



**Annual Report  
2001 - 2002**

## **Message from the Minister**

When I announced the difficult decision to close Fisheries Renewal BC in October 2001, a significant number of projects were well underway. I felt it was important that these projects continued to completion to ensure maximum value from public funds. I retained a small team of professionals at Fisheries Renewal to manage these projects and to ensure full accountability.

I am pleased to announce that all projects underway in fiscal year 2001/02 were completed successfully. Almost 600 project reports were received. Importantly, these projects will be made available to the public through the fish project registry for the Urban Salmon Habitat and Salmonid Renewal Programs. The reporting information for the economic programs will reside with the Ministry of Agriculture, Food and Fisheries.

It is refreshing to see that the many partners of Fisheries Renewal placed such a high value on the fishery resource and remained committed regardless of circumstance.

Hopefully, in the future much of this work will continue through the ingenuity of community groups to access other sources of funds and through the continued support from the volunteer sector.

Sincerely,

A handwritten signature in cursive script that reads "John van Dongen".

John van Dongen  
Minister of Agriculture, Food and Fisheries

## **ORGANIZATIONAL OVERVIEW**

The mandate of Fisheries Renewal BC is to renew B.C. fisheries, promote the protection, conservation and enhancement of fish stocks, restore fish habitat, and strengthen fishing communities for generations to come.

Fisheries Renewal BC (FsRBC) was created under the Fisheries Renewal Act (1997).

In the fiscal year 2001/02, the corporation remained committed to investing in habitat restoration measures through its Salmonid Renewal Program and Urban Salmon Habitat Program (USHP). The Salmonid Renewal Program delivered 447 habitat restoration and stream stewardship projects across the province through 24 community partnership groups. The USHP delivered 57 projects focusing on stream stewardship and habitat restoration in the Georgia Basin.

Recognizing the need to develop fishery resources that contribute to the provincial economy, in fiscal year 2001/02 Fisheries Renewal BC strengthened the emphasis on economic development by adding a new program, Strategic Investments, to focus on the more structural aspects of the seafood and fisheries industries. The other economic development programs underway in 2001/02 were Development and Diversification, Planning and Partnership and Original Renewal Ideas. A total of 32 projects were initiated focusing on furthering the economic development of the fisheries sector as a whole.

The Minister also recognized the need to support government priorities in aquaculture by supporting funding to establish an endowed chair in aquaculture and aquaculture technical advisory committee at University of British Columbia (\$4 million). The government priority for the Living Rivers Trust was also funded (\$2 million) through the Vancouver Foundation.

## **CORPORATE GOVERNANCE**

Fisheries Renewal BC was created in 1997 to help communities adapt to the changes in the fishery by helping renew fish stocks and habitat, by supporting endeavors that add value to existing catches, and by developing new fishing opportunities. The corporation was discontinued in October 2001 as part of government's budget reduction strategy. A small staff remained until May 31, 2002 to wind up the affairs of the corporation and to ensure that all projects started before the announced wind-up were completed in a timely and orderly manner.

## **BOARD OF DIRECTORS**

Membership of the Fisheries Renewal BC board reflected the diversity of British Columbians' interest in fisheries, including First Nations, commercial and recreational interests, local government and environmental groups. On August 16, 2001 the B.C. government replaced the board of directors of Fisheries Renewal BC with the Honourable John van Dongen, Minister of Agriculture, Food and Fisheries. The Minister remained as board chair during the wind up of Fisheries Renewal BC. Ron Faust was appointed CEO to ensure the orderly wind up of the corporation by May 31, 2002.

## **THE YEAR IN REVIEW**

During fiscal year 2001/02 \$21.98 million was spent on Fisheries Renewal BC activities and 595 projects were completed.

## **SALMONID RENEWAL PROGRAM**

### **Highlights:**

- \$9.5 million expended on 447 projects for the fiscal year ending March 31, 2002
- Other sources contributed \$10.6 million (leveraged funding plus in kind contributions) bringing the total investment in the 447 projects to \$19.57 million
- Of the 447 projects, 101 have First Nations as lead proponent – that nearly one-quarter of the projects
- 17,700 volunteer person days projected for assigned projects (higher than last year)
- Over 40,000 person days of jobs were created from assigned projects
- Training opportunities total 1,825
- Environmental account deliverables (184 km of habitat restored; 2,700 km habitat assessed; 5.5 million juvenile salmon were released)

### **The Salmonid Renewal Program projects contributed to a wide range of activities including:**

- Assessing, mapping and restoring spawning and rearing habitat for fish
- Fish inventory and habitat mapping
- Stock enhancement
- Stewardship and community planning
- Education and public awareness
- Monitoring and evaluation, as well as Watershed-Based Fish Sustainability Planning (WFSP)

The project details will be forwarded to the Ministry of Sustainable Resource Management to be included in the Fish Project Registry.

## **URBAN SALMON HABITAT PROGRAM (USHP)**

The USHP focused on the urban and rural-urban fringe areas of the Georgia Basin by assisting in identifying, prioritizing, protecting and restoring important fish habitat. For the fiscal year 2001/02, a total of 25 local governments and 32 stewardship, watershed and environmental groups spent \$897,000 from FsRBC. USHP continued to provide technical advice to funding recipients through habitat advisors funded through the Ministry of Water, Land and Air Protection.

## **ECONOMIC DEVELOPMENT PROGRAMS**

### **Highlights**

For fiscal year 2001/02 the economic development programs initiated 32 projects of importance to the seafood and fisheries sector to help position the industry to take advantage of new opportunities. Whether through developing new markets, value added processing, the sharing of technical information, or investing in areas that link to provincial priorities; the goal of these programs was to lay the groundwork for a revitalized industry.

\$4.2 million was expended during fiscal year 2001/2002 to support economic development initiatives through the following programs: Strategic Investment, Program Development and Diversification, Original Renewal Program Ideas and Planning and Partnerships. These expenditures included 59 projects carried forward from previous fiscal years as well as 32 new projects started in fiscal year 2001/02. Other sources of funding contributed \$3.2 million to the 32 projects started in fiscal year 2001/02.

The economic programs supported a wide range of creative, innovative, and strategic projects that contributed to the corporation's key investment areas and supported Fisheries Renewal BC's objectives. These projects have included:

- Marketing and market analysis
- Environmental certification
- Research and development
- Shellfish development
- Technology transfer
- Environmental initiatives, such as selective fishing and stewardship certification
- Developing and diversifying value-added products and services
- Improving selective harvesting technologies or techniques
- Cooperative efforts in the seafood sector including workshops, regional initiatives, and strategic planning initiatives

The Ministry of Agriculture Food and Fisheries will retain the results from these projects.

## **OTHER PRIORITY INITIATIVES**

With residual funding remaining at Fisheries Renewal the Minister authorized funding of three initiatives which are priorities for the Province of BC:

- Aquaculture and Environment Research Fund - \$2.75 million

This fund is established to conduct research on the environmental aspects of finfish and shellfish aquaculture. The University of British Columbia will manage this fund. A broad-based stakeholder committee will implement the objectives of the fund.

- Aquaculture and Environment Research Chair at UBC - \$1.25 million

The purpose of the chair is to increase the capacity of British Columbia to initiate and undertake research on aquaculture and the environment that will establish the industry as a world leader in sustainable aquaculture. The \$1.25 million leverages an additional \$1.25 million from the University of British Columbia.

- Living Rivers Trust Fund - \$2 million

This fund is to support the Living Rivers vision of healthy watersheds, where ecological processes function effectively to protect and support diverse native fish and wildlife populations and healthy sustainable communities.

## **FINANCIAL REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

Fisheries Renewal was officially closed on March 31, 2002. As part of the wind-up strategy the Minister recognized that to ensure the most effective and efficient use of public funds, all projects and program commitments that were underway prior to wind-up should be completed. All 595 projects across the six programs were completed successfully and accounted for in fiscal year 2001/02. A small number of multi-year agreements were transferred to MAFF for project management as of March 31, 2002. Remaining net assets were transferred to the Province of B.C. as of March 31, 2002.

Stakeholders will have access to the Salmonid Renewal and the Urban Salmon Habitat Program information through the Fish Project Registry. The information on the economic programs will be with the Ministry of Agriculture Food and Fisheries. The previous highlights section described in detail the programs undertaken and the results achieved. Comparisons cannot be made against other fiscal years as the corporation has been in wind-up mode since October 2001.

**FISHERIES RENEWAL BC**  
**BALANCE SHEET**

March 31,	2002		2001
	After wind-up	Before wind-up	
	\$	\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and short term investments (Note 4)	-	4,660,387	11,160,564
Accountable advances	-	-	419,024
Funding receivable	-	-	90,000
Other receivable	-	16,040	-
Prepaid expenses	-	-	2,048
	-	4,676,427	11,671,636
<b>Capital assets (Note 5)</b>	-	-	127,850
	-	4,676,427	11,799,486
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	-	147,357	658,304
Program accruals	-	2,321,551	1,187,532
Wind-up accruals	-	993,180	-
	-	3,462,088	1,845,836
<b>Net assets</b>	-	1,214,339	9,953,650
	-	4,676,427	11,799,486

Approved by the Board

The accompanying notes are an integral part of these financial statements.





**FISHERIES RENEWAL BC**  
**STATEMENT OF CHANGES IN NET ASSETS**

Year ended March 31,	2002			2001	
	Reserve for Funded Projects Fisheries Renewal BC (Note 8)	British Columbia Hydro and Power Authority	Unappropriated	Total	Total
	\$	\$	\$	\$	\$
Balance, beginning of year	2,222,043	524,529	7,207,078	<b>9,953,650</b>	9,369,477
Excess (deficiency) of revenues over expenses	-	-	(8,739,311)	<b>(8,739,311)</b>	584,173
Internally imposed restrictions during the year	18,192,864	-	(18,192,864)	-	-
Reserve no longer required on projects	(341,691)	-	341,691	-	-
Program expenditures, during the year	(20,073,216)	(524,529)	20,597,745	-	-
Balance before transfer	-	-	1,214,339	<b>1,214,339</b>	9,953,650
Transfer to the Province of British Columbia	-	-	(1,214,339)	<b>(1,214,339)</b>	-
Balance end of year	-	-	-	-	9,953,650

The accompanying notes are an integral part of these financial statements.



**FISHERIES RENEWAL BC**  
**STATEMENT OF OPERATIONS**

Year ended March 31,	2002	2001
	\$	\$
<b>Revenues</b>		
Forest Renewal BC	-	5,500,000
British Columbia Hydro and Power Authority	-	2,150,000
Province of British Columbia	<b>13,700,000</b>	7,500,000
Investment income	<b>676,314</b>	698,741
Other	<b>400</b>	-
	<b>14,376,714</b>	15,848,741
 <b>Expenses (Note 7)</b>		
Program	<b>21,182,541</b>	14,240,510
Administration	<b>692,546</b>	723,824
Corporate governance	<b>107,694</b>	300,234
	<b>21,982,781</b>	15,264,568
<b>(Deficiency) excess of revenues over expenses before costs of wind-up</b>	<b>(7,606,067)</b>	584,173
<b>Costs of wind-up (Note 7)</b>	<b>1,133,244</b>	-
<b>(Deficiency) excess of revenues over expenses for the year</b>	<b>(8,739,311)</b>	584,173

The accompanying notes are an integral part of these financial statements.

**FISHERIES RENEWAL BC**  
**STATEMENT OF CASH FLOWS**

Year ended March 31,	2002	2001
	\$	\$
<b>Cash flows used in operating activities</b>		
Cash received from Forest Renewal BC	-	5,500,000
Cash received from BC Hydro and Power Authority	90,000	2,151,097
Cash received from Province of BC	13,700,000	7,500,000
Cash received from program repayments	69,523	42,137
Cash paid to suppliers and employees	(20,998,978)	(17,284,397)
Interest received	660,274	698,741
Other cash received (includes Pension Rebate)	400	38,403
Cash flows used operating activities	(6,478,781)	(1,354,019)
<b>Cash flows used in investing activities</b>		
Purchase of capital assets	(21,396)	(64,617)
Net decrease in cash and cash equivalents	(6,500,177)	(1,418,636)
Cash and cash equivalents beginning of year (Note 4)	11,160,564	12,579,200
Cash and cash equivalents at end of year (Note 4)	4,660,387	11,160,564

The accompanying notes are an integral part of these financial statements

**FISHERIES RENEWAL BC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
YEAR ENDED MARCH 31, 2002

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**1. Authority and purpose**

Fisheries Renewal BC, a Crown corporation, was established by the *Fisheries Renewal Act* of July 1997. The purpose of Fisheries Renewal BC is to renew the fisheries, promote the protection, conservation and enhancement of fish stocks, restore fish habitat, and strengthen fishing communities for future generations.

The corporation is exempt from federal and provincial income taxes.

**Cessation of operations**

On October 18, 2001 the Minister of Agriculture, Food and Fisheries announced that the corporation would cease operations on March 31, 2002. By resolution the corporation distributed its assets and liabilities as at March 31, 2002 to the Province of British Columbia.

**2. Significant accounting policies**

(a) General

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

(b) Wind up

These financial statements take into account the costs associated with the settlement of all the known contracts and agreements that were in place at the time of the statements.

(c) Investments

The British Columbia Investments Management Corporation administers investments. Short-term investments are recorded at the lower of cost or market value. Gains on sales of investments are recognized in the year of disposal. Losses are recognized in the year of disposal or when there is a significant and permanent impairment in value.

**FISHERIES RENEWAL BC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
YEAR ENDED MARCH 31, 2002

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**3. Significant accounting policies (continued)**

(d) Accountable advances

Accountable advances represent amounts paid to the project proponent or partner group that have not yet been expended in accordance with the agreement requirements.

(e) Capital assets

Capital assets are recorded at cost and amortized on a straight-line basis over their estimated useful lives. Estimated useful lives are as follows:

Computer equipment	5 years
Furniture & equipment	10 years

Asset classes costing less than \$2,000 are expensed in the year of purchase.

(f) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures of project expenditures and accountable advances at the date of the financial statements. Actual results could differ from these estimates.

(g) Related parties

Fisheries Renewal BC is related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations. Transactions with these entities, considered to be in the normal course of operations, are recorded at the exchange amount. The Ministry of Transportation processes some expenditures for the entity. Fisheries Renewal processes all other expenditures in-house.

**FISHERIES RENEWAL BC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
YEAR ENDED MARCH 31, 2002

**4. Cash and short term investments**

	2002		2001	
	Cost	Market Value	Cost	Market Value
	\$	\$	\$	\$
Cash	4,660,387	4,660,387	8,284	8,284
Short term Investments	-	-	11,152,280	11,179,549
	<b>4,660,387</b>	<b>4,660,387</b>	<b>11,160,564</b>	<b>11,187,833</b>

**5. Capital assets**

	2002			2001
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Computer equipment	108,341	108,341	-	52,018
Furniture & equipment	106,108	106,108	-	75,832
	<b>214,449</b>	<b>214,449</b>	<b>-</b>	<b>127,850</b>

As part of the wind up of the corporation, the capital assets have been written off. They were subsequently transferred to the Province of British Columbia at no cost.

**6. Priority initiatives**

As part of the wind up of the corporation, the Minister of Agriculture, Food and Fisheries, acting as Chair of Fisheries Renewal BC, approved three new initiatives totalling \$6 million to support high priority fisheries initiatives.

# FISHERIES RENEWAL BC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2002

### 7. Allocation of expenses by operating area

	2002				Total	2001
	Program	Administration	Corporate governance	Wind-up costs		
	\$	\$	\$	\$	\$	\$
Program expenses	14,597,745	-	-	-	<b>14,597,745</b>	13,290,628
Priority initiatives (Note 6)	6,000,000	-	-	-	<b>6,000,000</b>	-
Salaries & benefits	419,094	339,806	-	88,000	<b>846,900</b>	834,672
Severance	-	-	-	550,000	<b>550,000</b>	-
Professional services	68,880	121,623	15,834	34,700	<b>241,037</b>	365,927
Board fees and expenses	6,138	2,781	62,249	-	<b>71,168</b>	235,182
Office expenses	50,584	60,017	29,611	230,000	<b>370,212</b>	288,014
Building occupancy	-	111,476	-	110,000	<b>221,476</b>	108,928
Travel	26,164	9,732	-	6,062	<b>41,958</b>	84,538
Information systems	13,936	14,906	-	6,000	<b>34,842</b>	30,560
Amortization	-	32,205	-	108,482	<b>140,687</b>	26,119
	<b>21,182,541</b>	<b>692,546</b>	<b>107,694</b>	<b>1,133,244</b>	<b>23,116,025</b>	15,264,568



