

Consolidated Financial Statements
(Expressed in thousands of dollars)

**OCEAN WISE CONSERVATION
ASSOCIATION**

And Independent Auditors' Report thereon

Period ended December 31, 2021



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Ocean Wise Conservation Association

Report on the Audit of Financial Statements

Opinion

We have audited the consolidated financial statements of Ocean Wise Conservation Association (the "Association"), which comprise:

- the consolidated statement of financial position as at December 31, 2021
- the consolidated statement of operations and changes in net assets for the period from December 28, 2020 to December 31, 2021
- the consolidated statement of cash flows for the period from December 28, 2020 to December 31, 2021
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Association as at December 31, 2021, and its consolidated results of operations and its consolidated cash flows for the period from December 28, 2020 to December 31, 2021 in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, other than the change in accounting policies with respect to revenue recognition as discussed in note 1 (b), the accounting policies applied by the Association in preparing and presenting the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.

Chartered Professional Accountants

Vancouver, Canada
June 24, 2022

OCEAN WISE CONSERVATION ASSOCIATION

Consolidated Statement of Financial Position
(Expressed in thousands of dollars)


	December 31, 2021	December 27, 2020
Assets		
Current assets:		
Cash	\$ 17,512	\$ 9,758
Investments (note 2)	37,050	5,295
Accounts receivable (note 10)	1,577	8,030
Inventories	-	1,448
Prepaid expenses and other	182	494
Assets held-for-sale (note 14)	-	44,000
	56,321	69,025
Investment in Avanqua (note 3)	1,173	1,173
Capital assets (note 4)	126	125
	\$ 57,620	\$ 70,323
Liabilities and Fund Balances		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 2,647	\$ 4,623
Deferred revenue (note 6)	5,671	4,798
Deferred lease liability	-	305
Loan payable (note 8)	-	6,000
	8,318	15,726
Net assets:		
Unrestricted	5,068	44,057
Internally restricted	44,234	10,540
	49,302	54,597
Discontinued operations (note 14)		
Commitments (note 15)		
	\$ 57,620	\$ 70,323


See accompanying notes to these consolidated financial statements.

Approved on behalf of the Board:

Director

Director

Signature: 
Barbara Meens Thistle (Jun 24, 2022 14:53 ADT)
Email: bjmtemail@gmail.com

Signature: 
Ian Warner (Jun 24, 2022 18:25 MDT)
Email: ian@aprioboardportal.com

OCEAN WISE CONSERVATION ASSOCIATION

Consolidated Statement of Operations and Changes in Net Assets
(Expressed in thousands of dollars)

	Period from December 28, 2020 to December 31, 2021	52-week period ended December 27, 2020
Revenues:		
Programs	\$ 688	\$ 490
Grants and donations (note 10)	11,245	12,180
Interest and sundry	1,696	1,485
Equity income (loss) from investment in Avanqua (note 3)	-	(687)
	13,629	13,468
Expenses:		
Research, conservation and education	9,777	8,526
Marketing and external relations	1,252	1,595
General administration	1,758	4,773
Amortization of capital assets	71	71
	12,858	14,965
Excess (deficiency) of revenue over expenses from continuing operations	771	(1,497)
Unrealized loss on investments	(720)	-
Write-down of carrying value of investment in Avanqua (note 3)	-	(3,384)
Deficiency of revenue over expenses from discontinued operations (note 14)	(5,346)	(8,742)
Deficiency of revenue over expenses	(5,295)	(13,623)
Net assets, beginning of period	54,597	68,220
Net assets, end of period	\$ 49,302	\$ 54,597

See accompanying notes to these consolidated financial statements.

OCEAN WISE CONSERVATION ASSOCIATION

Consolidated Statement of Changes in Net Assets
(Expressed in thousands of dollars)

	Unrestricted	Internally restricted (note 7)	December 31, 2021	December 27, 2020
Balance, beginning of year	\$ 44,057	\$ 10,540	\$ 54,597	\$ 68,220
Deficiency of revenue over expenses	(5,295)	-	(5,295)	(13,623)
Interfund transfers (note 7)	(33,694)	33,694	-	-
Balance, end of year	\$ 5,068	\$ 44,234	\$ 49,302	\$ 54,597

See accompanying notes to these consolidated financial statements.

OCEAN WISE CONSERVATION ASSOCIATION

Consolidated Statement of Cash Flows
(Expressed in thousands of dollars)

	Period from December 28, 2020 to December 31, 2021	52-week period ended December 27 2020
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ (5,295)	\$ (13,623)
Items not involving cash:		
Amortization	71	3,202
Loss on capital asset disposition	-	71
Gain on disposition of assets held-for-sale (note 14)	(365)	-
Impairment of assets held for sale (note 14)	-	10,472
Unrealized loss on investments	720	-
Write-down of equity investment	-	3,384
Equity income from investment in Avanqua	-	687
Foreign exchange loss on revaluation of equity investment	-	(329)
	(4,869)	3,864
Changes in non-cash operating working capital:		
Accounts receivable	6,453	(6,487)
Inventories	1,448	67
Prepaid expenses and other	312	210
Accounts payable and accrued liabilities	(1,976)	512
Deferred revenue	873	1,047
	2,241	(787)
Investments:		
Purchase of capital assets and assets held for sale	(707)	(1,344)
Proceeds on sale of assets held-for-sale	45,000	-
Purchase of investments, net of redemptions	(32,475)	37
	11,818	(1,307)
Financing:		
Repayment of loan payable	(6,000)	(300)
Deferred lease liability	(305)	203
	(6,305)	(97)
Increase in cash	7,754	(2,191)
Cash, beginning of period	9,758	11,949
Cash, end of period	\$ 17,512	\$ 9,758

See accompanying notes to these consolidated financial statements.

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Period from December 28, 2020 to December 31, 2021

Nature of operations:

The Ocean Wise Conservation Association (the “Association”) was originally incorporated in 1951 and is registered under the Societies Act (British Columbia). The Association is a registered charity as defined under the Income Tax Act and is not subject to income taxes.

The Association is a private, self-supporting, non-profit society and registered charitable organization dedicated to affecting the conservation of aquatic life and habitats in British Columbia, and worldwide by exposing the maximum number of people possible to information about the aquatic world, by playing a major role in public education, by conducting scientific research, by developing and operating conservation programs, and by developing strategic working partnerships and programs with individuals, organizations and agencies with similar goals. The Association began operations in 1956 and is governed by a volunteer Board of Directors.

During the current fiscal period ending December 31, 2021, the Association completed the sale of the aquarium operations and related assets which the Association had operated prior to the sale effective date of April 27, 2021 (note 14).

1. Significant accounting policies:

These consolidated financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook - Accounting, including the following significant accounting policies:

(a) Basis of presentation:

These consolidated financial statements include the accounts of the Association and its wholly-owned subsidiaries: Ocean Wise Consulting Services Limited, Ocean Wise Management Limited, Ocean Wise Nevada LLC and Ocean Wise Research Limited. All transactions and balances between the Association and its subsidiaries have been eliminated.

The Ocean Wise Conservation Foundation (the “Foundation”) operates under common management as the Association. These consolidated financial statements do not include the accounts of the Foundation (note 13).

In 2021, the Association’s year-end date has been changed to the last day of the calendar year. In 2020 and previous years, Association’s year-end date was the last Sunday closest to the calendar year-end.

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Period from December 28, 2020 to December 31, 2021

1. Significant accounting policies (continued):

(a) Basis of presentation (continued):

Prior to fiscal 2021, the resources and operations of the Association were segregated for accounting purposes into various funds including the operating fund, restricted project fund, capital asset fund and the reserve fund. During the current fiscal 2021, due to the significant change in the nature of operations of the Association with the sale of the aquarium operations (notes 14), the Association collapsed the funds into one consolidated operating fund to better reflect its ongoing resources and operations.

Any resources which are internally restricted for future projects and designated operational or strategic needs as approved by the board of directors are transferred from the unrestricted fund to the internally restricted fund. Releases from the internally restricted funds as approved through Board resolution.

(b) Revenue recognition and change in accounting policy:

In 2021 the Association follows the deferral method to recognize revenue. Unrestricted contributions are recognized as revenue in the period the amounts are received or receivable the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions received are deferred and recognized as revenue when the funds have been spent in accordance with the restrictions. This is a change in accounting policy from prior years whereby the Association used the restricted fund method of accounting whereby restricted contributions are recognized as revenue in the appropriate fund in the period the amounts are received or receivable. The change, which has been applied on retrospective basis, did not have any impact on the fiscal 2020 reported deficiency of revenue over expenses, assets, liabilities or net assets.

Unrestricted grants and donations are recognized only when the amount can be reasonably estimated and collectability can be reasonably assured, which for donations is predominately upon receipt.

Revenue from its discontinued operations of the aquarium including admissions and memberships, retail and programs were recognized when earned.

Interest and investment income are recognized when earned.

(c) Investment in Avanqua:

The Association accounts for its investment in Avanqua Oceanogràfic-Àgora SL ("Avanqua") on a cost basis. Prior to fiscal 2021, the investment was accounted for under the equity basis of accounting for investments. The change resulted from the decrease in the percentage ownership interest from 30% to 7.5%, such that the Association no longer exercises significant influence over Avanqua. On change from equity basis to cost basis of accounting, effective December 28, 2020, the carrying value of the investment at that time was deemed to be the cost unless indicators of impairment existed. Management had assessed there to be no impairment at the time significant influence ceased.

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Period from December 28, 2020 to December 31, 2021

1. Significant accounting policies (continued):

(c) Investment in Avanqua (continued):

Investments accounted for under the cost basis are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected timing or amount of future cash flows from the investment. If there is a significant adverse change in the expected cash flows, the carrying amount of the investment is reduced to the higher of the present value of the expected cash flows and the amount that could be realized from selling the investment. When the extent of impairment of a previously written down investment decreases and the decrease can be related to an event occurring after the impairment was recognized, the impairment loss is reversed to the extent of the improvement.

(d) Inventories:

In 2020, inventories consisting of gift shop merchandise and foods services items were valued at the lower of cost and net realizable value. Cost was generally determined on an average cost basis. In 2021, inventories were part of the sale of the aquarium operations (note 14); hence the Association no longer holds any inventories as at December 31, 2021.

(e) Capital assets:

Purchased capital assets are initially recorded at cost. Repairs and maintenance costs are charged to expense. Betterments that extend the estimated life or service potential of a capital asset are capitalized.

Capital assets are amortized on a straight-line basis over the useful lives of the assets as follows:

Asset	Term
Buildings	30 years
Galleries	5 to 20 years
Furniture and equipment	5 to 10 years

In 2020, the building and galleries assets were classified as held-for-sale and in 2021 were part of the sale of the aquarium operations (note 14).

(f) Impairment of capital assets:

The Association reviews, for impairment, the carrying value of capital assets to be held and used whenever events or changes in circumstances indicate that the asset provides reduced service potential to the Association. If such conditions exist, an impairment loss is measured at the amount by which the carrying amount of the net asset exceeds its fair value or replacement cost.

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Period from December 28, 2020 to December 31, 2021

1. Significant accounting policies (continued):

(g) Deferred lease liability:

Deferred lease liability includes amounts related to rent expense. Total rent payments over the term of the lease are recognized as rent expense on a straight-line basis over the term of the lease. The difference between the recognized rent expense and the rent payments paid is reflected on the statement of financial position as a part of deferred lease liability.

(h) Contributed services and materials:

A number of volunteers contribute their time to the Association each year. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

Contributed materials are recorded at fair value at the date of contribution where such fair value is determinable and the contributed materials would otherwise have been purchased.

(i) Foreign currency translation:

Monetary items denominated in a foreign currency and non-monetary items carried at market are adjusted at the statement of financial position date to reflect the exchange rate in effect at that date. Non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at average rates of exchange during the year. Exchange gains and losses are included in the determination of excess of revenue over expenses for the period.

(j) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association elected to carry its portfolio investments at fair value.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Period from December 28, 2020 to December 31, 2021

1. Significant accounting policies (continued):

(k) Defined contribution pension plan:

The Association contributes to an employee's Group Registered Retirement Savings Plan. The Association's contributions, which are based on a percentage of individual employees' annual base compensation, are expensed as incurred.

(l) Use of estimates:

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Areas requiring the use of management estimates include the valuation of assets held for sale and the carrying value of the investment in Avanqua. Actual results could differ from those estimates.

(m) Assets held for sale:

Long-lived assets are classified as an asset held-for-sale at the point in time when the asset is available for immediate sale, management has committed to a plan to sell the asset and is actively locating a buyer for the asset at a sales price that is reasonable in relation to the current fair value of the asset, and the sale is probable and expected to be completed within a one-year period.

Assets to be disposed of are separately presented and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. Net operating results related to assets held-for-sale are presented as discontinued operations in the statement of operations.

On April 27, 2021 the Association completed its sale of the aquarium operations which are accounted for as part of discontinued operations (note 14).

2. Investments:

Investments are comprised of GIC deposit certificates and portfolio investments. The GIC deposit certificates matured on March 2, 2021.

The Association manages its investments in accordance with investment policies and procedures as set by the Investment Committee. The investments, measured at market value, as at December 31, 2021 are held by RBC Global Asset Management - PH&N Institutional, the fund manager, in the following fund types:

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Period from December 28, 2020 to December 31, 2021

2. Investments (continued):

	2021	2020
GIC deposit certificates, at amortized cost	-	\$ 5,295
Portfolio investments, at fair value:		
BlueBay Global Monthly Income Bond Fund	\$ 3,649	\$ -
PH&N Short Core Plus Bond Fund	25,027	-
PH&N Canadian Equity Trust	1,094	-
RBC QUBE Low Volatility Canadian Equity Fund	1,123	-
RBC Global Equity Focus Fund	3,031	-
RBC QUBE Low Volatility Global Equity Fund	3,126	-
	\$ 37,050	\$ 5,295

3. Investment in Avanqua:

In April 2015, the Association acquired a 30% interest for €900 (CAD\$1,216) in Avanqua Oceanogràfic SL ("Avanqua"), a for-profit entity, incorporated in Spain. Avanqua was awarded the contract to undertake the operation of certain facilities within the City of Arts and Sciences (Ciudad de las Artes y de las Ciencias) in Valencia, Spain. The facilities include the full operation of an aquarium, the Oceanogràfic, as well as, certain operations within other facilities in the City of Arts and Sciences. The contract for operations runs until July 31, 2030.

In December 2020, a resolution was passed to increase share capital of Avanqua by creating new shares. The Association responded that it will not participate in the additional shares and as a result, its equity interest was reduced from 30% to 7.5%. Given the reduction of the equity interest and the decreased expected future cashflows, a write down of €2,163 or \$3,384 to the investment carrying value was recorded.

Due to the reduction in equity interest to 7.5% as well as the sale of the aquarium operations including key consultants to Avanqua, the Association no longer exercises significant influence over Avanqua resulting in the application of the cost method of accounting for investment being applied effective beginning of fiscal 2021. The carrying value of the investment at December 27, 2020 is deemed to be the cost. There were no dividends declared or paid out in 2021 related to the investment.

	Euros €	CAD \$
Investment balance, December 29, 2019	€ 3,364	\$ 4,915
Equity income for the period	(451)	(687)
Foreign currency adjustment	-	329
Write down of investment	(2,163)	(3,384)
Investment balance, December 27, 2020	750	1,173
Investment balance, December 31, 2021	€ 750	\$ 1,173

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Period from December 28, 2020 to December 31, 2021

4. Capital assets:

			December 31, 2021	December 27, 2020
	Cost	Accumulated amortization	Net book value	Net book value
Buildings	\$ -	\$ -	\$ -	\$ 47,439
Galleries	-	-	-	5,656
Furniture and equipment	440	314	126	1,502
	440	314	126	54,597
Less: assets classified as held-for-sale (note 14)	-	-	-	54,472
	\$ 440	\$ 314	\$ 126	\$ 125

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$77 (2020 - \$267), which includes amounts payable for GST and PST, payroll related taxes and BC Employer Health Tax.

6. Deferred revenue:

	Grants	Other	Total
Balance, December 29, 2019	\$ 2,948	\$ 803	\$ 3,751
Funds received	7,705	7,948	15,653
Amounts recognized into revenue	(6,493)	(8,113)	(14,606)
Balance, December 27, 2020	4,160	638	4,798
Funds received	10,895	341	11,236
Amounts recognized into revenue	(9,384)	(979)	(10,363)
Balance, December 31, 2021	\$ 5,671	\$ -	\$ 5,671

Deferred revenue consists of grants received that are restricted for specific programs. In 2020 it also included other amounts which consist of giftshop online sales, gift certificates, memberships and event deposits.

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Period from December 28, 2020 to December 31, 2021

7. Interfund transfer:

During the year, \$33,694 was transferred from the Unrestricted fund to the Internally restricted fund for the purposes of future conservation programs and establishing the Association's long-term financial sustainability. These funds are to be released through Board approval.

8. Loan payable:

The Association had a non-revolving demand instalment loan to assist in financing the Association's aquarium facility expansion and revitalization project. This facility bore interest at the bank's prime rate per annum, repayable in quarterly principal instalments of \$300 over 10 years, with interest payable monthly in arrears. The loan was fully repaid during fiscal 2021 from the aquarium sale proceeds and the facility has since been cancelled. For the fiscal period ending December 31, 2021, total interest expense incurred was \$47 (December 27, 2020 - \$164) which is included in discontinued operations (note 14).

9. Employee future benefits:

The Association contributes up to 6.0% of regular earnings to an employees' Group Registered Retirement Savings Plan. Employer contributions in the period ending December 31, 2021 were \$257 (December 27, 2020 - \$520).

10. Government Assistance:

During the fiscal year, the Association received the following government assistance recorded as part of grants and donations revenue in the statement of operations:

Period ended	December 31, 2021	December 27, 2020
Canada Emergency Wage Subsidy	\$ 2,598	\$ 6,334
Federal and Provincial COVID-related Relief Funds	-	3,805
Infrastructure Canada Grant for Expansion Project	-	2,732
	2,598	12,871
Less: assistance related to discontinued operations (note 14)	828	7,725
	\$ 1,770	\$ 5,146

Included in accounts receivable on the statement of financial position as at December 31, 2021 are \$305 (December 27, 2020 - \$5,805) related to government assistance funding claimed but not yet received.

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Period from December 28, 2020 to December 31, 2021

11. Remuneration of employees, contractors and directors:

During the period ended December 31, 2021, the Association paid total remuneration of \$1,914 (2020 - \$2,342) to the 10 (2020 - 10) highest remunerated employees and contractors for services, each of whom received total annual remuneration of \$75 or greater.

The Association did not pay any remuneration to any members of the Board of Directors during the year.

12. Funds held at Vancouver Foundation:

The Association is the beneficiary of certain funds held in perpetuity by the Vancouver Foundation. Income received during the period ended December 31, 2021 was \$48 (December 27, 2020 - \$48) and is recorded in interest and sundry revenue in the statement of operations.

As at December 31, 2021, the funds had a total market value of \$1,399 (December 27, 2020 - \$1,297) and cost of \$755 (December 27, 2020 - \$755). The Association has no access to the capital of these funds and, accordingly, the funds are not reflected in these consolidated financial statements.

13. Ocean Wise Conservation Foundation:

The Foundation is incorporated under the Canada Not-for-profit Corporations Act and is a registered charity under the Income Tax Act operating under common management as the Association. The majority of its Board members are current or past members of the Association's Board of Directors. Its purpose is to provide funding to charitable organizations (including the Association) involved in the advancement of aquatic education, research and conservation activities and hence the Association has an economic interest in the Foundation. The Foundation has not been consolidated in the Association's financial statements.

The summarized unaudited financial position, operating results and cash flows as at and for the year ended December 31, 2021, the latest fiscal year end of the Foundation, are as follows:

Financial position	2021	2020
Assets	\$ 2,697	\$ 3,264
Liabilities	8	8
Net assets	\$ 2,689	\$ 3,256

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Period from December 28, 2020 to December 31, 2021

13. Ocean Wise Conservation Foundation (continued):

Results of operations	2021	2020
Revenues	\$ 464	\$ 388
Expenses	1,031	126
Excess (deficiency) of revenue over expenses	\$ (567)	\$ 262
Cash flows	2021	2020
Cash from operations and investing, a net decrease in cash	\$ (5)	\$ (40)

In the period ending December 31, 2021, the Foundation made a \$1,000 donation to the Association (December 27, 2020 - \$94).

14. Discontinued operations:

During fiscal 2020, as a result of the impact of the pandemic on aquarium operations, the Association adopted a formal plan to dispose of the business operations and related assets of the aquarium. On April 27 2021, the Association completed its sale of the aquarium business operations and related assets.

Accordingly, the operating results of the aquarium have been classified as discontinued operations for both current and prior fiscal years ending and the related assets were reported as assets held for sale in 2020.

The deficiency of revenues over expenses from discontinued operations consists of the following:

	2021	2020
Revenues	\$ 2,561	\$ 26,460
Expenses	(5,385)	(24,730)
Impairment of assets held for sale	-	(10,472)
Loss on sale:		
Gain on sale of capital assets	365	-
Loss on net working capital adjustment on sale	(1,505)	-
Transaction costs	(1,382)	-
	(2,522)	-
Deficiency of revenues over expenses from discontinued operations	\$ (5,346)	\$ (8,742)

The sale of the aquarium operations are structured through an Asset Purchase Agreement ("APA") on a 'cash-free, debt-free' basis, whereby all of the aquarium-related rights, tangible and intangible properties and assets will be transferred to the Purchaser, including assigned contracts and permits.

OCEAN WISE CONSERVATION ASSOCIATION

Notes to the Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Period from December 28, 2020 to December 31, 2021

15. Commitments:

The Association is committed to minimum annual payments under an operating lease for office space, as follows:

2022	\$	220
2023		220
2024		220
2025		220
Thereafter		110
	\$	990

16. Credit facilities:

The Association has a revolving demand facility to assist in general operations. This facility can be drawn on up to maximum of \$1,000. The facility bears interest at prime rate plus 0.40%. As at December 31, 2021 the outstanding balance on the credit facility was nil (2020 - nil).

17. Financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk arising from its accounts receivable. Management monitors the collectability of its receivables and makes allowance provisions as required. Cash and investment assets are held with large reputable financial institutions where credit risk is considered low.

(c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Association has investments in pooled funds which are subject to risks arising to changes in market conditions. The Association manages this risk through a Board approved investment policy.

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Notes to the Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Period from December 28, 2020 to December 31, 2021

17. Financial risks (continued):

(d) 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. Fixed-rate instruments are subject to fair value risk while floating rate instruments are subject to cash flow risk. The Association is not subject to any significant interest rate risks given it does not hold any interest bearing instruments as at December 31, 2021.

(e) Currency risk:

The Association is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the Association makes purchases denominated in U.S. dollars and has corresponding accounts payable of USD\$98 outstanding as at December 31, 2021 (December 27, 2020 - USD\$112). The Association also holds investments in Global Equity funds which are invested in various foreign currency denominated securities, with heavier weighting in US dollars.

The Association does not currently enter into forward contracts to mitigate currency risks.

18. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year. There was no impact on the prior year deficiency of revenues over expenses as a result of these reclassifications.