

**Cheakamus Community Forest
Limited Partnership
Financial Information
For the Year Ended December 31, 2023**

Cheakamus Community Forest Limited Partnership
Financial Information
For the Year Ended December 31, 2023

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Compilation Engagement Report

On the basis of information provided by management, we have compiled the balance sheet of Cheakamus Community Forest Limited Partnership as at December 31, 2023 and the statements of operations and partners' capital for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information (the "financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Chartered Professional Accountants

Whistler, British Columbia
July 10, 2024

Cheakamus Community Forest Limited Partnership Balance Sheet

| December 31 | 2023 | 2022 |
|--|--------------|------------|
| Assets | | |
| Current | | |
| Cash | \$ 628,677 | \$ 229,666 |
| Silviculture bank account | 4,689 | 5,660 |
| Accounts receivable | - | 228,970 |
| GST receivable | 74,920 | 41,695 |
| Prepaid expenses | 2,565 | 9,596 |
| | 710,851 | 515,587 |
| Deferred development costs | 252,893 | 148,658 |
| Intangible asset | 44,315 | 49,528 |
| | \$ 1,008,059 | \$ 713,773 |
| Liabilities and Partners' Capital | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 124,785 | \$ 256,564 |
| Silviculture liability | 23,196 | 24,121 |
| FESBC deferred revenue | 54,204 | - |
| Waste liability | 5,462 | 5,462 |
| | 207,647 | 286,147 |
| Partners' Capital | 800,412 | 427,626 |
| | \$ 1,008,059 | \$ 713,773 |

Cheakamus Community Forest Limited Partnership Statement of Operations and Partners' Capital

| For the year ended December 31 | 2023 | 2022 |
|---|-------------------|-------------------|
| Revenue | | |
| Carbon sales | \$ 562,925 | \$ 226,460 |
| FESBC revenue | 187,294 | - |
| Log sales | - | 163 |
| | <u>750,219</u> | <u>226,623</u> |
| Cost of goods sold | | |
| FESBC expenses | 188,475 | 2,263 |
| CCF management | 116,238 | 175,869 |
| Cost of log sales | - | 30,632 |
| | <u>304,713</u> | <u>208,764</u> |
| Gross profit | 445,506 | 17,859 |
| Operating expenses | | |
| Accounting | 21,913 | 28,589 |
| Amortization of intangible assets | 5,213 | 2,607 |
| CCF administration | 33,539 | 13,216 |
| Community outreach | 8,523 | 4,252 |
| Interest and bank charges | 1,705 | 83 |
| Memberships and licences | 7,254 | 3,837 |
| Referral fees | 8,500 | - |
| Rental | 7,770 | 7,770 |
| Travel expenses | 983 | - |
| | <u>95,400</u> | <u>60,354</u> |
| Income (loss) before other income | 350,106 | (42,495) |
| Other income | | |
| Interest Income | 9,662 | 1,569 |
| Other income | 13,018 | - |
| | <u>22,680</u> | <u>1,569</u> |
| Net income (loss) | 372,786 | (40,926) |
| Partners' capital, beginning of the year | <u>427,626</u> | <u>468,552</u> |
| Partners' capital, end of the year | <u>\$ 800,412</u> | <u>\$ 427,626</u> |

Cheakamus Community Forest Limited Partnership

Note to Financial Information

December 31, 2023

1. Basis of Accounting

The basis of accounting applied in the preparation of the financial information is on the historical cost basis, reflecting cash transactions with the addition of:

- accounts receivable
 - prepaid expenses amortized over the life of the expense
 - purchased intangible assets recorded at cost are amortized straight-line over the expected 10 year life of the asset
 - deferred development costs are amortized in the year related harvesting occurs
 - deferred revenues are amortized in the year related services are performed
 - accounts payable and accrued liabilities
-