



Financial Statements

Island Corridor Foundation

December 31, 2021

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# Independent Practitioner's Review Engagement Report

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To the members of Island Corridor Foundation

We have reviewed the accompanying financial statements of Island Corridor Foundation, which comprise the statement of financial position as at December 31, 2021, and the statement of operations, statement of changes in net assets and statement of 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 \$18,379,656 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, 2021 and possible related impairment adjustment for the year ended December 31, 2021. Consequently, we were unable to perform the procedures we considered necessary.



### Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion 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 the Foundation as at December 31, 2021, 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 2 of the financial statements which indicates that as at December 31, 2021 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 2, indicate the existence of a material uncertainty that may cast significant doubt about the Foundation's ability to continue as a going concern.

Victoria, Canada  
May 26, 2022

A stylized, handwritten-style signature of "Grant Thornton LLP" in black ink.

Chartered Professional Accountants

## Island Corridor Foundation

### Statement of Financial Position

December 31

	Operating Fund	Capital Fund	December 31 2021	December 31 2020
<b>Assets</b>				
Current				
Cash	\$ 135,115	\$ -	\$ 135,115	\$ 223,370
Accounts receivable	60,120	-	60,120	60,009
Prepaid expenses (and deposits)	20,499	-	20,499	23,806
Inferfund receivable (payable) (Note 5)	<u>(21,101)</u>	<u>21,101</u>	<u>-</u>	<u>-</u>
	<u>194,633</u>	<u>21,101</u>	<u>215,734</u>	<u>307,185</u>
Tangible Capital Assets (Net of accumulated amortization) (Note 6)				
	-	315,469,098	315,469,098	318,850,422
Deferred Leasing Costs (Note 7)	<u>1,181</u>	<u>-</u>	<u>1,181</u>	<u>4,033</u>
	<u>\$ 195,814</u>	<u>\$ 315,490,199</u>	<u>\$ 315,686,013</u>	<u>\$ 319,161,640</u>

# Island Corridor Foundation

## Statement of Financial Position

December 31

	Operating Fund	Capital Fund	December 31 2021	December 31 2020
<b>Liabilities And Net Assets</b>				
Current				
Accounts payable	\$ 98,206	\$ -	\$ 98,206	\$ 40,022
Callable debt due in one year (Note 8)	-	81,758	81,758	65,308
Current portion of term debt (Note 9)	24,000	-	24,000	24,000
Accrued interest payable (Note 9)	62,710	2,010	64,720	64,913
Government remittances payable	1,598	-	1,598	1,960
Deferred revenue (Note 10)	1,087	-	1,087	1,087
	<u>187,600</u>	<u>83,768</u>	<u>271,369</u>	<u>197,290</u>
Callable debt due thereafter (Note 8)	<u>-</u>	<u>672,337</u>	<u>672,337</u>	<u>684,854</u>
Long Term Debt (Note 9)	73,000	-	73,000	97,000
Deferred Revenue (Note 10)	<u>11,954</u>	<u>-</u>	<u>11,954</u>	<u>13,042</u>
	272,555	756,105	1,028,660	992,186
Net Assets	<u>(76,741)</u>	<u>314,734,094</u>	<u>314,657,353</u>	<u>318,169,454</u>
	<u>\$ 195,814</u>	<u>\$ 315,490,199</u>	<u>\$ 315,686,013</u>	<u>\$ 319,161,640</u>

Contingent liability (Note 12)

Commitments (Note 14)

On behalf of the board

\_\_\_\_\_  
Director\_\_\_\_\_  
Director

# Island Corridor Foundation

## Statement of Operations

Year ended December 31

	Operating Fund	Capital Fund	December 31 2021	December 31 2020
<b>Revenue</b>				
Crossings, leases and fees (Note 10)	\$ 406,292	\$ -	\$ 406,292	\$ 227,660
Donations and grants (Note 14)	352,266	194	352,460	352,255
Rental income (Note 11)	94,780	-	94,780	72,882
Interest	18	-	18	274
	<u>853,356</u>	<u>194</u>	<u>853,550</u>	<u>653,071</u>
<b>Expenses</b>				
Accounting and bookkeeping	24,855	-	24,855	24,997
Board expenses	19,256	-	19,256	17,207
Communications	12,160	-	12,160	35,164
Consulting fees and Engineering	15,356	-	15,356	26,989
Donations	14,850	-	14,850	28,396
Insurance	44,102	-	44,102	33,812
Interest and bank charges	4,986	-	4,986	3,062
Interest on short term debt	-	24,960	24,960	30,035
Legal fees	244,430	-	244,430	201,209
Management and Administration services	28,473	-	28,473	41,299
Office	3,911	-	3,911	5,980
Property taxes and utility rates	23,698	-	23,698	14,467
Repairs and maintenance	164,851	-	164,851	109,944
Salaries and wages	248,269	-	248,269	216,677
Travel	7,860	-	7,860	4,287
	<u>857,057</u>	<u>24,960</u>	<u>882,017</u>	<u>793,525</u>
Excess (Deficiency) of Revenue Over Expenses From Operations Before Amortization	<u>(3,701)</u>	<u>(24,766)</u>	<u>(28,467)</u>	<u>(140,454)</u>
<b>Other income (expenses)</b>				
Amortization	-	(3,486,111)	(3,486,111)	3,537,072
Wage Subsidy	-	-	-	(2,750)
Resources recovery	-	-	-	(65,605)
GST rebate	2,477	-	2,477	(1,687)
	<u>2,477</u>	<u>(3,486,111)</u>	<u>(3,483,634)</u>	<u>3,467,030</u>
Deficiency of Revenue Over Expenses	<u>\$ (1,224)</u>	<u>\$ (3,510,877)</u>	<u>\$ (3,512,101)</u>	<u>\$ (3,607,484)</u>

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## Island Corridor Foundation

### Statement of Changes in Net Assets

Year ended December 31

	Operating Fund 2021	Capital Fund 2021	December 31 2021	December 31 2020
<b>Net Assets - Beginning Of Year</b>	\$ 50,296	\$ 318,119,158	\$ 318,169,454	\$ 321,776,938
Excess (deficiency) of revenue over expenses	(1,224)	(3,510,877)	(3,512,101)	(3,607,484)
Interfund loans and repayment of debt	<u>(125,813)</u>	<u>125,813</u>	<u>                    </u>	<u>                    </u>
<b>Net Assets - End Of Year</b>	<u>\$ (76,741)</u>	<u>\$ 314,734,094</u>	<u>\$ 314,657,353</u>	<u>\$ 318,169,454</u>

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# Island Corridor Foundation

## Statement of Cash Flows

Year ended December 31

	2021	2020
<b>Operating Activities</b>		
Cash receipts from donations, grants, leases	\$ 854,811	\$ 671,645
Cash paid for supplies and services	(788,284)	(779,401)
Interest received	18	274
Interest paid	(29,946)	(33,096)
Cash flow from operating activities	<u>36,599</u>	<u>(140,578)</u>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(104,787)	(43,182)
<b>Financing Activities</b>		
Repayment of long term debt	(24,000)	(24,000)
Repayment of callable debt	(71,067)	(58,815)
Advance of callable debt	75,000	-
Cash flow from (used by) financing activities	<u>(20,067)</u>	<u>(82,815)</u>
<b>Decrease in Cash Flow</b>	<b>(88,255)</b>	<b>(266,575)</b>
Cash, beginning of year	<u>223,370</u>	<u>489,945</u>
<b>Cash - End of Year</b>	<b>\$ 135,115</b>	<b>\$ 223,370</b>

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# **Island Corridor Foundation**

## **Notes to the Financial Statements**

Year ended December 31, 2021

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### **1. Purpose of the foundation**

Island Corridor Foundation (the "Foundation") was incorporated under the laws of the Government of Canada on January 1, 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 management, have been met.

The Foundation's primary purposes are to preserve the use of the corridor in perpetuity for the connection and benefit of 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 the communities of Vancouver Island.

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# Island Corridor Foundation

## Notes to the Financial Statements

Year ended December 31, 2021

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### 2. 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.

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 \$3,512,101 (2020 - \$3,607,484) which includes amortization of \$3,486,111 (2020 - \$3,537,072) for the year and as of December 31, 2021. The Foundation's current liabilities exceed its current assets by \$735,636 (2020 - \$574,959). Of this amount \$685,046 (2020 - \$750,162) 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.

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.

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# **Island Corridor Foundation**

## **Notes to the Financial Statements**

Year ended December 31, 2021

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### **3. Significant accounting policies**

#### **Basis of presentation**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). As a result, these financial statements are in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

#### **Fund accounting**

Island Corridor Foundation follows 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.

#### **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 agreements 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 collectability 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.

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# Island Corridor Foundation

## Notes to the Financial Statements

Year ended December 31, 2021

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### 3. Significant accounting policies (continued)

#### 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.

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

The Company 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 that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

#### Tangible capital assets

Tangible capital assets are recorded at cost. The company 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

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# Island Corridor Foundation

## Notes to the Financial Statements

Year ended December 31, 2021

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### 3. Significant accounting policies (continued)

#### 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 financial statements in conformity with 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 become known. Actual results could differ from these estimates.

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

Accounts receivable are stated after evaluation as to their collectability 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. Accrued liabilities are based on management estimates.

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.

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# Island Corridor Foundation

## Notes to the Financial Statements

Year ended December 31, 2021

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### 4. 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, 2021.

#### (a) Credit risk

Credit risk arises 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 the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financing 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.

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### 5. Externally restricted cash and net assets

Included in cash is \$21,101 (2020 - \$21,101) of grants and donations from 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.

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## Island Corridor Foundation

### Notes to the Financial Statements

Year ended December 31, 2021

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#### 6. Tangible capital assets

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Land	\$ 274,470,628	\$ -	\$ 274,470,628	\$ 274,470,628
Track	4,782,419	3,043,089	1,739,330	1,916,280
Bridges and tunnels	29,630,124	11,759,434	17,870,690	18,611,443
Culverts	7,872,370	6,246,687	1,625,683	2,019,302
Fences	34,556	1,728	32,828	-
Equipment	44,467	16,300	28,167	32,059
Computer equipment	2,679	2,517	162	361
Railway stations	3,030,052	1,708,098	1,321,954	1,404,337
Railway signals	5,723,000	5,723,000	-	-
Track - not in use	50,901,904	32,522,248	18,379,656	20,396,012
	<u>\$ 376,492,199</u>	<u>\$ 61,023,101</u>	<u>\$ 315,469,098</u>	<u>\$ 318,850,422</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 approximately 30% of the track net book value.

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#### 7. Deferred leasing costs

Deferred leasing costs include commissions paid to DTZ Barnicke for acquiring a tenant for the Nanaimo train station. The amount is amortized over the life of the related lease.

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# Island Corridor Foundation

## Notes to the Financial Statements

Year ended December 31, 2021

### 8. Callable debt

	<u>2021</u>	<u>2020</u>
CIBC non-revolving instalment loan bearing interest at prime 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 the Nanaimo Train Station Building is \$1,135,642.	\$ 685,046	\$ 750,162
CIBC non-revolving instalment 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.	<u>69,049</u>	<u>-</u>
	754,095	750,162
Less principal due in one year	<u>81,758</u>	<u>65,308</u>
	<u>\$ 672,337</u>	<u>\$ 684,854</u>
		<u>December 31</u>
		<u>2021</u>
Principal repayment terms are approximately:		
2022	\$	81,758
2023		84,771
2024		87,843
2025		91,134
2026		<u>85,201</u>
		430,707
Thereafter		<u>323,388</u>
		<u>\$ 754,095</u>

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## Island Corridor Foundation

### Notes to the Financial Statements

Year ended December 31, 2021

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#### 9. Term debt

	<u>2021</u>	<u>2020</u>
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 a promissory note and a second charge over all of the Foundation's assets.	\$ 49,000	\$ 73,000
Less amounts payable within one year	(24,000)	(24,000)
Due beyond one year	<u>\$ 73,000</u>	<u>\$ 97,000</u>

Estimated principal re-payments are as follows:

	<u>December 31</u> <u>2021</u>
2022	\$ 24,000
2023	24,000
2024	24,000
2025	24,000
2026	<u>1,000</u>
	<u>\$ 97,000</u>

On October 1, 2018, the Foundation signed a Freight Operations Agreement which expires on September 30, 2023. Under the terms of the agreement, SVI will pay a licence 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. Included in accrued interest payable is \$62,710 (2020 - \$62,710) related to this loan.

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## Island Corridor Foundation

### Notes to the Financial Statements

Year ended December 31, 2021

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#### 10. Deferred revenue

Deferred revenue consists of long-term leases and right-of-way fees where payments were received in advance. Changes in the deferred revenue balance are as follows:

	2021	2020
	<u>          </u>	<u>          </u>
Balance, beginning of year	\$ 14,128	\$ 17,215
Less: Amount recognized as revenue during the year	<u>(1,087)</u>	<u>(3,087)</u>
Balance, end of year	<u>\$ 13,041</u>	<u>\$ 14,128</u>

The current portion of deferred revenue is \$1,087 (2020 - \$1,087) and the non-current portion is \$11,955 (2020 - \$13,041).

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#### 11. Rental income

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

	2021	2020
	<u>          </u>	<u>          </u>
Commercial rent	\$ 114,027	\$ 102,182
Recoveries from tenant	30,641	15,137
Rental expenses	<u>(49,888)</u>	<u>(44,437)</u>
	<u>\$ 94,780</u>	<u>\$ 72,882</u>

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#### 12. Contingent liabilities

On September 10, 2020 the Foundation filed a statement of claim against Performing Equities Ltd. regarding costs of remediation for a slide in Shawnigan Lake. This lawsuit remains at an early state and as litigation is subject to many uncertainties it is not possible to predict the ultimate outcome of this lawsuit or to estimate the costs of such. The Foundation has filed to recover all costs of the slide incurred as well as the cost of further remediation of the slide. As of the date of the Financial Statement, there is still no court ruling on this case.

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#### 13. Economic dependence

One of the Foundation's primary source of revenue is from an annual amount received from the Canadian Pacific Railway of \$352,255 (2020 - \$352,255) per year. The amount is based on an agreement regarding payments from Telus to the Canadian Pacific Railway and onto the Foundation regarding land use for Fibre Optic Cable. The Foundation's ability to continue viable operations is dependent upon the continued support of this entity.

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# Island Corridor Foundation

## Notes to the Financial Statements

Year ended December 31, 2021

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### 14. Related party transactions

Property taxes and utility rates of \$16,189 (2020 - \$25,388) were paid to members of the Foundation. Crossings, leases and fees include \$18,000 (2020 - \$13,408) received from members of the 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 \$2,000 (2020 - \$9,959) owing from members of the Foundation.

Included in salaries and wages are the current Executive Director's fees for services of \$138,397 (2020 - \$130,000). The contract is for the period August 1, 2021 to July 31, 2024. The annual committed amount under this contract is \$140,000.

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 of consideration established and agreed to by the related parties.

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