



**Investment
Agriculture
Foundation**
of British Columbia

**REQUEST FOR
EXPRESSION OF INTEREST
(RFEOI)**

Investment Custodial and
Portfolio Management Services

CLOSING: October 16, 2017 before 3:00 p.m. Pacific Standard Time

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1.0 Summary

- 1.1 The B.C. Investment Agriculture Foundation (the Foundation) is inviting firms with demonstrated experience in providing Investment Management Services to submit an Expression of Interest for the following Services: Investment Custodial and Portfolio Management Services. The purpose of this Expression of Interest is to develop options for the provision of Investment Management Services to the Foundation and to short list and pre-qualify respondents to subsequently negotiate contract terms directly with a qualified respondent or prepare a more detailed Request for Proposal (RFP).

B.C. Investment Agriculture Foundation

The B.C. Investment Agriculture Foundation was incorporated under the British Columbia Society Act as a not for profit society on October 31, 1996. The Foundation is an industry-led organization with a mandate to manage and distribute federal and provincial funds in support of innovative projects benefiting the agriculture, agri-food, and post-farm gate industries in British Columbia. It has 10 member organizations representing the agriculture sector. The British Columbia Agriculture Council manages the duties of the Foundation's Members by administering the selection and appointment process for Board Members and provides guidance and approval of strategic and operational plans.

Since 1996, the Foundation has played a lead role in fostering growth and adaptation across the industry. Its impact has grown in relevance and value during a time of intense change for the industry – relative to technology, competitive products and markets, crises and sustainability concerns.

The Foundation is committed to work on behalf of the entire B.C. agri-food industry and to be accountable for investing to create a strong future for the B.C. agri-food industry. It is not a lobby group, nor an advisory committee to government.

The Foundation views its strength as being able to work with industry and government to address issues and to act on opportunities. The Foundation may undertake the role of facilitator or coordinator on pan-agriculture initiatives.

A copy of the Foundation's Financial Statements for the period ending December 2016 are attached for reference purposes (Appendix "A")

Investment Management Needs:

The Foundation has an established Investment Policy Guideline (Appendix "B") and an Audit & Finance Committee which reports to the Executive Committee and the Foundation Board, to manage this function.

The Investment Manager will be a key partner with the Foundation and will work with the Audit & Finance Committee to ensure cash flow requirements are met; that the mix of investments meet Foundation policies; that yield returns match or exceed agreed to benchmarks; and, that the appropriate investment management and reporting systems are in place to meet the Foundation's needs. The Foundation's cash flow needs will be similar to those represented in the financial statements appended to this document. The current cash and investment portfolio is \$32 million.

Banking services are currently received from CIBC branch in Victoria, B.C., and the investment portfolio is placed with Northern Trust and HSBC Investments.

- 1.2 The Evaluation Committee will be made up of individuals recommended by the Foundation's funding partners as well as members of the Audit & Finance Committee, and the Chair of the Board of Directors or designate, and may also include other non-voting Foundation personnel, as required.

2.0 Inquiries:

2.1 Respondents requiring clarification of the intent or meaning of any part of the RFEOI shall notify the Manager, Finance & Operations in writing or email no less than three (3) working days prior to the closing date.

Expression of Interest:

Daina Rozitis, Manager, Finance & Operations
B.C. Investment Agriculture Foundation
Telephone: (250) 952-0870
Facsimile: (250) 953-5162
E-mail: drozitis@iafbc.ca

The Foundation may respond to any such requests by verbal or written clarification to the Respondent making the request, or advise all Respondents of record by issuing addenda to the Request for Expression of Interest, or convene a meeting with Respondents of record with the intent of responding to requests for further information or for clarifications of the Request for Expression of Interest. Verbal instructions or clarifications shall not be binding unless confirmed in writing.

The Respondent shall ascertain that transmission of its questions/clarification requests are successfully received by the Foundation

3.0 Addenda

3.1 The Foundation may make changes to or provide clarification of the RFEOI documents by way of issuance of written addenda to all Respondents of record or prospective Respondents. The Foundation will endeavour not to issue addenda later than two (2) days before the closing date.

3.2 Any addenda issued to Respondents before the closing date will be deemed to have been considered by the Respondent before submitting its Expression of Interest. All addenda so issued shall become a part of the Expression of Interest and the Respondent shall acknowledge receipt of all addenda on the Expression of Interest Form.

4.0 Expression of Interest Conditions

4.1 To receive consideration, Expressions of Interest must be submitted in accordance with the following instructions:

4.1.1 The Expression of Interest must be submitted with the Expression of Interest Form and Schedules as issued. There shall be no alteration of or changes made to the Expression of Interest Form and Schedules. Any alterations made to the Expression of Interest Form and Schedules other than the supply of the required information may result in the Expression of Interest being declared non-compliant and rejected without further consideration.

4.1.2 If the entity is a Joint Venture or Partnership in relation to this submission, a copy of the business agreement in relation to the submission must be included with this Expression of Interest Form. The Expression of Interest Form must be executed by all of the members of the Joint Venture or Partnership, or may be executed by authorized officers of the Joint Venture or Partnership provided that a copy of an affidavit or other form of authorization is submitted with the business agreement and included with the Expression of Interest Form.

4.1.3 All Expressions of Interest shall be contained within a sealed package, and the package shall be labeled “**RFEOI: Investment Custodial and Portfolio Management Services**” and name of submitting Respondent. The Respondent shall identify which Expression of Interest is the original, and the word “copy” on the face of Expressions of Interest that are copies. **The Foundation requires the Respondent to submit one (1) original executed Expression of Interest, one (1) electronic copy on a USB memory**

stick, (preferably in MS Word/Excel or Adobe Acrobat file format) and six (6) copies to the following address:

**B.C. Investment Agriculture Foundation
Attention: Manager, Finance & Operations
3rd Floor, 808 Douglas Street
Victoria, BC V8W 2Z7
RFEOI Project: Investment Custodial and Portfolio Management Services**

4.1.4 Expressions of Interest must be received at the Reception Desk, 3rd Floor, 808 Douglas Street, Victoria, BC V8W 2Z7 before 3:00 p.m. Pacific Standard Time on the 16th of October, 2017.

4.1.5 Expressions of Interest will be opened in private.

4.1.6 The Foundation is not responsible for the timeliness of documents delivered nor will the Foundation accept any Expression of Interest delivered to a location other than the specified address (see 4.1.3).

4.1.7 Respondents are advised that it is not permissible to send a copy(s) of an Expression of Interest to any employee of, consultant, agent or business employed or working on behalf of the Foundation and involved in this process, and the Foundation will reject without further consideration any Expression of Interest so delivered.

4.1.8 Expressions of Interest must be delivered by hand (mail or courier). **Submissions by email or facsimile will not be accepted.**

4.1.9 Upon request, a Respondent shall provide a detailed breakdown of the Expression of Interest fee structure. Failure to provide a breakdown may result in the disqualification of the Expression of Interest.

5.0 Acceptance

5.1.1 The Foundation shall notify the Respondent in writing if its Expression of Interest was accepted or has been pre-qualified to participate in the RFP process. No other action by the Foundation, or the Finance & Audit Committee, implied or otherwise, shall be construed as acceptance or pre-qualification of a Respondent's Expression of Interest.

6.0 Expression of Interest Assessment

6.1 The Committee will evaluate Expressions of Interest based on pre-determined criteria.

6.2 As the Committee evaluates Expressions of Interests on the contents of the Expressions of Interest as submitted, each Respondent shall include any and all information required as called for in the RFEOI document. It shall be explicitly understood that there shall be no opportunity to make any material change to the Expression of Interest, including any alteration, addition or deletion of any element within the Expression of Interest as submitted by the Respondent after the RFEOI submission time frame has closed.

6.3 Clarifications from a Respondent may be sought after the closing date. The Foundation will submit questions to the Respondent in writing, and seek a response in writing. The intent of the clarification is simply to obtain further explanation and understanding of what was intended by the Respondent. A clarification shall not provide an opportunity to make any material change to the Expression of Interest, or to alter, add or delete any element of the Expression of Interest including any price contained within the Expression of Interest.

6.4 At the Foundation's discretion, one or more Respondents may be requested (in writing) to conduct a presentation of its submission and discuss and/or substantiate any area therein. Such presentation shall not provide an opportunity for the Respondent to make any material change or alter, add or delete any element, including any price contained, within its Expression of Interest.

All costs incurred by the Respondent in the process of conducting the presentation shall be at the expense of the Respondent. In no instance will any cost related to this process be billed or charged to the Foundation.

6.5 The Foundation reserves the right to waive irregularities and informalities at its discretion and to accept the Expression of Interest that the Foundation deems to be in its best interest.

7.0 Expression of Interest Rejection

7.1 The Foundation reserves the right to reject any or all Expressions of Interests.

7.2 By submitting its Expression of Interest, the Respondent acknowledges the Foundation's ability to exercise its discretion to accept or reject any or all Expressions of Interest, and shall not constitute a breach in contract or in tort of any duty imposed by statute or common law and owed by the Foundation to the Respondent.

8.0 Ownership and Costs to Prepare Expression of Interest Documents

8.1 The Foundation is neither liable nor responsible for any costs incurred by a Respondent in the preparation, submission, or presentation of their Expression of Interest. All Expression of Interest documents become the property of the Foundation.

9.0 Conflict of Interest

9.1 The Respondent shall include with its Expression of Interest details of the following:

9.1.1 Identify by name any Foundation employee, consultant, agent or immediate family member owning a share in the Respondent or its Sub-Consultant, if the Respondent is a privately held company;

9.1.2 Identify by name any Foundation employee, consultant, agent or immediate family member owning shares in the Respondent or its Sub-Consultant in excess of 1% of the total number of shares if the Respondent or its Sub-Consultant is a publicly-held company;

9.1.3 Identify by name any Foundation employee, consultant, agent, or immediate family member with a partnership interest in the Respondent or its Sub-Consultant if the Respondent is a partnership or joint venture,

9.1.4 Identify by name the appointment of any Foundation employee, consultant, agent, or their family member as a Director of the Respondent or its Sub-Consultant,

9.1.5 Identify and provide details of any offer or provision of loans, payments, or other considerations to any Foundation employee, consultant or agent or their immediate family member by an employee of the Respondent or its Sub-Consultant.

9.2 If the Foundation, in its sole discretion, deems the particular circumstances or other such circumstances discovered by the Respondent or Foundation to comprise a conflict of interest, the Foundation may, at its sole discretion, deem the Expression of Interest non-compliant and not consider the Expression of Interest.

9.3 Business Gifts and Hospitality - To preserve the image and integrity of the Foundation, their employees, agents and/or directors, business gifts other than items of minor value shall not be offered. Reasonable hospitality is an accepted courtesy of a business relationship. The frequency and nature of gifts or hospitality shall not be allowed whereby the recipient might be or might be deemed by others to have been influenced in making a business decision as a consequence of accepting such hospitality or gifts.

10.0 Workers' Compensation

10.1 Respondents shall include with their Expression of Interest proof of a Workers' Compensation account in good standing. Such account shall remain in good standing for the duration of the provision of the Services. Coverage shall include all employees of the Respondent as well as personal coverage for any employers, proprietors, partners and directors performing work directly at the Foundation.

11.0 Insurance

11.1 Respondents shall include with their Expression of Interest Certificates of Insurance issued by the Respondents' insurers confirming the nature and extent of the Respondent's insurance coverage with respect to the provision of the Services. Such insurance shall include, but not limited to, professional liability, general liability and automobile insurance.

12.0 Debriefing and Disclosure of Results

12.1 The Foundation will provide unsuccessful Respondents with the name of the successful Respondent(s), if requested to do so within ninety (90) days of being notified that the firm's Expression of Interest was not accepted. The Foundation will not disclose evaluation points awarded to the firm(s), nor will it disclose the evaluation points, standings, prices or other information of any other Respondent.

Expression of Interest FORM
Investment Custodial and Portfolio Management Services

FROM: Respondent

Identity of Respondent
(Legal Registered Name)
Address
Phone
Fax

TO: The Finance & Audit Committee
B.C. Investment Agriculture Foundation
3rd Floor, 808 Douglas Street
Victoria, BC
Canada V8W 2Z7
Attn. Daina Rozitis

RE: RFEOI Project: Investment Custodial and Portfolio Management Services

We the undersigned, having examined the Request for Expression of Interest documents for the above noted project, including Addendum Numbers _____, are satisfied we understand the Services as identified in the Expression of Interest. We further acknowledge that we have not relied on the completeness of such information and declare ourselves competent to undertake and complete the Services and do hereby irrevocably propose and agree to carry out the Services and any Attachments or Schedules in accordance with the Request for Expression of Interest documents.

We hereby confirm that we have read and fully understand the ***Conflict of Interest*** obligations and potential outcome as referenced in the RFEOI. We hereby certify that we have no conflict of interest in submitting this Expression of Interest.

Legal Structure

We are a: Corporation Joint Venture Partnership Proprietorship (check appropriate entity) licensed to do business in the Province of British Columbia.

Registered in the Province of _____ Corporate Registration # _____

The Schedules listed below and Submittals hereto annexed has been completed and forms part of the Expression of Interest:

- Schedule A – Schedule for Expression of Interest
- Schedule B – Fees for Services
- Schedule C - Respondent Profile
- Submittals - other requirements

The undersigned hereby represents and warrants as to having authority to execute the Expression of Interest on behalf of the Respondent.

Name of Corporation, or Entity:

Name of Authorized

Officer(s):	
Position(s):	
Signature(s): (authorized officer)	 (authorized officer)

Executed this ____ day of _____, 2017

THIS FORM MUST BE SIGNED AND DATED TO BE CONSIDERED A VALID Expression of Interest

End of Proposal Form

SCHEDULE A
Schedule for Expression of Interest

The Foundation has identified the following project target dates:

Activity	Target Date
Public advertisement of Request for Expressions of Interest	August 15, 2017
Issue Date of Expression of Interest Document	August 17, 2017
Submissions of Questions/Clarifications on RFEOI	October 4, 2017
Response to Questions/Clarifications	October 9, 2017
Closing Date for Expressions of Interest	October 16, 2017
Presentations/Interviews (tentative)	November 7, 2017
Appointment of an Investment Manager or Issuance of RFP to short listed Respondents	November 21, 2017

End of Schedule A

SCHEDULE B
Fees for Services

(Attach additional sheets if required)

1.0 Fees for Services

1.1 The Respondent shall identify on a separate sheet attached to this Schedule, the potential Fee Structure and rates for performing the Investment Custodial Services.

1.2 The Respondent shall identify on a separate sheet attached to this Schedule, the potential Fee Structure and rates for performing the Portfolio Management Services.

1.3 The Respondent shall identify on a separate sheet attached to this Schedule, fees and rates for services not included in the Scope of Services (see Appendix "C"). The Respondent shall explain why these services may be required for the Project.

1.4 The Proponent shall identify on a separate sheet attached to this Schedule, any cost savings or value added offers it can/will provide.

End of Schedule B

SCHEDULE C
Respondent Profile

Respondents shall complete the following information to assist the Foundation in reviewing their Expression of Interest:

RESPONDENT IDENTITY	
Entity's Legal Registered Name	
Year Established	
Office Location	
Head Office	Address:
Branch Office	Address:
Type of Entity	Registration Number:
<input type="checkbox"/> Corporation	
<input type="checkbox"/> Unregistered Partnership	
<input type="checkbox"/> Registered Partnership	
<input type="checkbox"/> Proprietorship	
<input type="checkbox"/> Registered Joint Venture	
<input type="checkbox"/> Unregistered Joint Venture	
Number of Employees	

RESPONDENT EXPERIENCE	
<p>Respondents shall identify three (3) comparable¹ Clients where Investment Management Services were provided. A Respondent may use separate sheets and attach to the Expression of Interest.</p>	
Date and Duration of Service	Description and Relevancy, including Performance Measures against Foundation Benchmarks.
Client's Name	
Client's Contact and Phone Number	

¹ Comparable refers to clients whose portfolios and services are subject to the same or similar terms and conditions as those of the B.C. Investment Agriculture Foundation.

Date and Duration of Service	Description and Relevancy, including Performance Measures against Foundation Benchmarks.
Client's Name	
Client's Contact and Phone Number	

Date and Duration of Service	Description and Relevancy, including Performance Measures against Foundation Benchmarks.
Client's Name	
Client's Contact and Phone Number	

End of Schedule C

Investment Agriculture Foundation of B.C.
Financial Statements for the period ending December 2016

**British Columbia Investment
Agriculture Foundation
Financial Statements
For the year ended December 31, 2016**

British Columbia Investment Agriculture Foundation
Financial Statements
For the year ended December 31, 2016

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Independent Auditors' Report

To the members of the British Columbia Investment Agriculture Foundation

We have audited the accompanying financial statements of the British Columbia Investment Agriculture Foundation, which comprise the statement of financial position as at December 31, 2016, and the statements 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.

Auditors' 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 auditors' 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 and fair presentation 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 that the audit evidence we have obtained in our audit 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, 2016, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on other legal and regulatory requirements

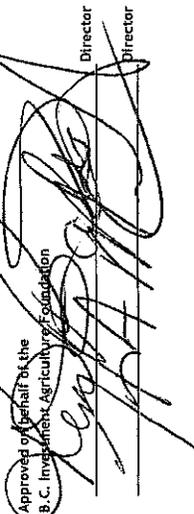
As required by the Society Act of British Columbia, we report that, in our opinion, these accounting principles have been applied on a basis consistent with that of the preceding year.

Victoria, Canada
March 29, 2017


Chartered Professional Accountants

BC Investment Agriculture Foundation
Statement of Financial Position

	Canadian			Advancing Canadian			2010			Livestock Waste Tissue Fund
	Sustaining Fund	Adaptation and Rural Development Fund	Safety Net Fund	Agri-Food Futures Fund	Canadian Agriculture and Agri-Food Fund	Canadian Agricultural Adaptation Program Fund	Industry Opportunities Fund	Industry Bio-Security Fund	Poultry Industry Fund	
Assets										
Current										
Cash	\$ 119,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments (Note 2 and Schedule 1)	26,305,209	-	-	7,076,267	-	-	-	-	-	-
Accounts Receivable	14,703	-	-	-	-	-	-	-	-	-
Prepaid Expenses	43,769	-	-	-	-	-	-	-	-	-
Due From Other Funds	17,886	4,307,463	827,543	53,573	428,435	59,887	1,644,805			
Capital Assets (Note 3)	26,483,641	17,886	4,307,463	7,076,267	827,543	53,573	1,644,805	428,435	428,435	1,644,805
	28,984	-	-	-	-	-	-	-	-	-
	\$ 26,512,625	\$ 17,886	\$ 4,307,463	\$ 7,076,267	\$ 827,543	\$ 53,573	\$ 1,644,805	\$ 428,435	\$ 428,435	\$ 1,644,805
Liabilities and Net Assets										
Current Liabilities										
Accounts Payable and Accrued Liabilities	\$ 143,856	\$ -	\$ -	\$ 5,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	9,822,014	-	-	141,722	-	-	-	-	-	-
	9,965,870	-	-	146,847	-	-	-	-	-	-
Net Assets										
Committed Funds (Note 5)	253,620	-	1,754,628	1,755,991	541,910	-	1,644,805	297,462	297,462	1,644,805
Committed Funds Not Yet Received (Note 5)	-	-	-	-	-	-	-	-	-	-
Uncommitted Funds	16,264,151	17,886	2,552,835	5,173,429	285,633	53,573	1,30,973	130,973	130,973	-
Invested in Capital Assets	28,984	-	-	-	-	-	-	-	-	-
	16,546,755	17,886	4,307,463	6,929,420	827,543	53,573	1,644,805	428,435	428,435	1,644,805
	\$ 26,512,625	\$ 17,886	\$ 4,307,463	\$ 7,076,267	\$ 827,543	\$ 53,573	\$ 1,644,805	\$ 428,435	\$ 428,435	\$ 1,644,805

Approved on behalf of the
B.C. 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, 2016	Meat Transition Assistance Program Fund	On-Farm Poultry Bio-Security Pilot Fund	Aquaculture Innovation Fund	Tree Fruit Marketing and Infrastructure Provincial Fund	Ranching Task Force Funding Initiative Provincial Fund	Orchard Replant Program	Tree Fruit Replant Supplement Program	Domestic Marketing Strategy Fund	Canada - BC Agri-Innovation Program 2 Fund
Assets									
Current									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments (Note 2 and Schedule 1)	-	-	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	7,750	-
Prepaid Expenses	-	-	-	-	-	-	-	-	-
Due From Other Funds	15,578	92,371	38,387	167,022	285,275	270,719	-	231,144	-
Capital Assets (Note 3)	15,578	92,371	38,387	167,022	285,275	270,719	-	238,894	-
	\$ 15,578	\$ 92,371	\$ 38,387	\$ 167,022	\$ 285,275	\$ 270,719	\$ -	\$ 238,894	\$ -
Liabilities and Net Assets									
Current Liabilities									
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	-	-	-	-	-	-	-	-	1,457
	-	-	-	-	-	-	-	-	1,457
Net Assets									
Committed Funds (Note 5)	15,578	92,371	38,387	167,022	285,275	270,719	-	90,500	-
Committed Funds Not Yet Received (Note 5)	-	-	-	-	-	-	-	-	-
Uncommitted Funds	-	-	-	-	-	-	-	148,394	(1,457)
Invested in Capital Assets	-	-	-	-	-	-	-	-	-
	\$ 15,578	\$ 92,371	\$ 38,387	\$ 167,022	\$ 285,275	\$ 270,719	\$ -	\$ 238,894	\$ (1,457)
	\$ 15,578	\$ 92,371	\$ 38,387	\$ 167,022	\$ 285,275	\$ 270,719	\$ -	\$ 238,894	\$ -

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

BC Investment Agriculture Foundation
Statement of Financial Position

December 31, 2016 December 31, 2015

	Canada - BC Agri-Innovation Program 2015-18 Fund	BC Agrifoods Export Program Fund	Climate Change Adaptation Program Fund	Buy Local Program Fund	Grow Local Program Fund	TOTAL
Assets						
Current						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 578,369
Investments (Note 2 and Schedule 1)	-	-	-	-	-	33,735,784
Accounts Receivable	541,575	185,038	157,153	26,257	30,000	539,002
Prepaid Expenses	-	-	-	-	-	35,096
Due From Other Funds	-	-	-	2,524,374	-	10,964,462
	541,575	185,038	157,153	2,550,631	30,000	46,958,506
Capital Assets (Note 3)						
	-	-	-	-	-	28,984
	\$ 541,575	\$ 185,038	\$ 157,153	\$ 2,550,631	\$ 30,000	\$ 47,000,866
Liabilities and Net Assets						
Current Liabilities						
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,337
Due To Other Funds	602,811	196,655	157,153	26,257	16,393	12,070,255
	602,811	196,655	157,153	26,257	16,393	12,152,592
Net Assets						
Committed Funds (Note 5)	2,800,732	682,009	823,023	2,182,069	-	14,520,995
Committed Funds Not Yet Received (Note 5)	(2,861,968)	(693,626)	(823,023)	-	-	(5,459,689)
Uncommitted Funds	-	-	-	342,305	13,607	25,744,608
Invested in Capital Assets	-	-	-	-	-	42,360
	(61,236)	(11,617)	-	2,524,374	13,607	34,848,274
	\$ 541,575	\$ 185,038	\$ 157,153	\$ 2,550,631	\$ 30,000	\$ 47,000,866

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, 2016

	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
Revenues									
Federal Government Contributions	\$ 1,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Grants	-	-	-	-	-	-	-	-	-
Provincial Contributions	-	-	-	-	-	-	-	-	-
Investment Income (Note 2)	1,483,463	-	-	406,573	17,316	-	-	-	-
	<u>1,484,944</u>	<u>-</u>	<u>-</u>	<u>406,573</u>	<u>17,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenses									
Programs									
Direct Expenditures	-	-	429,978	200,621	112,079	-	-	-	126,298
Administration	-	-	26,519	-	-	-	-	4,031	7,667
Directors' Fees and Expenses	-	-	-	-	-	-	-	-	-
Board Initiated Programs	43,307	-	72,669	-	-	-	-	-	-
Administration - Other	-	-	-	-	-	-	-	-	-
Direct Allocated	-	-	-	7,136	-	-	-	-	-
Directors' Fees and Expenses Allocated	721,938	-	-	62,989	69,884	-	-	-	-
Investment Management and Custodian Fees	116,630	-	-	-	-	-	-	-	-
	49,353	-	-	12,953	-	-	-	-	-
	<u>931,228</u>	<u>-</u>	<u>529,166</u>	<u>283,699</u>	<u>181,963</u>	<u>-</u>	<u>-</u>	<u>4,031</u>	<u>133,965</u>
Excess (deficiency) of Revenues Over Expenses	553,716	-	(529,166)	122,874	(164,647)	-	-	(4,031)	(133,965)
Net Assets, Beginning of Year	15,993,039	17,886	4,836,629	6,806,546	992,190	53,573	59,887	432,466	1,778,770
Net Assets, End of Year	\$ 16,546,755	\$ 17,886	\$ 4,307,463	\$ 6,929,420	\$ 827,543	\$ 53,573	\$ 59,887	\$ 428,435	\$ 1,644,805

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, 2016

	Meat Transition Assistance Program Fund	On-Farm Poultry Bio-Security Pilot Initiative	Aquaculture Innovation Fund	Tree Fruit Marketing and Infrastructure Initiative Provincial Fund	Ranching Task Force Funding Initiative Provincial Fund	Orchard Replant Program	Tree Fruit Replant Supplement Program	Domestic Marketing Strategy Fund	Canada - BC Agri-Innovation Program 2 Fund
Revenues									
Federal Government Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Grants	-	-	-	-	-	(5,304)	-	-	-
Provincial Contributions	-	-	-	-	-	(5,305)	-	-	-
Investment Income (Note 2)	-	-	-	-	3,208	-	-	3,951	-
					3,208	(10,609)		3,951	
Expenses									
Programs									
Direct Expenditures	-	13,940	21,381	-	-	-	81,546	(7,750)	-
Administration	-	9,556	1,148	-	-	-	-	1,347	-
Directors' Fees and Expenses	-	-	-	-	-	-	-	-	-
Board Initiated Programs	-	-	-	-	-	-	-	-	-
Administration - Other	-	-	-	-	-	-	-	-	-
Direct	-	-	-	-	-	-	-	-	-
Allocated	-	-	-	-	-	-	-	-	-
Directors' Fees and Expenses	-	-	-	-	-	-	-	-	-
Allocated	-	-	-	-	-	-	-	-	-
Investment Management and Custodian Fees	-	-	-	-	-	-	-	-	-
	-	23,496	22,529	-	-	-	81,546	(6,403)	-
Excess (deficiency) of Revenues Over Expenses	-	(23,496)	(22,529)	-	-	3,208	(92,155)	10,354	-
Net Assets, Beginning of Year	15,578	115,867	60,916	167,022	285,275	267,511	92,155	228,540	(1,457)
Net Assets, End of Year	\$ 15,578	\$ 92,371	\$ 38,387	\$ 167,022	\$ 285,275	\$ 270,719	\$ 0	\$ 238,894	\$ (1,457)

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

2016 2015

For the year ended December 31, 2016

	Canada - BC Agri-Innovation Program 2015-18 Fund	BC Agrifoods Export Program Fund	Climate Change Adaptation Program Fund	Buy Local Program Fund	Grow Local Program Fund	TOTAL	TOTAL
Revenues							
Federal Government Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,481	\$ -
Other Grants	-	-	-	-	-	(5,304)	117,000
Provincial Contributions	3,178,088	1,154,665	1,099,263	2,000,000	30,000	7,456,711	6,533,788
Investment Income (Note 2)	-	-	-	34,303	-	1,948,814	524,162
	<u>3,178,088</u>	<u>1,154,665</u>	<u>1,099,263</u>	<u>2,034,303</u>	<u>30,000</u>	<u>9,401,702</u>	<u>7,174,950</u>
Expenses							
Programs							
Direct Expenditures	3,047,711	1,058,863	1,095,871	2,022,867	-	8,203,405	6,404,019
Administration	163,272	94,613	3,392	159,027	16,393	486,965	470,578
Directors' Fees and Expenses	-	7,625	-	7,438	-	15,063	15,188
Board Initiated Programs	-	-	-	-	-	115,976	90,328
Administration - Other	-	-	-	-	-	7,136	11,021
Direct	-	-	-	-	-	854,811	841,309
Allocated	-	-	-	-	-	-	-
Directors' Fees and Expenses	-	-	-	-	-	116,630	117,311
Allocated	-	-	-	-	-	62,306	62,566
Investment Management and Custodian Fees	-	-	-	-	-	-	-
	<u>3,210,983</u>	<u>1,161,101</u>	<u>1,099,263</u>	<u>2,189,332</u>	<u>16,393</u>	<u>9,862,292</u>	<u>8,012,320</u>
Excess (deficiency) of Revenues Over Expenses	(32,895)	(6,436)	-	(155,029)	13,607	(460,590)	(837,370)
Net Assets, Beginning of Year	(28,341)	(5,181)	-	2,679,403	-	34,848,274	35,685,644
Net Assets, End of Year	<u>\$ (61,236)</u>	<u>\$ (11,617)</u>	<u>\$ -</u>	<u>\$ 2,524,374</u>	<u>\$ 13,607</u>	<u>\$ 34,387,684</u>	<u>\$ 34,848,274</u>

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

British Columbia Investment Agriculture Foundation
Statement of Cash Flows

December 31, 2016

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

	2016	2015
Cash provided by (used in)		
Operating activities		
Deficiency of revenue over expenses	\$ (460,590)	\$ (837,370)
Items not involving cash:		
Amortization	13,376	15,024
Unrealized gain (loss) on investments	89,895	(845,863)
Realized capital gain	856,302	258,274
	498,983	(1,409,935)
Decrease (increase) in accounts receivable	(423,474)	2,693,701
Decrease (increase) in prepaid expenses	(8,673)	2,889
Increase in accounts payable and accrued liabilities	66,644	1,696
	133,480	1,288,351
Investing activity		
(Increase) in investments	(591,889)	(722,065)
(Purchase) of capital assets	-	(1,248)
	(591,889)	(723,313)
Increase (decrease) in cash during the year	(458,409)	565,038
Cash, beginning of year	578,369	13,331
Cash, end of year	\$ 119,960	\$ 578,369

British Columbia Investment Agriculture Foundation Notes to the Financial Statements

December 31, 2016

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.

British Columbia Investment Agriculture Foundation
Notes to the Financial Statements

December 31, 2016

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 CAAP program ended March 31, 2014.

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.

British Columbia Investment Agriculture Foundation Notes to the Financial Statements

December 31, 2016

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 Nature of Operations and 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.

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.

British Columbia Investment Agriculture Foundation Notes to the Financial Statements

December 31, 2016

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

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 - 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 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. The RTF Program ended in 2014.

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 were directed by the Foundation to fund the tree fruit replant program through the British Columbia Fruit Growers’ Association who coordinated and managed this replant program. The ORP4 Program ended in March, 2015.

British Columbia Investment Agriculture Foundation Notes to the Financial Statements

December 31, 2016

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

Tree Fruit Replant Supplement Program 2015 (“TFRS 2015”) - The foundation received \$117,000 from Summerland Varieties Corporation and \$117,000 from the Provincial Government for the AGRI Tree Fruit Replant Program which began April 1, 2015 and finished in March 2016. The program provided funding to growers who successfully completed a replant project according to the 2015 Tree Fruit Replant Requirements. The program was designed to replant up to 1600 acres of tree fruits to highly successful plantings of high value varieties.

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, domestically in British Columbia, 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.

The Canada-BC Agri-Innovation Program Growing Forward 2 (GF2 and 2015-18) - in April 2013 the Foundation entered into an agreement with the BC Ministry of Agriculture to deliver the Canada-BC Agri-Innovation Program Growing Forward 2 throughout the province for the period covering April 22, 2013 to March 31, 2015. In aggregate, a maximum of \$3,000,000 will be available through the federal and provincial Growing Forward 2 Agreement. In January 2014, the GF2 agreement was modified by adding a second phase (GF2.2) to the program. Total funding available to cover the period of April 1, 2014 - March 31, 2018 is \$11,697,822. Amounts spent under this program may initially be funded through the Sustaining Fund until advances are received under the terms of the agreement. The Canada-BC Agri-Innovation Program (CBCAIP) under *Growing Forward 2* is a program designed to increase industry competitiveness and sustainability. Through the program, industry, academia, value-added food processors, retailers and others in the agri-food industry will have access to funding to support the acceleration of innovation through late-stage research and pilot projects that lead to the commercialization and/or adoption of innovative products, technologies and practices.

The BC Agrifoods Export Program Growing Forward 2 (“GF2E”) - in October 2013 the Foundation entered into an agreement with the BC Ministry of Agriculture to deliver the BC Agrifoods Export Program Growing Forward 2 throughout the province for the period covering October 3, 2013 to March 31, 2014. The agreement was extended to March 31, 2018 with a total available funding amount of \$4,300,000. Amounts spent under this program may initially be funded through the Sustaining Fund until advances are received under the terms of the agreement. The funding for this Program is available to enable industry engagement in international market development activities, including participation in international tradeshows, promotional events and incoming/outgoing missions, and creating marketing collateral to support international market development.

British Columbia Investment Agriculture Foundation Notes to the Financial Statements

December 31, 2016

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

Climate Change Adaption Program (CCAP) - in April 2014 the Foundation entered into an agreement with BC Ministry of Agriculture to deliver a portion of the Climate Change Adaption Program. The province agreed to provide funding of \$3,032,068, which was increased in November 2014 by \$956,450 for a total of \$3,998,518. This is an industry-led program designed to help industry improve its capacity to adapt successfully to climate change and thereby enhance its competitiveness and sustainability. The program provides funding for the development and implementation of collaborative regional adaption strategies, innovative adaption action at the farm level, industry communication, program administration, and program management and project development function led by the B.C. Agriculture & Food Climate Action Initiative.

BC Buy Local Fund - in December 2014 the Foundation entered into an agreement with the BC Ministry of Agriculture to deliver the BC Buy Local Program throughout the province for the period covering December 13, 2014 to March 31, 2015. Additional agreements were signed in 2015 and in 2016 to cover the period of April 1, 2015 to March 31, 2017. The Province has provided \$6,000,000 to support the Program. The program is an application-driven cost-shared program that provides the B.C. agrifoods industry with funding to support their ability to strengthen marketing and promotional efforts in the domestic market. Cost-shared funding will enable the B.C. agrifoods industry to conduct advertising, communications and promotional activities including focused market research, developing promotional materials. Executing advertising and promotional campaigns and undertaking public relations and social media activities to support domestic market development in the province.

BC Grow Local Fund- in September 2016 the Foundation entered into an agreement with the BC Ministry of Agriculture to provide services, accept applications, and recommend ten Grow Local projects to the Ministry. The ministry will provide the Foundation a maximum of \$50,000 to provide these services. The Grow Local program grants up to \$25,000 in funding to ten communities to support community-led solutions to help British Columbians access and use information on how to grow food.

Sustaining Fund - 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. The Sustaining 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 (ASNPO).

c) Fund Accounting

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

British Columbia Investment Agriculture Foundation
Notes to the Financial Statements

December 31, 2016

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

d) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) 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.

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

The Foundation follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue in the Sustaining Fund year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable.

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured."

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 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.

British Columbia Investment Agriculture Foundation Notes to the Financial Statements

December 31, 2016

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

h) Program Expenditure Recognition

The Foundation records amounts advanced under approved projects as an expense upon receipt and approval of prescribed contractual requirements.

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 CAAP and AFF Funds are recorded in their respective Funds;
- the ACAAF Fund, RTF, TFMIII, DMS, 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.

British Columbia Investment Agriculture Foundation
Notes to the Financial Statements

December 31, 2016

2. Investments (held by Northern Trust, managed by HSBC Investments)

	2016				
	Terms to Maturity (in Years)				
	Under 1	1 to 5	Over 5	No Fixed Maturity	Total (at Market)
Cash	\$ 44,398	\$ -	\$ -	\$ -	\$ 44,398
Treasury Bills	3,351,593	-	-	-	3,351,593
Government and government guaranteed bonds	-	4,191,965	9,475,870	-	13,667,835
Corporate bonds, debentures, and notes	-	5,256,578	3,835,776	-	9,092,354
Equities	-	-	-	7,225,296	7,225,296
	<u>\$ 3,395,991</u>	<u>\$ 9,448,543</u>	<u>\$13,311,646</u>	<u>\$ 7,225,296</u>	<u>\$33,381,476</u>

	2015				
	Terms to Maturity (in Years)				
	Under 1	1 to 5	Over 5	No Fixed Maturity	Total (at Market)
Cash	\$ 44,235	\$ -	\$ -	\$ -	\$ 44,235
Treasury Bills	5,828,281	-	-	-	5,828,281
Government and government guaranteed bonds	749,447	4,363,672	7,445,581	-	12,558,700
Corporate bonds, debentures, and notes	-	4,281,573	5,443,600	-	9,725,173
Equities	-	-	-	5,579,395	5,579,395
	<u>\$ 6,621,963</u>	<u>\$ 8,645,245</u>	<u>\$ 12,889,181</u>	<u>\$ 5,579,395</u>	<u>\$ 33,735,784</u>

As at December 31, 2016, treasury bill yields were .45% (2015 - 0.42% to 0.43%). Government and government-guaranteed bonds bear interest at rates ranging from 1.25% to 11.00% (2015 - 0.60% to 4.26%). Corporate bonds, debentures and notes bear interest from 1.27% to 7.78% (2015 - 1.33% to 4.15%).

British Columbia Investment Agriculture Foundation
Notes to the Financial Statements

December 31, 2016

2. Investments (held by Northern Trust, managed by HSBC Investments) - Continued

Investment Income

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

	2016		2015
Interest and dividends	\$ 1,002,617	\$	1,111,751
Realized gains	856,302		258,274
Unrealized (losses) gains	89,895		(845,863)
	\$ 1,948,814	\$	524,162

3. Capital Assets

	2016		2015	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 176,491	\$ 150,705	\$ 25,786	\$ 38,363
Furniture and equipment	9,988	6,790	3,198	3,997
	\$ 186,479	\$ 157,495	\$ 28,984	\$ 42,360

4. Provincial Administration Contribution

The Foundation has 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 renews annually on April 1 upon agreement of both parties.

British Columbia Investment Agriculture Foundation
Notes to the Financial Statements

December 31, 2016

5. 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, 2016 the Foundation had approved the funding of projects committing the Foundation to payments approximately as follows:

General Program Funds:

	Sustaining Fund	SN Fund	AFF Fund	ACAA Fund	Specified Program Funds ¹	Total
Funds committed by contract						
2017	\$ -	\$ 935,226	\$ 225,701	\$ 297,546	\$ 5,075,093	\$ 6,533,566
2018	-	299,883	78,179	106,055	565,581	1,049,698
2019	-	175,140	-	114,051	-	289,191
2020	-	-	-	24,258	-	24,258
	\$ -	\$ 1,410,249	\$ 303,880	\$ 541,910	\$ 5,640,674	\$ 7,896,713
Funds committed by Board Approval						
	-	113,025	116,053	-	993,175	1,222,253
Reserves	253,620	231,354	1,336,058	-	2,815,990	4,637,022
Total funds committed	\$ 253,620	\$ 1,754,628	\$ 1,755,991	\$ 541,910	\$ 9,449,839	\$ 13,755,988

¹Specified Program Funds:

	Funds Committed by:			Total
	Contract	Board	Reserves	
2010 Fund	\$ -	\$ -	\$ 59,887	\$ 59,887
AI Fund	-	-	297,462	297,462
LWT Fund	68,906	-	1,575,899	1,644,805
MTAP Fund	-	-	15,578	15,578
OPBP Fund	28,275	-	64,096	92,371
AQUA Fund	33,335	-	5,052	38,387
TFMIII Fund	-	-	167,022	167,022
RTF Fund	-	-	285,275	285,275
ORP4 Fund	-	-	270,719	270,719
DMS Fund	15,500	-	75,000	90,500
GF2 2015-2018 Fund	2,636,937	163,795	-	2,800,732
GF2E Fund	573,607	108,402	-	682,009
CCAP Fund	823,023	-	-	823,023
BC Buy Local Fund	1,461,091	720,978	-	2,182,069
Total	\$ 5,640,674	\$ 993,175	\$ 2,815,990	\$ 9,449,839

British Columbia Investment Agriculture Foundation Notes to the Financial Statements

December 31, 2016

6. 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, 2016.

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 2.

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. The foundation holds investments in equities, therefore is subject to market risk.

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 5).

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
Notes to the Financial Statements

December 31, 2016

7. Disclosure

On November 28, 2016 the new British Columbia Societies Act came into force. Included in the new Act is a requirement to disclose the remuneration paid to all directors, the ten highest paid employees and all contractors who are paid at least \$75,000 annually.

During the year, the Society paid \$86,500 to directors.

During the year, the Society paid \$427,424 in remuneration to four people who are employees or contractors, whose remuneration, during the applicable period, was at least \$75,000.

End of Appendix A

B.C. Investment Agriculture Foundation Investment Policy Statement Summary

1. Allowable Investments

The types of securities in which each fund shall be invested are detailed in the Schedules at the end of this Investment Policy Statement, and shall consist of the following as permitted.

- 1.1 Treasury bills, bonds or other securities fully guaranteed by one of the following:
 - 1.1.1. The Government of Canada
 - 1.1.2. Any Province of Canada
- 1.2 Notes, bonds, and asset-backed securities issued by Canadian corporations, meeting the credit quality requirements described in Section 3. below.
- 1.3 Mortgage-backed securities issued by financial institutions, meeting the credit quality requirements described in Section 3. below.
- 1.4 Term Deposits and Short-term paper, including bearer deposit notes and bankers acceptances or any other obligation fully guaranteed by a Schedule A or Schedule B bank in Canada.
- 1.5 Canadian equity investments, limited to publicly traded issues listed on a recognized Canadian stock exchange.
- 1.6 Other investments, including government or corporate notes, certificates of deposit, bonds or other securities issued by financial sector entities or development agencies operating in British Columbia, of a risk level acceptable to the BC Investment Agriculture Foundation with Board approval.

2. Range of Investment

The allowable ranges for investment in the various types of securities are specified in the Schedules at the end of this Investment Policy Statement.

3. Minimum Credit Quality

The following are credit quality requirements for the funds.

- 3.1. money market investments with a rating by the Dominion Bond Rating Service (DBRS) not less than R1-Low, or an equivalent rating from a recognized rating agency;

- 3.2. bonds with an A(low) or higher rating from DBRS or an equivalent rating from a recognized rating agency;
- 3.3. no more than 10 per cent of the market value of the portfolio may be invested in the debt obligations of any single issuer, with the exception of government or government guaranteed issues;
- 3.4. no more than 5 per cent of the market value of the portfolio may be invested in the equity issues of any single issuer.

4. Foreign Content

- 4.1. There shall be no foreign content in the portfolio.

5. Restrictions

- 5.1. securities cannot be sold short or purchased on margin;
- 5.2. the portfolio cannot employ futures, options or other derivatives;
- 5.3. the securities cannot be lent; and
- 5.4. assets must be valued monthly by a recognized external pricing service.

6. Performance Evaluation

6.1 Reporting of performance against the appropriate benchmarks for each fund shall be quarterly. Return calculations must be time-weighted, monthly linked and any deviations from the standards established by the Association for Investment Management Research must be noted.

COMBINED SCHEDULE

PORTFOLIO	Cash & Short Term			Bonds			Canadian Equities		
	Min	Max	Target	Min	Max	Target	Min	Max	Target
General Fund	0	65	10				0	25	20
Government				15	85	70			
Corporate *(% of the bond portion of the portfolio)				0	40*				
Sustaining Fund	0	25	10	15	65	50	15	50	40

End of Appendix B

1.0 Overview of Services

1.1 A request for the provision of contracted Investment Custodial and Portfolio Management Services for all Foundation Investments has been developed.

1.2 The Investment management function of the Foundation is the responsibility of Audit & Finance Committee that reports to the Executive Committee, a sub-committee of the Board of the B.C. Investment Agriculture Foundation.

1.3 The primary investment goals will be to maximize income in accordance with the Foundation's investment policy guidelines; a copy of the Foundation's investment policy is attached for reference purposes (Appendix "B").

1.4 The Investment Custodial and Portfolio Management Services arrangement is to include a one hundred and twenty (120) calendar day exit clause. As well, the arrangement will be formally reviewed in three (3) years.

1.5 Investment Custodial and Portfolio Management Services are to be provided as per the response to this Request for Expression of Interest. The Foundation reserves the right to negotiate directly with the qualified Respondents to formulate an agreement.

2.0 Scope of Work

2.1 The overall focus of the Investment Custodial and Portfolio Management Services requirement for is to provide higher than benchmark returns, while managing risk in association with and under the direction of the Audit & Finance Committee.

2.2 The provision of The Investment Custodial and Portfolio Management Services will be achieved through the use of a variety of investment types which are consistent with the Foundation's Investment Policy, either current or as amended from time-to-time.

2.3 Expertise must be maintained by the investment manager in each of the approved investment types. The Foundation must be advised immediately of any major changes in personnel assigned to the investment management team.

2.4 Specific requirements foreseen over the next two years include:

2.4.1 Review current and implement revised asset mix guidelines for each of the investment portfolios, and possible amendments to the *Investment Policy*.

2.4.2 Develop monitoring and reporting mechanisms appropriate to the Foundation's needs.

2.4.3 Participate in performance review meetings as required by the Foundation.

2.4.4 Participate in the establishment of strategic investment plans and appropriate risk assessments.

3.0 Expression of Interest Preparation Instructions and Evaluation Process

3.1 Expression of Interest preparation instructions

3.1.1 Expression of Interest Format

.1 Respondents shall prepare their Expression of Interest addressing all the requirements of this Request for Expression of Interest.

.2 For the Submittals, Respondents are requested to use the following Expression of Interest format in order to present the evaluation team with information needed to perform the evaluation:

- a) Title Page
- b) Table of Contents
- c) Introduction
- d) Corporate Background/ Description
- e) Investment Management Experience and Qualifications
- f) Identification of Main Team Members
- g) Investment Management Approaches and Methodologies
- h) Confidentiality and Restrictions on Information
- i) Fee Structure and Rates
- j) Appendices
- k) CICA Certification

3.1.2 Introduction

.1 Provide a brief overview of the Expression of Interest, and your understanding of this Expression of Interest.

3.1.3 Corporate Background/Description

.1 Provide the corporate background and general company description. Provide an organization chart of the firm and the proposed team illustrating the individual team members and the relationship among the firm and any other strategic partners included if applicable.

3.1.4 Investment Management Experience and Qualifications

.1 Provide a brief outline of the Respondent's / proposed team's Investment Management knowledge and capabilities. Describe some of the issues, challenges and opportunities in the market today focusing on their potential impact for the Foundation. Discuss some of the key success factors that the Foundation should consider in order to address these issues, challenges and opportunities.

.2 Identify and describe the specific qualifications and experience of the firm / proposed team in relation to Services as defined in the Statement of Work.

.3 Disclose and provide evidence of Workers' Compensation Coverage and Insurance Coverage.

.4 Complete a table that provides information for each client provided as a reference and that demonstrates the Respondent's/project team's experience and qualifications.

.5 A minimum of three current clients of similar size to the Foundation is required to be listed in the table, however, Respondents may list as many previous clients as they feel is necessary in order to adequately describe the experience and qualifications of the proposed team. For each client listed in the table, provide in a narrative format, a brief description of the client, the Scope of Work provided and the outcomes achieved.

.6 Identify where the Foundation's portfolio sits in size relative to the Respondent's current client base (e.g. Top 10, Top 50, Top 100, other).

3.1.5 Identification of Team Members

- .1 Identify the proposed team members included under this Expression of Interest, including the Project Manager as well as the names of individual team members. Separate project managers may be identified for different portfolios. Identify a back-up for the position of Project Manager.
- .2 Complete the following table that provides information on proposed team members. Substitutions will be allowed when agreed to by the Foundation.

Name	Position	Experience	Professional Qualifications & Accreditations

- .3 Provide a brief summary of the experiences and qualifications of the individual team members including the back-ups, and a matrix representing decision making authority

3.1.6 Investment Management Approaches and Methodologies

- .1 Provide an overview of the proposed approach to investment management.
- .2 Provide an overview of the historic results that you have been able to obtain for similar clients with investment policy structures.
- .3 Provide a description of how you see the relationship and service level between yourself and the Foundation developing and how information on results will be reported.

3.1.7 Confidentiality and Restrictions on Information

- .1 Provide a description of firms' policy on confidentiality. Firm should also provide a brief description on the Respondent's policy on record retention and access to audit information.

3.1.8 Fee Rate Structure

- .1 Respondents are required to provide preliminary fee rates. This information should include the same level of detail as will be required to calculate the fees.

3.1.9 Appendices

- .1 Include the following appendices in your Expression of Interest:
 - a) Appendix A – Résumés: Provide detailed résumés for key members of the investment management team.
 - b) Appendix B - Corporate Literature, if desired: Provide any relevant corporate brochures and marketing literature from your organization and other team members
 - c) Appendix C – Conflict of Interest Disclosure
 - d) Appendix D – CICA Certification as identified in 4.0 below

4.0 CPA Canada, CSAE 3416 Compliance

4.1 All Respondents will be required to certify that their internal controls and systems are compliant with the new Canadian standard for third party assurance reporting, CSAE 3416.

4.2 The Foundation will be using the services of the successful Respondent to maintain the Foundation's cash and temporary investments and handle all of its investment transactions. Accordingly, the respondent's services are part of the Foundation's information system. To ensure the integrity of the Foundation's internal controls over the processing of investment

transactions and custody over cash and investment balances, the Respondent is required to have appropriate controls and safeguards in place. During the term of this service contract, the Respondent will be required to provide **at a minimum**, (SOC) 1 Report in accordance with The CPA Canada Guide.

End of Appendix C