386,607.00)	0.00	0.00	(386,607.00)	(352,265.64)	10
4022 Corridor maintenance Grant	0.00	(96,456.86)	0.00	(96,456.86)	0.00	0
10. 1 Donations and Grants	(387,051.00)	(96,456.86)	0.00	(483,507.86)	(352,718.10)	37
4010 Income - Property Rental:Base Ren	(124,375.78)	0.00	0.00	(124,375.78)	(111,510.47)	12
4012 Income - Property Rental:Recoverie	(37,535.02)	0.00	0.00	(37,535.02)	(33,174.84)	13
4016 Income - Property Rental:GST Reb:	(2,521.98)	0.00	0.00	(2,521.98)	(2,500.98)	1
5001 Expenses - Property Rental	2,229.96	0.00	0.00	2,229.96	3,109.07	(28)
5045 Expenses - Property Rental:Courter	3,278.12	0.00	0.00	3,278.12	2,725.42	20
5410 Expenses - Property Rental:Rental -	10,585.78	0.00	0.00	10,585.78	10,388.68	2
5415 Expenses - Property Rental:Rental -	10,498.49	0.00	0.00	10,498.49	8,148.64	29
5416 Expenses - Property Rental:Rental -	212.50	0.00	0.00	212.50	0.00	0
5420 Expenses - Property Rental:Rental -	5,665.82	0.00	0.00	5,665.82	5,050.00	12
5427 Expenses - Property Rental:Rental -	11,622.51	0.00	0.00	11,622.51	11,036.65	5
5435 Expenses - Property Rental:Rental -	9,696.39	0.00	0.00	9,696.39	10,066.93	(4)
5437 Expenses - Property Rental:Rental -	6,000.00	0.00	0.00	6,000.00	7,886.16	(24)
10. 3 Rental	(104,643.21)	0.00	0.00	(104,643.21)	(88,774.74)	18
4070 Interest Income	0.00	(5,321.30)	0.00	(5,321.30)	0.00	0
10. 4 Interest	0.00	(5,321.30)	0.00	(5,321.30)	0.00	0
4003 Income - Operating:Fees & Lease F	(241,241.83)	3,000.00	0.00	(238,241.83)	(214,066.71)	11
4014 Income - Operating:SVI Payments -	(24,000.00)	0.00	0.00	(24,000.00)	(24,000.00)	0
4017 Income - Operating:Professional Fe	(65,600.00)	0.00	0.00	(65,600.00)	(20,475.00)	220
4025 Income - Operating:Other Income	(11,810.52)	0.00	0.00	(11,810.52)	(8,111.45)	29
4029 Management Fee	(30,000.00)	0.00	0.00	(30,000.00)	0.00	0
20 Crossings, leases and fees	(372,652.35)	3,000.00	0.00	(369,652.35)	(258,549.82)	43
5335 Public Relations	274.40	0.00	0.00	274.40	0.00	0
5353 Expenses - Operating:Public Relatic	11,000.00	0.00	0.00	11,000.00	6,420.00	71
6904 Expenses - Operating:Extraordinary	8,497.35	0.00	0.00	8,497.35	11,231.57	(24)
40. 1 Advertising and promotion	19,771.75	0.00	0.00	19,771.75	17,651.57	12
5700 Expenses - Operating:Amortization	0.00	3,488,102.13	0.00	3,488,102.13	3,488,950.45	0
40. 2 Amortization	0.00	3,488,102.13	0.00	3,488,102.13	3,488,950.45	0
5330 Expenses - Operating:Office Expen:	49,451.19	(1,094.71)	0.00	48,356.48	33,413.66	45
40.21 Insurance	49,451.19	(1,094.71)	0.00	48,356.48	33,413.66	45
5300 Bank Charges & Interest	4,421.87	0.00	0.00	4,421.87	4,040.91	9
5307 Expenses - Operating:Bank Charge	2,734.48	0.00	0.00	2,734.48	1,410.83	94
5365 Expenses - Operating:GST - 50% o	498.65	0.00	0.00	498.65	283.66	76
40.22 Interest and bank charges	7,655.00	0.00	0.00	7,655.00	5,735.40	33
5423 Expenses - Property Rental:Rental -	43,848.66	4,071.53	0.00	47,920.19	33,261.47	44

Island Corridor Foundation

Year End: December 31, 2023

Trial Balance

Prepared by	Reviewed by	Manager	Partner
NK 4/5/2024			AMJ 5/6/2024

1B-3

Account	Prelim	Adj's	Reclass	Rep	Rep 12/22	%Chg
40.30 Interest on Mortgage	43,848.66	4,071.53	0.00	47,920.19	33,261.47	44
5309 Bad Debts	0.00	0.00	0.00	0.00	4.06	(100)
5318 Office Expenses	621.35	0.00	0.00	621.35	161.28	285
5323 Expenses - Operating:Office Expen:	1,519.93	0.00	0.00	1,519.93	1,967.58	(23)
5360 Expenses - Operating:Office Expen:	941.84	0.00	0.00	941.84	1,303.17	(28)
40.32 Office supplies	3,083.12	0.00	0.00	3,083.12	3,436.09	(10)
5350 Expenses - Operating:Office Expen:	21,976.29	0.00	0.00	21,976.29	45,064.00	(51)
40.34 Board Expenses	21,976.29	0.00	0.00	21,976.29	45,064.00	(51)
5005 Expenses - Operating:Professional	2,520.00	0.00	0.00	2,520.00	0.00	0
5006 Expenses - Operating:Professional	38,929.48	0.00	0.00	38,929.48	29,431.74	32
5302 Expenses - Operating:Professional	11,655.00	0.00	0.00	11,655.00	11,655.00	0
5303 Expenses - Operating:Professional	7,350.00	0.00	0.00	7,350.00	16,537.50	(56)
6901 Expenses - Operating:Extraordinary	10,001.60	0.00	0.00	10,001.60	36,777.61	(73)
6907 Expenses - Operating:Extraordinary	0.00	0.00	0.00	0.00	1,995.02	(100)
6908 CTA-Lyons Case	41,546.75	0.00	0.00	41,546.75	5,505.21	655
40.35 Professional fees	112,002.83	0.00	0.00	112,002.83	101,902.08	10
5785 Expenses - Operating:Repairs & Ma	0.00	0.00	0.00	0.00	5,095.32	(100)
5789 Expenses - Operating:Repairs & Ma	41,870.21	0.00	0.00	41,870.21	18,396.49	128
5790 Expenses - Operating:Repairs & Ma	0.00	0.00	0.00	0.00	22,696.80	(100)
6902 Expenses - Operating:Extraordinary	3,843.00	0.00	0.00	3,843.00	3,139.50	22
6903 Expenses - Operating:Extraordinary	75,360.67	0.00	0.00	75,360.67	22,629.33	233
6912 Courtenay Station	0.00	0.00	0.00	0.00	5,079.85	(100)
6914 Reversion Expenses	3,255.96	0.00	0.00	3,255.96	0.00	0
6915 Corridor Maintenance expense	0.00	96,456.86	0.00	96,456.86	0.00	0
40.39 Repairs and maintenance	124,329.84	96,456.86	0.00	220,786.70	77,037.29	187
5020 Expenses - Operating:Wages:Finan	4,500.00	0.00	0.00	4,500.00	6,000.00	(25)
5325 Expenses - Operating:Wages:First I	13,500.00	0.00	0.00	13,500.00	18,000.00	(25)
40.44 Management and Administrati	18,000.00	0.00	0.00	18,000.00	24,000.00	(25)
5355 Expenses - Operating:Public Relatic	3,833.15	0.00	0.00	3,833.15	3,766.75	2
40.45 Travel	3,833.15	0.00	0.00	3,833.15	3,766.75	2
5316 Expenses - Operating:Utilities:User	15,066.64	0.00	0.00	15,066.64	20,534.45	(27)
5361 Expenses - Operating:Utilities:Tele	3,887.62	0.00	0.00	3,887.62	3,866.53	1
40.46 Utilities	18,954.26	0.00	0.00	18,954.26	24,400.98	(22)
5331 Health Insurance	9,455.81	0.00	0.00	9,455.81	10,176.84	(7)
5502 Wages	227,756.36	0.00	0.00	227,756.36	216,938.49	5
5505 Retirement	8,444.25	0.00	0.00	8,444.25	7,250.65	16
5510 Taxes	10,444.30	0.00	0.00	10,444.30	2,701.16	287

Island Corridor Foundation
Year End: December 31, 2023
Trial Balance

1B-4

Prepared by	Reviewed by	Manager	Partner
NK 4/5/2024			AMJ 5/6/2024

Account	Prelim	Adj's	Reclass	Rep	Rep 12/22	%Chg
5520 Expenses - Operating:Wages:CPP	0.00	0.00	0.00	0.00	7,036.09	(100)
5530 Expenses - Operating:Wages:Work	1,236.73	0.00	0.00	1,236.73	1,194.70	4
5540 Expenses - Operating:Wages:Traini	22,762.46	0.00	0.00	22,762.46	10,488.53	117
40.47 Wages and benefits	280,099.91	0.00	0.00	280,099.91	255,786.46	10
5356 Expenses - Operating:Public Relatic	4,017.65	0.00	0.00	4,017.65	5,032.84	(20)
5358 Expenses - Operating:Public Relatic	4,968.20	0.00	0.00	4,968.20	13,767.71	(64)
40.49 Communications	8,985.85	0.00	0.00	8,985.85	18,800.55	(52)
5304 Expenses - Operating:Public Relatic	1,214.25	0.00	0.00	1,214.25	694.58	75
40.53 Licenses and dues	1,214.25	0.00	0.00	1,214.25	694.58	75
5315 Expenses - Operating:Property Tax	1,253.60	0.00	0.00	1,253.60	0.00	0
40.55 Property taxes	1,253.60	0.00	0.00	1,253.60	0.00	0
5014 Expenses - Operating:Professional	36,219.75	0.00	0.00	36,219.75	12,600.00	187
40.56 Engineering	36,219.75	0.00	0.00	36,219.75	12,600.00	187
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>
Net Income (Loss)	113,667.11			(3,375,090.54)	(3,446,458.67)	(2)

Island Corridor Foundation

Year End: December 31, 2023

Adjusting Journal Entries

Date: 1/1/2023 To 12/31/2023

Prepared by	Reviewed by	Manager	Partner
NK 4/1/2024			AMJ 5/6/2024

3A

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
1	12/31/2023	CIBC - Credit Card	2006		1,094.71			
1	12/31/2023	Expenses - Operating:Office Expenses:Insuranc	5330			1,094.71		
		To reverse 2024 insurance installment posted incorrectly in 2023						
2	12/31/2023	Accum Amort - Brush Cutter	1307			3,596.18		
2	12/31/2023	Accumulated Amort - Trackmobile	1309			403.20		
2	12/31/2023	Acc Amort - Track	1311			176,949.00		
2	12/31/2023	Accum Amort - Fencing	1318			3,456.00		
2	12/31/2023	Acc Amort - Culverts	1331			393,618.00		
2	12/31/2023	Acc Amort - Bridges and Tunnels	1341			740,753.00		
2	12/31/2023	Acc Amort - Railway Stations	1351			151,732.96		
2	12/31/2023	Acc Amort - Computers	1361			731.44		
2	12/31/2023	Acc Amort - Tracks Not In Use	1366			2,016,355.00		
2	12/31/2023	Accum Amort - Specialty Train Assets	1381			386.62		
2	12/31/2023	Accum Amort - Specialty Train Assets	1381			120.73		
2	12/31/2023	Expenses - Operating:Amortization	5700		3,488,102.13			
		To record current year amortization						
3	12/31/2023	Retained Earnings	3010			3,000.00		
3	12/31/2023	Income - Operating:Fees & Lease Revenue	4003		3,000.00			
		To adjust for prior year retained earnings						
4	12/31/2023	GIC	1061		5,321.30			
4	12/31/2023	Interest Income	4070			5,321.30		
		To record interest accrued on GIC						
5	12/31/2023	Corridor Maintenance Fund	1017			96,456.86		
5	12/31/2023	Externally Restricted - Province	2505		96,456.86			
5	12/31/2023	Corridor maintenance Grant	4022			96,456.86		
5	12/31/2023	Corridor Maintenance expense	6915		96,456.86			
		To recognize income and expense for Corridor maintenance and administration fees						
6	12/31/2023	Retained Earnings	3010			3,424,145.66		
6	12/31/2023	Equity invest in Capital Assets	3100		3,424,145.66			
		To adjust capital fund to actual						
7	12/31/2023	Accrued Interest Mortgage	2016			4,071.53		
7	12/31/2023	Expenses - Property Rental:Rental - Interest o	5423		4,071.53			
		To record interest accrued on mortgage						
					7,118,649.05	7,118,649.05		
		Net Income (Loss)	(3,375,090.54)					



25 Cavan Street, Nanaimo, BC V9R 2T9
Tel. (250) 754-6396 Toll Free. 1-866-754-6396
Fax. (250) 754-8177 Email. mail@churchpickard.com
www.churchpickard.com

Island Corridor Foundation
PO Box 375 Stn A
Nanaimo BC V9R 5L3

Client No: ISLA01
Invoice No: 11375
Date: May 24, 2024
Page: 1

Preparation of financial statements on a review basis, including analysis of accounts and preparation of adjustments where necessary, for the year ended 31st December 2023. 7,000.00

Meetings with management to review all of the above as well as other financial and tax matters.

	7,000.00
GST	350.00
Total	\$7,350.00

Payment is due upon receipt

We accept payment by Credit Card, Debit, Cheque, or E-transfer to mail@churchpickard.com

Interest charged at 1.5% per month after 30 days

GST 12207-5864

Certificate Of Completion

Envelope Id: D30374E81C6C4128A4DB5A6DB5F46A5E	Status: Completed
Subject: iFirm: e-Signature - Island Corridor Foundation Year End 2023	
Source Envelope:	
Document Pages: 30	Signatures: 3
Certificate Pages: 2	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Church Pickard
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	office@churchpickard.com
	IP Address: 20.104.255.210

Record Tracking

Status: Original	Holder: Church Pickard	Location: DocuSign
5/28/2024 11:41:09 AM	office@churchpickard.com	

Signer Events

Signer Events	Signature	Timestamp
Daniel Arbour reachme@danielarbour.ca Security Level: .Email ID: 726c9fb0-958e-4ee2-8d1a-abd52f872aa7 6/4/2024 12:31:50 PM	<i>Daniel Arbour</i> Signature Adoption: Pre-selected Style Using IP Address: 170.203.205.172	Sent: 5/28/2024 11:42:20 AM Viewed: 6/4/2024 12:31:56 PM Signed: 6/4/2024 12:32:27 PM

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Judith Sayers kekinusuqs@hotmail.com Security Level: .Email ID: 04f3fa69-5b64-45a6-8d1c-8ca8c409ccaa 5/29/2024 12:38:52 PM	<i>Judith Sayers</i> Signature Adoption: Pre-selected Style Using IP Address: 96.54.113.236	Sent: 5/28/2024 11:42:21 AM Viewed: 5/29/2024 12:38:57 PM Signed: 5/29/2024 12:40:14 PM
-------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Larry Stevenson larrystevenson@islandrail.ca Security Level: .Email ID: 9631b90b-44fa-4e0c-aaff-e1937b30a74e 5/28/2024 8:11:41 PM	<i>Larry Stevenson</i> Signature Adoption: Pre-selected Style Using IP Address: 184.66.26.244	Sent: 5/28/2024 11:42:20 AM Viewed: 5/28/2024 8:11:45 PM Signed: 5/28/2024 8:12:36 PM
--------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp
----------------------	------------------	------------------

Envelope Summary Events	Status	Timestamps
--------------------------------	---------------	-------------------

Envelope Sent	Hashed/Encrypted	5/28/2024 11:42:21 AM
Certified Delivered	Security Checked	5/28/2024 8:11:45 PM
Signing Complete	Security Checked	5/28/2024 8:12:36 PM
Completed	Security Checked	6/4/2024 12:32:27 PM

Payment Events	Status	Timestamps
-----------------------	---------------	-------------------