

**British Columbia Investment  
Agriculture Foundation**  
Financial Statements  
For the year ended December 31, 2012

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Agriculture Foundation  
Financial Statements  
For the year ended December 31, 2012**

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## Independent Auditor's Report

### To the Members of British Columbia Investment Agriculture Foundation

We have audited the accompanying financial statements of the British Columbia Investment Agriculture Foundation ("BCIAF") which comprise the statement of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011, the statements of operations and changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011 and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The British Columbia Investment Agriculture Foundation as at December 31, 2012, December 31, 2011 and January 1, 2011 and the results of its operations and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

### Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied, after giving retrospective effect to the first time adoption of the new standards as explained in Note 2 to the financial statements, on a basis consistent with that of the preceding year.

*BDO Canada LLP*

Chartered Accountants

Vancouver, British Columbia  
February 26, 2013

BC Investment Agriculture Foundation  
Statement of Financial Position

	Canadian Sustaining Fund	Canadian Adaptation and Rural Development Fund	Safety Net Fund	Agri-Food Futures Fund	Advancing Canadian Agriculture and Agri-Food Fund	Canadian Agricultural Adaptation Program Fund	2019 Industry Opportunities Fund	Poultry Industry Bio-Security Fund	Livestock Waste Tissue Fund	Meat Transition Assistance Program Fund	On-Farm Poultry Bio-Security Pilot Fund
<b>Assets</b>											
Current											
Cash and Temporary Investments (Note 3 and Schedule 1)	\$ 33,757,454	\$ -	\$ -	\$ 7,045,796	\$ -	\$ 2,217,852	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	25,816	-	-	-	-	144,054	-	-	-	-	-
Prepaid Expenses	66,384	-	-	-	-	-	-	-	-	-	-
Due From Other Funds	33,849,654	17,886	6,991,971	7,045,796	1,329,449	2,361,906	80,294	786,043	2,263,837	33,472	188,966
Capital Assets (Note 4)	74,450	-	-	-	1,329,449	-	-	-	963	-	-
	\$ 33,926,104	\$ 17,886	\$ 6,991,971	\$ 7,045,796	\$ 1,329,449	\$ 2,361,906	\$ 80,294	\$ 786,043	\$ 2,264,800	\$ 33,472	\$ 188,966
<b>Liabilities and Net Assets</b>											
Current Liabilities											
Accounts Payable and Accrued Liabilities	\$ 180,980	\$ -	\$ -	\$ 9,092	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,894	\$ -
Deferred Revenue	-	-	-	-	2,751	33,506	-	-	-	-	-
Due To Other Funds	18,131,509	-	-	284,677	-	174,663	-	-	-	-	-
	18,312,489	-	-	303,769	2,751	208,169	-	-	-	17,894	-
Net Assets:											
Committed Funds (Note 6)	203,559	-	1,332,238	2,841,947	952,514	2,165,617	27,075	786,043	2,263,837	15,578	188,966
Uncommitted Funds	15,333,606	17,886	5,659,733	3,899,040	344,182	(11,880)	53,219	-	-	-	-
Invested in Capital Assets	76,450	-	-	-	-	-	-	-	963	-	-
	15,613,615	17,886	6,991,971	6,742,027	1,326,698	2,153,737	80,294	786,043	2,264,800	15,578	188,966
	\$ 33,926,104	\$ 17,886	\$ 6,991,971	\$ 7,045,796	\$ 1,329,449	\$ 2,361,906	\$ 80,294	\$ 786,043	\$ 2,264,800	\$ 33,472	\$ 188,966

Approved on behalf of the  
British Columbia Investment Agriculture Foundation

Director

Director

The accompanying notes and schedules form an integral part of these financial statements

**BC Investment Agriculture Foundation**  
Statement of Financial Position

December 31, 2012    December 31, 2011    January 1, 2011  
(Schedule 3)    (Schedule 3)    (Schedule 3)

	Canada - B.C. Agri-Innovation Program Fund	Okanagan Tree Fruit Strategy Fund	Aquaculture Innovation Fund	Tree Fruit Marketing and Infrastructure Innovative Initiative Federal Fund	Tree Fruit Marketing and Infrastructure Innovative Initiative Provincial Fund	Tree Fruit Marketing and Infrastructure Innovative Initiative Provincial Fund	Penching Task Force Funding Initiative Federal Fund	Penching Task Force Funding Initiative Provincial Fund	Ranching Task Force Funding Initiative Provincial Fund	Orchard Replant Program	Domestic Marketing Strategy Fund	TOTAL	TOTAL	TOTAL
<b>Assets</b>														
<b>Current</b>														
Cash and Temporary Investments (Note 3 and Schedule 1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,021,102	\$ 45,360,117	\$ 49,431,655
Accounts Receivable	53,397	-	-	4,947	-	384,689	-	-	-	-	-	612,903	617,263	43,508
Prepaid Expenses	-	-	-	-	-	-	-	-	-	-	-	66,384	33,423	42,366
Due From Other Funds	-	20,724	216,639	-	2,059,274	-	1,578,100	2,035,211	1,474,483	-	-	-	-	-
<b>Capital Assets (Note 4)</b>														
	53,397	20,724	216,639	4,947	2,059,274	384,689	1,578,100	2,035,211	1,474,483	43,700,389	46,012,803	77,413	91,730	86,881
	\$ 53,397	\$ 20,724	\$ 216,639	\$ 4,947	\$ 2,059,274	\$ 384,689	\$ 1,578,100	\$ 2,035,211	\$ 1,474,483	\$ 43,777,802	\$ 46,106,533	\$ 44,000,000	\$ 46,106,533	\$ 49,602,410
<b>Liabilities and Net Assets</b>														
<b>Current Liabilities</b>														
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 207,966	\$ 156,848	\$ 134,286
Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-	36,227	43,121	60,866
Due To Other Funds	53,397	-	-	4,947	-	417,156	-	-	-	-	-	-	-	-
	53,397	-	-	4,947	-	417,156	-	-	-	-	-	244,223	199,969	203,154
	\$ 53,397	\$ -	\$ -	\$ 4,947	\$ -	\$ 417,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 244,223	\$ 199,969	\$ 203,154
<b>Net Assets</b>														
Committed Funds (Note 6)	366,364	20,724	216,639	-	2,059,274	1,005,598	1,578,100	2,035,211	1,474,483	19,564,789	1,474,483	21,369,550	21,369,550	22,710,200
Uncommitted Funds Invested in Capital Assets	(366,364)	-	-	-	-	(1,038,065)	-	-	-	23,891,377	-	24,443,284	24,443,284	26,604,175
	-	-	-	-	-	(32,467)	-	-	-	77,413	-	93,730	93,730	84,881
	\$ 53,397	\$ 20,724	\$ 216,639	\$ 4,947	\$ 2,059,274	\$ 384,689	\$ 1,578,100	\$ 2,035,211	\$ 1,474,483	\$ 43,533,579	\$ 45,906,564	\$ 46,106,533	\$ 46,106,533	\$ 49,602,410

Approved on behalf of the  
British Columbia Investment Agriculture Foundation

*[Signature]*  
*[Signature]*

The accompanying notes and schedules form an integral part of these financial statements.

**BC Investment Agriculture Foundation**  
Statement of Operations and Changes in Net Assets

For the year ended December 31

	Sustaining Fund	Canadian Adaptation and Rural Development Fund	Safety Net Fund	Agri-Food Futures Fund	Canadian Agriculture and Agri-Food Fund	Custodian Agricultural Adaptation Program Fund	2010 Industry Opportunities Fund	Poultry Industry Bio-Security Fund	Livestock Waste Tissue Fund	Meat Transition Assistance Program Fund	On-Farm Poultry Bio-Security Pilot Initiative
<b>Revenues</b>											
Federal Government Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,056,130	\$ -	\$ -	\$ -	\$ -	\$ -
Provincial Government Grants	-	-	-	-	-	-	-	-	-	-	-
Provincial Contributions	-	-	-	-	-	-	-	-	-	-	-
Investment Income (Note 3)	1,148,342	-	-	312,562	66,054	17,316	-	-	-	49,434	-
Royalty Recoveries	-	-	-	-	-	-	-	-	-	-	-
	<u>1,148,342</u>	<u>-</u>	<u>-</u>	<u>312,562</u>	<u>66,054</u>	<u>2,073,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,434</u>	<u>-</u>
<b>Expenses</b>											
Programs											
Direct Expenditures	13,493	-	463,330	526,120	922,848	981,746	-	62,710	200,378	3,680,694	65,782
Administration	-	-	6,951	-	963	84,312	-	13,024	65,632	351	19,906
Directors' Fees	-	-	-	-	-	-	-	-	-	-	-
Board Initiated Programs	(114,594)	-	111,020	-	-	1,013	-	-	-	-	-
Collaborative Programs	-	-	-	-	19,866	695,141	-	-	-	-	-
Administration - Other	-	-	-	-	-	-	-	-	-	-	-
Direct Allocated	883,554	-	-	13,304	-	-	-	-	-	-	-
Directors' Fees	-	-	-	65,000	93,498	-	-	-	-	-	-
Direct Allocated	95,836	-	-	-	-	-	-	-	-	-	-
Investment Management and Custodian Fees	60,938	-	-	13,593	-	-	-	-	-	1,687	-
	<u>1,039,227</u>	<u>-</u>	<u>521,301</u>	<u>618,017</u>	<u>637,175</u>	<u>1,782,212</u>	<u>-</u>	<u>75,734</u>	<u>266,010</u>	<u>3,682,732</u>	<u>85,688</u>
Excess (deficiency) of Revenues Over Expenses	109,115	-	(521,301)	(305,455)	(571,121)	311,734	-	(75,734)	(266,010)	(3,632,298)	(85,688)
Net Assets, Beginning of Year	15,504,500	17,886	7,513,272	7,047,482	1,897,819	1,842,003	80,294	861,777	2,530,810	3,648,876	274,654
Net Assets, End of Year	<u>15,613,615</u>	<u>17,886</u>	<u>6,991,971</u>	<u>6,742,027</u>	<u>1,326,698</u>	<u>2,153,737</u>	<u>80,294</u>	<u>786,043</u>	<u>2,264,800</u>	<u>15,578</u>	<u>188,966</u>

The accompanying notes and schedules form an integral part of these financial statements

BC Investment Agriculture Foundation  
Statement of Operations and Changes in Net Assets

For the year ended December 31

2012

2011  
(Schedule 4)

	Canada - B.C. Agri- Innovation Program Fund	Olusagan Tree Fruit Strategy Fund	Aquaculture Innovation Fund	Tree Fruit Marketing and Infrastructure Innovative Initiative Federal Fund	Tree Fruit Marketing and Infrastructure Innovative Initiative Provincial Fund	Tree Fruit Marketing and Infrastructure Innovative Initiative Federal Fund	Ranching Task Force Funding Initiative Provincial Fund	Ranching Task Force Funding Initiative Provincial Fund	Orchard Resilient Program	Domestic Marketing Strategy Fund	TOTAL	TOTAL
Revenues												
Federal Government Contributions	\$ -	\$ -	\$ -	\$ 55,535	\$ -	\$ 1,084,590	\$ -	\$ -	\$ -	\$ -	\$ 3,196,755	\$ 845,467
Provincial Government Grants	-	-	-	-	-	-	-	2,000,000	-	1,500,000	3,500,000	325,458
Provincial Contributions	369,054	-	-	-	-	-	-	-	-	-	369,054	263,674
Investment Income (Note 3)	-	4,847	-	-	83,418	-	74,088	55,211	-	-	1,811,272	1,856,074
Royalty Recoveries	-	-	-	-	-	-	-	-	-	-	-	10,891
	369,054	4,847	-	55,535	83,418	1,084,590	74,088	2,055,211	-	1,500,000	8,877,081	3,203,564
Expenses												
Programs												
Direct Expenditures	350,721	200,000	200,500	35,535	37,025	1,106,663	527,649	-	-	7,850	8,943,044	4,485,914
Administration	18,333	-	2,681	-	-	10,394	6,952	20,000	-	17,667	267,166	310,717
Directors' Fees	-	-	-	-	-	-	-	-	-	-	-	750
Board Initiated Programs	-	-	-	-	-	-	-	-	-	-	97,439	307,852
Collaborative Programs	-	-	-	-	-	-	-	-	-	-	715,007	386,497
Administration - Other	-	-	-	-	-	-	-	-	-	-	13,304	20,212
Direct Allocated	-	-	-	-	-	-	-	-	-	-	1,042,052	1,102,168
Directors' Fees Allocated	-	-	-	-	-	-	-	-	-	-	-	63
Investment Management and Custodian Fees	-	-	-	-	-	-	-	-	-	-	95,836	116,135
	-	-	-	-	-	-	-	-	-	-	76,518	83,948
	369,054	200,000	203,181	55,535	37,025	1,117,057	534,601	20,000	-	25,517	11,250,066	6,790,356
Excess (deficiency) of Revenues Over Expenses	-	(195,152)	(203,181)	-	46,393	(32,467)	(660,513)	2,035,211	-	1,474,483	(2,372,985)	(3,492,692)
Net Assets, Beginning of Year	-	215,877	419,820	-	2,012,881	-	2,036,613	-	-	-	45,906,564	49,399,256
Net Assets, End of Year	\$ -	\$ 20,724	\$ 216,639	\$ -	\$ 2,059,274	\$ (32,467)	\$ 1,578,100	\$ 2,035,211	\$ 1,474,483	\$ 43,533,579	\$ 45,906,564	

The accompanying notes and schedules form an integral part of these financial statements.

BC Investment Agriculture Foundation  
Statement of Cash Flows  
For the year ended December 31

	2012	2011
Cash provided by (used in)		
<b>Operating activities</b>		
Deficiency of revenue over expenses	\$ (2,372,985)	\$ (3,492,692)
Items not involving cash:		
Amortization	30,125	31,387
	(2,342,860)	(3,461,305)
Changes in non-cash working capital balances:		
Decrease (increase) in accounts receivable	4,360	(573,755)
Decrease (increase) in prepaid expenses	(30,961)	6,943
Increase in accounts payable and accrued liabilities	51,118	22,562
Decrease in deferred revenue	(6,864)	(25,747)
	(2,325,207)	(4,031,302)
<b>Investing activity</b>		
Purchase of capital assets	(13,808)	(40,236)
	(2,339,015)	(4,071,538)
Decrease in cash and temporary investments during the year		
	45,360,117	49,431,655
Cash and temporary investments, beginning of year		
Cash and temporary investments, end of year	\$ 43,021,102	\$ 45,360,117

The accompanying notes and schedules form an integral part of these financial statements



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**British Columbia Investment Agriculture Foundation**  
**Notes to the Financial Statements**

December 31, 2012

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**1. Nature of Operations and Summary of Significant Accounting Policies**

**a) Nature and Purpose of Organization**

The British Columbia Investment Agriculture Foundation (the "Foundation") was incorporated under the British Columbia Society Act as a not-for-profit Society on October 31, 1996. The Foundation has ten member organizations representing the agri-food, rural and agri-business sectors. The Foundation is dedicated to assisting British Columbia's producers, processors, agri-business and rural communities to adapt, diversify and grow. A Board consisting of 13 directors, representing a diversity of perspectives across the entire industry, and an ex-officio, non-voting director from each of the federal and provincial governments manages the Foundation.

The Foundation is exempt from income taxes under the Income Tax Act (Canada).

The Foundation invests, manages, and disburses provincial and federal funds under a number of general and specified programs as follows:

**(i) General Program Funds**

**The Canadian Adaptation and Rural Development ("CARD") Fund** - in March 1999, the federal Minister of Agriculture and Agri-Food Canada announced funding allocations for regional adaptation councils and national programs. The CARD Fund reports these funding contributions and the related program expenses.

**The Safety Net ("SN") Fund** - the SN Fund reports funding contributions received from the federal and provincial governments and the related program expenses used to fund projects in the agriculture and agri-food industry which are market driven and developmental in nature, or to facilitate structural changes needed by the sector to meet future challenges.

**The Agri-Food Futures ("AFF") Fund** - in March 2001, the Province and the Foundation entered into a Trust Agreement to assist the agriculture and agri-food industry in achieving and maintaining competitiveness and self reliance. During 2001 and 2002, the Foundation received an aggregate of \$22,818,001 in funding contributions from the Province. The Trust Agreement provides that the Province, as settlor of the trust, may pay additional money into the AFF Fund from time to time. The AFF Fund reports these funding contributions and the related program expenses. Pursuant to the Trust Agreement with the Province, the Foundation acts as Trustee over the funds. Pursuant to the terms of this agreement, allocations of general administration to this fund are limited to the greater of 0.5% of the average Fund balance or \$65,000 annually.

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**British Columbia Investment Agriculture Foundation**  
**Notes to the Financial Statements**

December 31, 2012

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**1. Nature of Operations and Summary of Significant Accounting Policies - Continued**

The Advancing Canadian Agriculture and Agri-Food ("ACAAF") Fund - in April 2004, the federal Minister of Agriculture and Agri-Food Canada announced, as a successor to the CARD program, funding of \$8,500,000 for five years for national, multi-regional and regional initiatives in the production and processing sector to enable current and emerging issues to be addressed.

The Foundation has received \$9,339,585 to date under this initiative. The ACAAF Fund reports these contributions and the related program expenses. Funding for the Program ended March 31, 2009. The remaining funds will be granted according to the CAAP Fund criteria.

(ii) Specified Program Funds

The Canadian Agricultural Adaptation Program ("CAAP") Fund - in October 2009, the Foundation entered into a contribution agreement with the Minister of Agriculture and Agri-Food that provides for funding, subject to the Minister's discretion, of up to \$6,228,873 to the CAAP Fund, plus a potential \$1,185,480 of funding for collective outcome funding, over a five-year period. The objective of CAAP is to facilitate the agriculture, agri-food, and agri-based products sector's ability to seize opportunities, to respond to new and emerging issues, and pathfind and pilot solutions to new and ongoing issues in order to help it adapt and remain competitive.

The 2010 Industry Opportunities ("2010") Fund - in March 2005, the Foundation received a \$1,000,000 grant from the provincial government towards implementing a 2010 Industry Opportunities Initiative. It is expected that the Fund will enable eligible industry applicants to develop strategies and programs to increase the awareness of, and demand for, British Columbia agriculture, food, seafood and beverage products and the products and services of the agri-tourism, culinary tourism and garden-inspired tourism sectors, and to capitalize on the opportunities associated with the 2010 Vancouver Winter Olympics.

The Poultry Industry Bio-Security ("AI") Fund - in March 2005, the Foundation received a \$1,500,000 grant from the provincial government towards implementing recommendations flowing from the Canadian Poultry Industry Forum - Avian Influenza - Lessons Learned and Moving Forward.

In 2006, the Foundation received an additional \$100,000 grant from the provincial government to establish a fund for the clean-up and disposal on non supply-managed premises infected by avian influenza.

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**British Columbia Investment Agriculture Foundation**  
**Notes to the Financial Statements**

December 31, 2012

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**1. Nature of Operations and Summary of Significant Accounting Policies - Continued**

The Livestock Waste Tissue ("LWT") Fund - in March 2005, the Foundation received a one-time contribution of \$5,000,000 toward the implementation of the British Columbia Waste and Specified Risk Material Handling and Disposal Strategy. The fund will assist British Columbia livestock producers, slaughter facility operators and renderers in their pursuit of sustainable waste tissue management methods by facilitating, supporting and coordinating: research, feasibility studies, pilot and demonstration projects, infrastructure development and transitional waste handling through strategic partnerships, education and awareness.

The Meat Transition Assistance Program ("MTAP") Fund - in April 2006, the Foundation received a \$4,000,000 grant from the provincial government towards helping British Columbia's new and existing slaughter houses meet the standards under the Ministry of Health's Meat Inspection Regulation by September 30, 2007. This program has been introduced to increase livestock slaughter capacity throughout British Columbia by ensuring there are sufficient licensed facilities to provide livestock producers reasonable access to slaughter services. In March 2008 the Foundation received \$3,255,000 of additional funding for the MTAP Program from the provincial government. During 2012 the Foundation transferred \$3,480,694 of the remaining funds to the BC Food Processors Association as requested by the Ministry of Health to support the development and implementation of a new provincial meat inspection system for provincially licensed slaughter facilities.

The On-Farm Poultry Bio-Security Pilot ("OPBP") Fund - in April 2006, the Foundation received a \$1,500,000 grant from the federal government towards funding pilot projects for on-farm biosecurity which encompass all sectors of the poultry industry in British Columbia. The goal is to nationally position Canada's poultry sector to reduce the incidence and spread of avian influenza and other zoonotic diseases that threaten domestic poultry premises in Canada.

The Canada-BC Agri-Innovation Program ("INN") - in June 2011 the Foundation entered into an agreement with the BC Ministry of Agriculture to deliver the Canada-BC Agri-Innovation Program throughout the province during the remainder of the Growing Forward Agreement (2011-2013). In aggregate, a maximum of \$1,500,000 will be available through the federal and provincial Growing Forward Agreement. Amounts spent under this program are initially funded through the Sustaining Fund until claims are made under the terms of the agreement. The Agri-Innovation Program supports projects that lead to innovation that will enhance profitability and competitiveness, both on-farm and throughout the rest of the supply chain.

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**British Columbia Investment Agriculture Foundation**  
**Notes to the Financial Statements**

December 31, 2012

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1. **Nature of Operations and Summary of Significant Accounting Policies - Continued**

**Okanagan Tree Fruit Strategy ("OTFS") Fund** - in March 2007 the Foundation was entrusted with \$3,000,000 from the provincial government to enable British Columbia's Tree Fruit industry to implement the Okanagan Tree Fruit Strategy and deliver the orchard replant program. The Ministry of Agriculture and Lands has stipulated that the British Columbia Fruit Growers Association have the final authority for decisions on the best use of these funds.

**Aquaculture Innovation ("AQUA") Fund** - in March 2009 the Foundation received \$160,000 from the BC Pacific Salmon Forum in support of technological innovation for closed-system aquaculture and ecosystem-based management. In August and September 2011, the Foundation received an additional total of \$325,458 from Fisheries and Oceans Canada, at the request of the provincial government, to further support aquaculture innovation and capacity building through projects such as evaluation of closed containment aquaculture, and the development of sustainable aquaculture projects, practices and technologies.

**Tree Fruit Marketing and Infrastructure Innovative Initiative ("TFMII") Fund (Provincial and Federal)** - in September 2010 the Foundation received \$2,000,000 from the provincial government in support of strategic investments in the Tree Fruit Sector. For the federal portion, amounts spent under this initiative are initially funded through the Sustaining Fund until claims are made with the federal government. This initiative will improve the competitiveness of the BC tree fruit industry through investment in innovative and environmentally friendly technology in packing and storage infrastructure; development of marketing and value added opportunities to increase consumption of fresh and processed apples; and development of strategies and measures to address pest management and other environmental issues. Assessment of the competitiveness of the BC apple industry is a critical component of the initiative. The underlying goal is to improve the net returns to growers while enhancing societal values through improved environmental sustainability and consumer health. In general, projects should result in broad industry benefits.

**Ranching Task Force ("RTF") Funding Initiative Fund (Provincial and Federal)** - in September 2010 the Foundation received \$2,000,000 from the provincial government in support of priorities identified by the Ranching Task Force. The funding available for this initiative is a total of up to \$5,000,000 which includes the \$2,000,000 received from the provincial government and up to a further \$3,000,000 available from the federal government. For the federal portion, amounts spent under this initiative are initially funded through the Sustaining Fund until claims are made with the federal government. This initiative will improve the competitiveness of the BC beef industry through strategic investments in: market research and development of attribute branding, development of certification/standards to support attribute branding, value-chain innovation and development; new product incubation/development and investment; consumer education and business missions

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**British Columbia Investment Agriculture Foundation**  
**Notes to the Financial Statements**

December 31, 2012

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**1. Nature of Operations and Summary of Significant Accounting Policies - Continued**

to support new exporters in emerging markets; and technological innovations that reduce costs or increase value.

The underlying goal is to create more value for beef produced in BC. In general projects should result in broad industry benefits.

**Domestic Marketing Strategy Fund (“DMS”)** - in April 2012 the Foundation received \$1,500,000 from the provincial government for the Marketing British Columbia Agrifoods Program, to promote all British Columbia agrifoods including primary agriculture, processed foods and seafood among other products to consumers. This funding supports developing a comprehensive marketing strategy and implementation plan, including initiatives to promote British Columbia agrifoods through the Program.

**Orchard Replant Program (“ORP4”)** - in May 2012 the Foundation received \$2,000,000 from the provincial government to be directed towards program delivery of a Tree Fruit Replant Program. These funds will be directed by the Foundation to fund the tree fruit replant program through the British Columbia Fruit Growers' Association who will coordinate and manage this replant program.

In addition to the above general and specified program Funds the Foundation maintains a **Sustaining Fund** to provide a solid financial base to continue its investments in industry development for many years to come. This Fund records net investment income and expenses not otherwise allocated to other Funds.

**b) Basis of Accounting**

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

**c) Fund Accounting**

The Foundation's financial statements are prepared on a fund accounting basis. Inter-fund balances are eliminated.

**d) Use of Estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

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**British Columbia Investment Agriculture Foundation**  
**Notes to the Financial Statements**

December 31, 2012

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**1. Nature of Operations and Summary of Significant Accounting Policies - Continued**

**e) Capital Assets**

Purchased capital assets exceeding \$500 are recorded at cost. Amortization based on the estimated useful life of the asset is calculated as follows:

Computer equipment - 30% diminishing-balance basis  
Furniture and equipment - 20% diminishing-balance basis

**f) Revenue Recognition**

Contributions, grants, and royalty recoveries are recognized as revenue when received or when grant claims have been submitted for expenditures made under ongoing programs. Funds received or billed to cover specific program expenses of a fund are deferred until the related expense has been incurred.

Grant revenues are unconditional transfers of funds to the Foundation for activities that meet eligibility criteria set by the funding program. Grants are not subject to government audit. Contributions, unlike grants, are subject to performance conditions that are specified in a contribution agreement. Contributions are subject to government audit.

Investment income is also recorded as revenue when received and fluctuations in the market value of investments are recorded as investment income in the year such fluctuations occur.

Royalty recoveries are credited to the Sustaining Fund unless otherwise specified in agreements with the various Fund sponsors.

**g) Donated Goods and Services**

The Foundation records donated goods and services as a contribution and corresponding expense where the amounts are reasonably determinable.

**h) Program Expenditure Recognition**

The Foundation records amounts advanced under approved projects as an expense upon disbursement.

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**British Columbia Investment Agriculture Foundation**  
**Notes to the Financial Statements**

December 31, 2012

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**1. Nature of Operations and Summary of Significant Accounting Policies - Continued**

**i) Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, all cash and temporary investments have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items re-measured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

**j) Allocation of Expenses and Investment Income Among Funds**

The Board has adopted a policy to allocate expenses and investment income among the funds as follows:

- expenses directly attributable to a Fund are charged to the Fund to which they relate;
- expenses are charged to the Agri-Food Futures (AFF) Fund pursuant to the terms of the Agri-Food Futures Trust Agreement;
- in consideration of the activity required to administer the Advancing Canadian Agriculture and Agri-Food Fund (ACAAF) program an annual allocation of 9% of non-fund specific expenses is charged to this Fund;
- all other non-fund specific expenses are recorded in the Sustaining Fund where they are expected to be covered by investment revenues allocated to that Fund;
- investment income and investment management and custodian fees related to the MTAP, CAAP and AFF Funds are recorded in their respective Funds;
- the ACAAF Fund, OTFS, RTF, TFMIII, and ORP4 Fund are allocated a portion of investment income net of investment management and custodian fees based on their average fund balances in the year relative to the other remaining average fund balances; and
- the remaining investment income is recorded in the Sustaining Fund to cover other non-fund specific expenses.

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## British Columbia Investment Agriculture Foundation Notes to the Financial Statements

December 31, 2012

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### 2. First-time Adoption

Effective January 1, 2011, the Foundation adopted the requirements of the new accounting framework, Canadian accounting standards for not-for-profit organizations (ASNPO) or Part III of the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting. These are the Foundation's first financial statements prepared in accordance with this framework and the transitional provisions of Section 1501, First-time Adoption have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and mandatory exceptions. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended December 31, 2012, the comparative information presented in these financial statements for the year ended December 31, 2011 and in the preparation of an opening ASNPO statement of financial position at the date of transition of January 1, 2011.

The organization issued financial statements for the year ended December 31, 2011 using Canadian generally accepted accounting principles prescribed by the CICA Handbook - Accounting Part V - Pre-changeover Accounting Standards. The adoption of ASNPO did not result in any adjustments to the previously reported assets, liabilities, equity, excess (deficiency) of revenue over expenses and cash flows of the organization.



**British Columbia Investment Agriculture Foundation**  
**Notes to the Financial Statements**

December 31, 2012

**3. Cash and Temporary Investments**

	2012				
	Terms to Maturity (in Years)				
	Under 1	1 to 5	Over 5	No Fixed Maturity	Total (at Market)
Cash	\$ 2,410,337	\$ -	\$ -	\$ -	\$ 2,410,337
Treasury Bills	8,009,831	-	-	-	8,009,831
Government and government guaranteed bonds	1,358,244	3,571,909	13,344,211	-	18,274,364
Corporate bonds, debentures, and notes	2,530,486	1,390,550	3,590,508	-	7,511,544
Equities	-	-	-	6,815,026	6,815,026
	<b>\$ 14,308,898</b>	<b>\$ 4,962,459</b>	<b>\$ 16,934,719</b>	<b>\$ 6,815,026</b>	<b>\$ 43,021,102</b>
	2011				
	Terms to Maturity (in Years)				
	Under 1	1 to 5	Over 5	No Fixed Maturity	Total (at Market)
Cash	\$ 1,921,924	\$ -	\$ -	\$ -	\$ 1,921,924
Treasury Bills	8,211,322	-	-	-	8,211,322
Government and government guaranteed bonds	4,353,647	4,040,315	11,173,899	-	19,567,861
Corporate bonds, debentures, and notes	-	4,696,840	3,859,473	-	8,556,313
Equities	-	-	-	7,102,697	7,102,697
	<b>\$ 14,486,893</b>	<b>\$ 8,737,155</b>	<b>\$ 15,033,372</b>	<b>\$ 7,102,697</b>	<b>\$ 45,360,117</b>

As at December 31, 2012, the treasury bills bear interest at rates ranging from 0.93% to 1.29% (2011 - 0.88% to 1.33%). Government and government guaranteed bonds bear interest at rates ranging from 1.85% to 11.00% (2011 - 1.85% to 11.00%). Corporate bonds, debentures and notes bear interest from 2.744% to 7.90% (2011 - 3.02% to 7.90%).

**Investment Income**

Details of the total investment income for the year are as follows:

	2012	2011
Interest and dividends	\$ 1,501,705	\$ 1,701,856
Realized gains	406,002	341,200
Unrealized (losses) gains	(96,436)	(184,982)
	<b>\$ 1,811,271</b>	<b>\$ 1,858,074</b>

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**British Columbia Investment Agriculture Foundation**  
Notes to the Financial Statements

December 31, 2012

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**4. Capital Assets**

			2012	2011
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 168,972	\$ 93,222	\$ 75,750	\$ 91,652
Furniture and equipment	5,619	3,956	1,663	2,078
	\$ 174,591	\$ 97,178	\$ 77,413	\$ 93,730

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**5. Provincial Administration Contribution**

Effective January 5, 2009, the Ministry withdrew the provision of a full-time equivalent staff person but agreed to continue to provide a half equivalent (0.5) support person to March 31, 2010. Effective April 1, 2009, the Foundation entered into a Memorandum of Understanding with the Ministry through which the Ministry fully recovers costs for office space, workstations, office equipment and supplies made available to the Foundation. This Memorandum of Understanding terminates on March 31, 2013 and may be renewed for an additional term upon agreement of both parties.

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**6. Committed Funds**

The Foundation has made various commitments to make program expenditures. Some funds are committed by way of contract with program fund recipients, some funds have been committed by approval of the Board but are awaiting execution of a signed contract and other funds have been reserved by the Board to apply to specific approved projects and/or initiatives. As at December 31, 2012 the Foundation had approved the funding of projects committing the Foundation to payments approximately as follows:

**British Columbia Investment Agriculture Foundation**  
Notes to the Financial Statements

December 31, 2012

**6. Committed Funds - Continued**

	General Program Funds					Specified Program Funds	Total
	Sustaining Fund	CAAP Fund	SN Fund	AFF Fund	ACAA Fund		
Funds committed by contract							
2013	\$ 203,559	\$ 2,010,551	\$ 520,884	\$ 170,705	\$ 786,535	\$ 4,225,281	\$ 7,917,515
2014	-	40,871	158,292	28,750	-	330,521	558,434
2015	-	-	72,592	28,750	195,981	17,500	314,823
2016	-	-	21,142	-	-	-	21,142
2017	-	-	4,493	-	-	-	4,493
2018	-	-	11,238	-	-	-	11,238
	203,559	2,051,422	788,641	228,205	982,516	4,573,302	8,827,645
Funds committed by Board approval							
	-	114,195	543,597	-	-	347,004	1,004,796
Reserves							
	-	-	-	2,614,762	-	7,117,586	9,732,348
Total funds committed							
	\$ 203,559	\$ 2,165,617	\$ 1,332,238	\$ 2,842,967	\$ 982,516	\$ 12,037,892	\$ 19,564,789

**Specified Program Funds**

Funds Committed by:

	Contract	Board	Reserves	Total
2010 Fund	\$ 27,075	\$ -	\$ -	\$ 27,075
Al Fund	234,377	-	740,632	975,009
LWT Fund	38,139	39,640	2,186,058	2,263,837
OTFS Fund	20,724	-	-	20,724
MTAP Fund	-	-	15,578	15,578
INN Fund	366,364	-	-	366,364
AQUA Fund	122,000	5,000	89,639	216,639
TFMIII Fund	-	-	2,059,274	2,059,274
RTF Fund	1,796,773	169,320	617,605	2,583,698
ORP4 Fund	1,960,000	-	75,211	2,035,211
DMS Fund	7,850	133,044	1,333,589	1,474,483
Total	\$ 4,573,302	\$ 347,004	\$ 7,117,586	\$ 12,037,892

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**British Columbia Investment Agriculture Foundation**  
**Notes to the Financial Statements**

**December 31, 2012**

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**7. Financial Instrument Risks**

The Foundation, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of those risks at December 31, 2012.

a) Credit Risk

Credit risk is the risk that the Foundation will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist primarily of cash and temporary investments and accounts receivable. The Foundation limits its exposure to credit risk by placing its cash and temporary investments with high credit quality governments, financial institutions and corporations in accordance with investment policies adopted by the Board. Accounts receivable are due from the federal and provincial governments, and various agriculture associations.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rates and terms of cash and temporary investments are as disclosed in Note 3.

c) Market Risk

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market.

d) Liquidity Risk

Liquidity risk is the risk that the Foundation will not be able to meet its obligations as they fall due. The Foundation maintains adequate levels of working capital to ensure all its obligations can be met when they fall due and tracks commitments to ensure funds committed do not exceed fund balances (Note 6).

The Foundation has adopted by-laws established in accordance with the Society Act to limit the amount of credit exposure in any one type of investment instrument and to ensure investments meet specified minimum standards of quality. The Foundation has also adopted an investment policy pursuant to which investments are managed conservatively to secure the preservation of capital and the availability of liquid funds as required by the Foundation. The Foundation retains a qualified investment firm to invest surplus funds in accordance with its investment policy.

**British Columbia Investment Agriculture Foundation**  
**Schedule 1 - Cash and Temporary Investments**

**December 31, 2012**

	Sustaining Fund	AFFF Fund	CAAP Fund	2012 Market Value	2011 Market Value
Cash	\$ 159,734	\$ 32,751	\$ 2,217,852	\$ 2,410,337	\$ 1,921,924
Treasury Bills	6,583,403	1,426,428	-	8,009,831	8,211,322
Government and Government Guaranteed Bonds	15,028,909	3,245,455	-	18,274,364	19,567,861
Corporate bonds, debentures, and notes	6,351,630	1,159,914	-	7,511,544	8,556,313
Equities	5,633,778	1,181,248	-	6,815,026	7,102,697
	<b>33,757,454</b>	<b>7,045,796</b>	<b>2,217,852</b>	<b>43,021,102</b>	<b>45,360,117</b>
Represented by:					
Investments at Cost	32,831,630	6,699,078	2,217,852	41,748,560	43,991,139
Unrealized Market Value Adjustment	925,824	346,718	-	1,272,542	1,368,978
Total Book Value	<b>\$ 33,757,454</b>	<b>\$ 7,045,796</b>	<b>\$ 2,217,852</b>	<b>\$ 43,021,102</b>	<b>\$ 45,360,117</b>

	Sustaining Fund	Canadian Adaptation and Rural Development Fund	Safety Net Fund	Agri-Food Futures Fund	Advancing Canadian Agriculture and Agri-Food Fund	Canadian Agricultural Adaptation Program Fund	2010 Industry Opportunities Fund	Poultry Industry Bio-Security Fund	Livestock Waste Tissue Fund	Meat Transition Assistance Program Fund
<b>Assets</b>										
<b>Current</b>										
Cash and Temporary Investments	\$ 32,155,271	\$ -	\$ -	\$ 7,683,476	\$ -	\$ 1,845,694	\$ -	\$ -	\$ -	\$ 3,675,676
Accounts Receivable	24,529	-	-	-	-	59,024	-	-	-	-
Prepaid Expenses	35,423	-	-	-	-	-	-	-	-	-
Due From Other Funds	-	17,886	7,513,768	-	1,912,633	-	80,294	861,777	2,532,626	-
	32,215,223	17,886	7,513,768	7,683,476	1,912,633	1,904,718	80,294	861,777	2,532,626	3,675,676
Capital Assets	92,767	-	-	-	-	-	-	-	963	-
	\$ 32,307,990	\$ 17,886	\$ 7,513,768	\$ 7,683,476	\$ 1,912,633	\$ 1,904,718	\$ 80,294	\$ 861,777	\$ 2,533,589	\$ 3,675,676
<b>Liabilities and Net Assets</b>										
<b>Current Liabilities</b>										
Accounts Payable and Accrued Liabilities	\$ 123,098	\$ -	\$ 496	\$ 12,581	\$ -	\$ -	\$ -	\$ -	\$ 2,779	\$ 17,894
Deferred Revenue	-	-	-	-	14,814	28,307	-	-	-	-
Due To Other Funds	16,680,392	-	-	623,413	-	34,408	-	-	-	8,906
	16,803,490	-	496	635,994	14,814	62,715	-	-	2,779	26,800
<b>Net Assets</b>										
Committed Funds	202,458	-	790,335	3,381,446	1,544,339	2,138,237	27,075	861,777	2,530,839	3,648,876
Uncommitted Funds	15,209,275	17,886	6,722,937	3,666,036	353,480	(296,234)	53,219	-	(992)	-
Invested in Capital Assets	92,767	-	-	-	-	-	-	-	963	-
	15,504,500	17,886	7,513,272	7,047,482	1,897,819	1,842,003	80,294	861,777	2,530,810	3,648,876
	\$ 32,307,990	\$ 17,886	\$ 7,513,768	\$ 7,683,476	\$ 1,912,633	\$ 1,904,718	\$ 80,294	\$ 861,777	\$ 2,533,589	\$ 3,675,676

	On-Farm Poultry Bio-Security Pilot Fund	Canada - B.C. Agri-Innovation Program Fund	Okanagan Tree Fruit Strategy Fund	Aquaculture Innovation Fund	Tree Fruit Marketing and Infrastructure Innovative Initiative Federal Fund	Tree Fruit Marketing and Infrastructure Innovative Initiative Provincial Fund	Ranching Task Force Funding Initiative Provincial Fund	Ranching Task Force Funding Initiative Federal Fund	TOTAL
<b>Assets</b>									
<b>Current</b>									
Cash and Temporary Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,360,117
Accounts Receivable	-	263,674	-	-	94,865	-	-	175,171	617,263
Prepaid Expenses	-	-	-	-	-	-	-	-	35,423
Due From Other Funds	274,654	-	215,877	419,820	-	2,012,881	2,038,613	-	-
	274,654	263,674	215,877	419,820	94,865	2,012,881	2,038,613	175,171	46,012,803
<b>Capital Assets</b>									93,730
	\$ 274,654	\$ 263,674	\$ 215,877	\$ 419,820	\$ 94,865	\$ 2,012,881	\$ 2,038,613	\$ 175,171	\$ 46,106,533
<b>Liabilities and Net Assets</b>									
<b>Current Liabilities</b>									
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,848
Deferred Revenue	-	-	-	-	-	-	-	-	43,121
Due To Other Funds	-	263,674	-	-	94,865	-	-	175,171	-
	-	263,674	-	-	94,865	-	-	175,171	199,969
<b>Net Assets</b>									
Committed Funds	274,654	723,471	215,877	419,820	-	2,012,881	2,038,613	558,852	21,369,550
Uncommitted Funds	-	(723,471)	-	-	-	-	-	(558,852)	24,443,284
Invested in Capital Assets	274,654	-	215,877	419,820	-	2,012,881	2,038,613	-	45,906,564
	\$ 274,654	\$ 263,674	\$ 215,877	\$ 419,820	\$ 94,865	\$ 2,012,881	\$ 2,038,613	\$ 175,171	\$ 46,106,533

British Columbia Investment Agriculture Foundation  
 Schedule 3 - Statement of Financial Position as at January 1, 2011

	Sustaining Fund	Canadian Adaptation and Rural Development Fund	Safety Net Fund	Agri-Food Futures and Agri-Food Fund	Advancing Canadian Agriculture and Agri-Food Fund	Canadian Agricultural Adaptation Program Fund	2010 Industry Opportunities Fund	Poultry Industry Bio-Security Fund	Livestock Waste Tissue Fund
<b>Assets</b>									
<b>Current</b>									
Cash and Temporary Investments	\$ 35,110,204	\$ -	\$ -	\$ 8,214,258	\$ -	\$ 2,196,386	\$ -	\$ -	\$ -
Grant Advances	-	-	-	-	-	-	-	-	-
Grants Receivable	-	-	-	-	-	-	-	-	-
Accounts Receivable	29,541	-	-	-	-	13,967	-	-	-
Prepaid Expenses	42,284	-	-	-	-	-	-	-	82
Due From Other Funds	-	17,926	8,139,199	-	2,994,174	-	89,423	911,394	3,035,916
<b>Capital Assets</b>	<b>35,182,029</b>	<b>17,926</b>	<b>8,139,199</b>	<b>8,214,258</b>	<b>2,994,174</b>	<b>2,210,353</b>	<b>89,423</b>	<b>911,394</b>	<b>3,035,998</b>
	83,918	-	-	-	-	-	-	-	963
	35,265,947	17,926	8,139,199	8,214,258	2,994,174	2,210,353	89,423	911,394	3,036,961
<b>Liabilities and Net Assets</b>									
<b>Current Liabilities</b>									
Accounts Payable and Accrued Liabilities	116,229	-	-	9,387	-	-	-	-	8,670
Deferred Revenue	-	-	-	-	53,868	15,000	-	-	-
Due To Other Funds	19,556,146	-	-	287,701	-	18,245	-	-	-
	19,672,375	-	-	297,088	53,868	33,245	-	-	8,670
<b>Net Assets</b>									
Committed Funds	227,446	-	1,919,440	2,816,068	2,723,539	2,467,698	32,063	911,394	3,028,291
Uncommitted Funds	15,282,208	17,926	6,219,759	5,101,102	216,767	(290,590)	57,360	-	(963)
Invested in Capital Assets	83,918	-	-	-	-	-	-	-	963
	15,593,572	17,926	8,139,199	7,917,170	2,940,306	2,177,108	89,423	911,394	3,028,291
	\$ 35,265,947	\$ 17,926	\$ 8,139,199	\$ 8,214,258	\$ 2,994,174	\$ 2,210,353	\$ 89,423	\$ 911,394	\$ 3,036,961



British Columbia Investment Agriculture Foundation  
 Schedule 3 - Statement of Financial Position as at January 1, 2011

	Meat Transition Assistance Program Fund	On-Farm Poultry Bio-Security Pilot Fund	Bio-Fuels Opportunities for Producers Initiative Fund	Okanagan Tree Fruit Strategy Fund	Invasive Plant Management Program Fund	Aquaculture Innovation Fund	Tree Fruit Sector Fund	Ranching Task Force Fund	TOTAL
<b>Assets</b>									
<b>Current</b>									
Cash and Temporary Investments	\$ 3,910,807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,431,655
Grant Advances	-	-	-	-	-	-	-	-	-
Grants Receivable	-	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-	43,508
Prepaid Expenses	-	-	-	-	-	-	-	-	42,366
Due From Other Funds	-	355,302	-	215,941	-	104,593	2,000,000	2,000,000	-
	3,910,807	355,302	-	215,941	-	104,593	2,000,000	2,000,000	49,517,529
Capital Assets	-	-	-	-	-	-	-	-	84,881
	5,910,807	355,302	-	215,941	-	104,593	2,000,000	2,000,000	49,602,410
<b>Liabilities and Net Assets</b>									
<b>Current Liabilities</b>									
Accounts Payable and Accrued Liabilities	-	-	-	-	-	-	-	-	134,286
Deferred Revenue	-	-	-	-	-	-	-	-	68,868
Due To Other Funds	1,776	-	-	-	-	-	-	-	-
	1,776	-	-	-	-	-	-	-	203,154
<b>Net Assets</b>									
Committed Funds	3,910,322	355,302	-	214,044	-	104,593	2,000,000	2,000,000	22,710,200
Uncommitted Funds	(1,291)	-	-	1,897	-	-	-	-	26,604,175
Invested In Capital Assets	-	-	-	-	-	-	-	-	84,881
	3,909,031	355,302	-	215,941	-	104,593	2,000,000	2,000,000	49,399,256
	\$ 3,910,807	\$ 355,302	\$ -	\$ 215,941	\$ -	\$ 104,593	\$ 2,000,000	\$ 2,000,000	\$ 49,602,410

British Columbia Investment Agriculture Foundation  
Schedule 4 - Statement of Operations and Changes in Net Assets for the Year Ended December 31, 2011

	Sustaining Fund	Canadian Adaptation and Rural Development Fund	Safety Net Fund	Agri-Food Futures Fund	Advancing Canadian Agriculture and Agri-Food Fund	Canadian Agricultural Adaptation Program Fund	2010 Industry Opportunities Fund	Poultry Industry Bio-Security Fund	Livestock Waste Tissue Fund	Meat Transition Assistance Program Fund
<b>Revenues</b>										
Federal Government Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 575,431	\$ -	\$ -	\$ -	\$ -
Provincial Government Grants	-	-	-	-	-	-	-	-	-	-
Provincial Contributions	-	-	-	-	-	-	-	-	-	-
Provincial Administration Contribution	-	-	-	-	-	-	-	-	-	-
Investment Income	1,098,086	-	-	326,920	89,799	18,794	-	-	-	164,869
Royalty Recoveries	10,891	-	-	-	-	-	-	-	-	-
	1,108,977	-	-	326,920	89,799	594,225	-	-	-	164,869
<b>Expenses</b>										
Programs										
Direct Expenditures	43,574	-	415,462	1,096,619	972,300	443,376	9,109	48,394	391,919	400,000
Administration	-	40	18,916	-	7,470	110,710	20	1,223	105,062	17,894
Directors' Fees	-	-	-	-	-	-	-	-	500	-
Board Initiated Programs	38,820	-	191,549	-	39,511	-	-	-	-	-
Collaborative Programs	-	-	-	-	13,253	375,244	-	-	-	-
Administration Provincial	-	-	-	-	-	-	-	-	-	-
Administration - Other	-	-	-	-	-	-	-	-	-	-
Direct	-	-	-	20,212	-	-	-	-	-	-
Allocated	937,416	-	-	65,000	99,752	-	-	-	-	-
Directors' Fees	-	-	-	63	-	-	-	-	-	-
Allocated	116,135	-	-	-	-	-	-	-	-	-
Investment Management and Custodian Fees	62,104	-	-	14,714	-	-	-	-	-	7,130
	1,198,049	40	625,927	1,196,608	1,132,286	929,330	9,129	49,617	497,481	425,024
Excess (deficiency) of Revenues Over Expenses	(89,072)	(40)	(625,927)	(869,688)	(1,042,487)	(335,105)	(9,129)	(49,617)	(497,481)	(260,155)
Net Assets, Beginning of Year	15,593,572	17,926	8,139,199	7,917,170	2,940,306	2,177,108	89,423	911,394	3,028,291	3,909,031
Net Assets, End of Year	\$ 15,504,500	\$ 17,886	\$ 7,513,272	\$ 7,047,482	\$ 1,897,819	\$ 1,842,003	\$ 80,294	\$ 861,777	\$ 2,530,810	\$ 3,648,876

British Columbia Investment Agriculture Foundation  
 Schedule 4 - Statement of Operations and Changes in Net Assets of the Year Ended December 31, 2011

	On-Farm Poultry Bio-Security Pilot Initiative	Canada - B.C. Agri-Innovation Program Fund	Okanagan Tree Fruit Strategy Fund	Aquaculture Innovation Fund	Tree Fruit Marketing and Infrastructure Innovative Initiative Federal Fund	Tree Fruit Marketing and Infrastructure Innovative Initiative Provincial Fund	Ranching Task Force Funding Initiative Federal Fund	Ranching Task Force Funding Initiative Provincial Fund	TOTAL
<b>Revenues</b>									
Federal Government Contributions	\$ -	\$ -	\$ -	\$ -	\$ 94,865	\$ -	\$ 175,171	\$ -	\$ 845,467
Provincial Government Grants	-	-	-	325,458	-	-	-	-	325,458
Provincial Contributions	-	263,674	-	-	-	-	-	-	263,674
Provincial Administration Contribution	-	-	-	-	-	-	-	-	-
Investment Income	-	-	8,059	-	-	76,124	75,423	-	1,858,074
Royalty Recoveries	-	-	-	-	-	-	-	-	10,891
	-	263,674	8,059	325,458	94,865	76,124	75,423	175,171	3,303,564
<b>Expenses</b>									
Programs									
Direct Expenditures	36,737	222,936	8,123	10,000	94,865	63,243	35,713	173,524	4,465,914
Administration	5,919	40,488	-	231	-	-	1,097	1,647	310,717
Directors' Fees	-	250	-	-	-	-	-	-	750
Board Initiated Programs	37,972	-	-	-	-	-	-	-	307,852
Collaborative Programs	-	-	-	-	-	-	-	-	388,497
Administration Provincial	-	-	-	-	-	-	-	-	-
Administration - Other	-	-	-	-	-	-	-	-	-
Direct	-	-	-	-	-	-	-	-	20,212
Allocated	-	-	-	-	-	-	-	-	-
Directors' Fees	-	-	-	-	-	-	-	-	63
Direct	-	-	-	-	-	-	-	-	116,135
Allocated	-	-	-	-	-	-	-	-	83,248
Investment Management and Custodian Fees	80,648	263,674	8,123	10,231	94,865	63,243	36,810	175,171	6,796,256
	(80,648)	-	(64)	315,227	-	12,881	38,613	-	(3,492,692)
Excess (deficiency) of Revenues Over Expenses	355,302	-	215,941	104,593	-	2,000,000	2,000,000	-	49,399,256
Net Assets, Beginning of Year	\$ 274,654	\$ -	\$ 215,877	\$ 419,820	\$ -	\$ 2,012,881	\$ 2,038,613	\$ -	\$ 45,906,564
Net Assets, End of Year									