



Shawnigan Residents Association

TREASURERS REPORT

&

DISCUSSION AND ANALYSIS

For the year ended March 31, 2015

Shawnigan Residents Association

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Treasurers Report & Discussion and Analysis

Association Overview

The Shawnigan Residents Association (“SRA”) is an incorporated association and is governed by Societies Act of British Columbia. The Association is committed to fostering and promoting awareness of environmental problems, alternatives and solutions among people throughout the Shawnigan Lake area.

Membership is entirely voluntary and is open to all residents of Shawnigan Lake. Membership is \$20 per annum. The directors of your Association are elected annually by nomination and show of hands. Nomination and participation on the board is voluntary.

Funding

The SRA has traditionally been funded solely by membership fees collected from members on an annual basis.

However, in 2013 the SRA began a campaign to raise money to appeal a permit issued by the British Columbia Ministry of the Environment (“BCME”) to backfill a stone quarry, located in the Shawnigan lake watershed, with contaminated waste. The SRA engaged a firm of lawyers, Farris, Vaughan, Wills & Murphy LLP (“Farris”), to present its case to the Environmental Appeal Board (“EAB”). The initial hearings were heard in June 2013 and extended twice into August 2013.

On March 20, 2015 the EAB issued its final decision upholding the permit. In response the SRA filed a petition to the Supreme Court of Canada requesting a judicial review to set aside the decision of the EAB and to rescind and cancel the permit issued by the BCME.

Through no fault of the SRA the initial budget and contributions goal of \$250,000 was inadequate given the extra time needed by the EAB. The final costs for the extended EAB hearings were approximately \$430,000. The SRA is expecting that the petition for judicial review is expected to cost at least as much as the hearings.

The SRA is not a registered society for tax purposes and is not able to issue donations tax receipts to contributors.

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Annual Financial Results (For the year ended March 31, 2015)

INCOME

The association collected \$1,060 in membership fees, well down for the previous year's high of \$2,285. The decrease was due to:

- A return to a more regular pattern of membership fee collection,
- A decline in public interest while awaiting the decision of the Environmental Appeal Board. The decision took 7 months during which time memberships activities were slow.

Public legal contributions and monies collected from fund raising activities are banked into the "Clean Water Fund". Monies collected are used to pay down outstanding amounts owing to Farris. To date we have collected and distributed over \$310,000.

During the year ended March 31, 2014 the SRA collected \$57,128 in direct contributions from Shawnigan residents and other vested parties. The SRA wishes to place on record their deep gratitude to all named and anonymous contributors for their generous contributions.

Although much quieter than the previous year the SRA hosted several small fund raising activities events which netted \$5,935. The board has discussed several fund raising ideas and are confident of a busy year ahead. Please visit the SRA's website regularly to look out for these fund raising activities.

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EXPENDITURE

General expenses fell sharply to \$1,285 from last year's high of \$3,637. The cost of upgrading the website was a once off cost and did not re-occur in the period ended March 31, 2015.

Overall the unrestricted funds were reduced by \$218 (2014 - \$1,344) and the Association ended the year with a balance of \$3,144 in the regular chequing account.

The Association advertising costs of \$3,497 were significantly less than last year \$14,000. During 2014/2015 the association did not have the cost of live streaming the Appeal Board hearings, billboards on Pat Bay highway and on Highway One north of Cobble Hill resulting in a significant reduction in advertising costs.

Fund raising events cost the Association \$8,000 and included event insurance, liquor licenses and hiring of venues.

By far the most significant expense, not surprisingly, was the legal fees which totaled \$51,326 (2013/2014 - \$147,938). The association records legal fees as and when paid to Farris. The total fees bill from Farris is still in draft format and as a result has not been accrued in the Associations books of account

Subsequent to the year-end the Association paid a further \$75,000 toward the outstanding legal fees bill. As mentioned previously the total amount collected and paid to date to Farris is over \$310,000.

OTHER MATTERS

Whilst legal matters have occupied the vast majority of time this past year the SRA is committed to several other projects of importance to the residence of Shawnigan Lake, not least of which is incorporation. It is the one issue that has the most significant financial effect on residents.

Whilst the availability and access to clean, fresh drinking water remains a high priority, incorporation provides a means for the residence to secure direct control over their drinking water, commercial activities and the environment in, on and around the lake.

To this end the SRA is working with a group of volunteers to study the possibility of incorporation. Of major concern to all residence is the possibility of increased property taxes on incorporation and, clearly, this is undesirable. I encourage all residence to read the preliminary report issued by the Salt Spring Island Incorporation Study Group which concluded that incorporation is unlikely to raise property taxes on Salt Spring Island to any significant degree.

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The conclusion is worth considering because Salt Springs is similar to Shawnigan Lake. The economy is mainly tourism based and there are no large industries that can be relied upon to make up property tax revenue shortfalls.

IN SUMMARY

The SRA is a group of volunteer individuals who devote their time and effort to the people of Shawnigan Lake. We are not funded by external interest groups nor are we a specialist interest group, we rely on the generous contributions from the people of Shawnigan Lake. Please continue to support our efforts.