Combined financial statements and
independent auditor’s report of

TIDEScanada
uncommon solutions for the common good

December 31, 2012

Combined financial statements

Year ended December 31, 2012

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Independent auditor's report

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To the Members of

Tides Canada Foundation and Tides Canada Initiatives Society ("Tides Canada")

We have audited the accompanying combined financial statements of Tides Canada, which comprise the combined statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011, the combined statements of revenue and expenditures, changes in fund balances and cash flows for the years ended December 31, 2012 and December 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the combined financial statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the combined financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

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

Opinion

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of Tides Canada as at December 31, 2012, December 31, 2011 and January 1, 2011, and the results of its operations and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

Grant Thornton LLP

Vancouver, Canada

May 15, 2013

Chartered accountants

TIDEScanada

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Combined statements of financial position

December 31, 2012

	December 31 2012	December 31 2011	January 1 2011 (Note 4)
ASSETS			
Cash	$5,636,912	$6,820,002	$3,647,740
Term deposits	163,484	2,397,352	6,383,484
Accounts receivable	2,486,511	757,438	446,403
Prepaid expenses	138,754	156,540	133,458
Investments (Note 6)	25,900,454	24,614,856	24,175,931
Donated assets (Note 7)	497,000	1,019,946	1,019,946
Loans receivable (Note 8)	1,745,622	1,767,429	367,978
Property and equipment (Note 9)	1,034,708	1,290,413	1,303,697
TOTAL ASSETS	**$37,603,445**	**$38,823,976**	**$37,478,637**
LIABILITIES			
Accounts payable & accrued liabilities	$1,334,255	$822,273	$892,227
Deferred revenue	-	-	30,000
Deferred capital contribution (Note 9)	553,200	645,400	737,600
TOTAL LIABILITIES	**1,887,455**	**1,467,673**	**1,659,827**
FUND BALANCES			
General	7,941,868	10,205,850	15,358,489
Externally restricted	15,702,240	18,185,852	12,705,019
Endowment	12,071,882	8,964,601	7,755,302
TOTAL FUND BALANCES	**35,715,990**	**37,356,303**	**35,818,810**
TOTAL LIABILITIES AND FUND BALANCES	**$37,603,445**	**$38,823,976**	**$37,478,637**

Commitments and contingencies (Note 10)

See the accompanying notes to the combined financial statements.

APPROVED BY:

Ross McGregor, Treasurer

Ross McMillan, President and CEO

Combined statements of revenues and expenditures

Year ended December 31, 2012

	General	Externally restricted	Endowment	December 31 2012	General	Externally restricted	Endowment	December 31 2011 (Note 4)
REVENUES								
Support awards and earned income	$3,240,577	$-	$-	$3,240,577	$2,231,996	$-	$-	$2,231,996
Other awards and donations	6,997,373	10,669,866	843,715	18,510,954	4,744,997	13,732,320	1,819,113	20,296,430
Investment income & other revenue (Note 4)	962,915	723,780	179,305	1,866,000	786,216	764,699	256,473	1,807,388
Unrealized gains (losses) on investments	428,507	-	251,076	679,583	(446,877)	-	(284,017)	(730,894)
TOTAL REVENUES	**11,629,372**	**11,393,646**	**1,274,096**	**24,297,114**	**7,316,332**	**14,497,019**	**1,791,569**	**23,604,920**
EXPENSES								
General and administrative (Note 11 and 12)	5,113,719	-	-	5,113,719	4,331,075	-	-	4,331,075
Realized loss on investments	7,684	65	1,623	9,372	37,488	5	(2,904)	34,589
Grant and program expenditures	4,582,148	16,167,307	64,881	20,814,336	3,045,728	13,422,524	1,233,511	17,701,763
TOTAL EXPENSES	**9,703,551**	**16,167,372**	**66,504**	**25,937,427**	**7,414,291**	**13,422,529**	**1,230,607**	**22,067,427**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	**$1,925,821**	**$(4,773,726)**	**$1,207,592**	**$(1,640,313)**	**$(97,959)**	**$1,074,490**	**$560,962**	**$1,537,493**

See the accompanying notes to the combined financial statements.

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Combined statements of changes in fund balances

Year ended December 31, 2012

	General	Externally Restricted	Endowment	Total
FUND BALANCES, January 1, 2011	**$15,358,489**	**$12,705,019**	**$7,755,302**	**$35,818,810**
Excess of Revenues over Expenses (Note 4)	(97,959)	1,074,490	560,962	1,537,493
Transfers (From)/To Funds	(5,054,680)	4,406,343	648,337	-
FUND BALANCES, December 31, 2011	**10,205,850**	**18,185,852**	**8,964,601**	**37,356,303**
Excess of Revenues over Expenses	1,925,821	(4,773,726)	1,207,592	(1,640,313)
Transfers (From)/To Funds	(4,189,803)	2,290,114	1,899,689	-
FUND BALANCES, December 31, 2012	**$7,941,868**	**$15,702,240**	**$12,071,882**	**$35,715,990**

See the accompanying notes to the combined financial statements.

Combined statements of cash flows

Year ended December 31, 2012

	December 31 2012	December 31 2011
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	$(1,640,313)	$1,537,493
Adjust for items not requiring cash:		
Amortization of property and equipment	365,223	329,242
Amortization of deferred capital contribution	(92,200)	(92,200)
Impairment loss on donated asset	522,946	-
Unrealized (gains)/losses on investments	(679,583)	730,894
Changes in:		
Accounts receivable	(1,729,073)	(311,035)
Prepaid expenses	17,786	(23,082)
Accounts payable & accrued liabilities	511,982	(69,954)
Deferred revenue	-	(30,000)
Net cash (used in) provided by operating activities	(2,723,232)	2,071,358
INVESTING ACTIVITIES		
Repayment of loans receivable	21,807	300,549
Term deposits	2,233,868	3,986,132
Loans receivable	-	(1,700,000)
Investments	(606,015)	(1,169,819)
Purchase of property and equipment	(109,518)	(315,958)
Net cash provided by investing activities	1,540,142	1,100,904
(DECREASE) INCREASE IN CASH	(1,183,090)	3,172,262
CASH, BEGINNING OF YEAR	6,820,002	3,647,740
CASH, END OF YEAR	$5,636,912	$6,820,002

See the accompanying notes to the combined financial statements.

1. PURPOSES OF TIDES CANADA

Tides Canada Foundation (Tides) and Tides Canada Initiatives Society (TCI), operating jointly as 'Tides Canada' are not-for-profit societies and registered charities under the Income Tax Act. Neither Tides nor TCI are taxable under the Federal Income Tax Act.

Tides is a national public foundation and receives grants and donations from individuals, foundations, and corporations. The distribution of funds for philanthropic purposes is primarily through grant making. Tides' mission is to provide uncommon solutions for the common good by leading and supporting actions that foster a healthy environment and just Canadian society.

TCI is an operating charity, and receives grants and donations from individuals, foundations and corporations. TCI expends funds through the direct operation of programs to further its mission which is to develop and carry on programs that encourage social and environmental sustainability, educate the public about environmental issues, and provide access to information, services, resources and products to help facilitate individuals and organizations to make positive changes in consumption and lifestyle alternatives.

2. STATEMENT OF COMPLIANCE WITH CANADIAN ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) *Principles of Combination*

In April 2005 the members of Tides and TCI decided to operate the two organizations under common control. Tides and TCI have the same management, members, and board. Consequently the financial statements have been prepared as if the Foundation and the Charity were a single organization (Tides Canada) by the aggregation of their respective financial statements and the elimination of transactions and balances between them.

(b) *Fund accounting*

Tides Canada follows the restricted fund method of accounting for contributions.

General Fund

This fund includes earned income, awards, donations and investment income used to support Tides Canada's grant making activities and operations. Tides Canada's intention is to direct contributions in accordance with donors' fund purpose. Tides Canada retains control over distribution of grants.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Externally Restricted Fund

Awards and donations are restricted for specific purposes by donor-imposed stipulations. Investment income earned on resources of the externally restricted funds is reported in the Externally Restricted Fund or in the General Fund, dependent on any restrictions imposed by the contributors.

Endowment Fund

Investment income earned on resources of the endowments is reported in the Endowment Fund or in the General Fund, dependent on any restrictions imposed by the contributors of funds for endowment.

(c) Revenue recognition

Awards and donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Investment income is recognized as revenue when received, with changes in the market value of investments recorded as gains (losses).

(d) Donated Assets

Donated assets are recognized only when a fair value can be reasonably estimated and when the goods and services are used in the normal course of Tides Canada's operations and would otherwise have been purchased.

(e) Financial Instruments

Tides Canada initially measures its financial assets and financial liabilities at fair value. Tides Canada subsequently measures all of its financial assets and financial liabilities at amortized cost, with the exception of investments with a quoted market price in an active market which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash, term deposits, accounts receivable, loans receivable, donated assets and long term investments without a quoted market price in an active market.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and short term cash deposits with maturities of 3 months or less and bank overdrafts repayable on demand.

(g) Property and equipment

Property and equipment are recorded at cost and are amortized on a straight-line basis over the estimated useful lives of assets as follows:

Computer Software	3 years
Enterprise Software	5 years
Furniture and equipment	3 - 6 years
Leasehold Improvements	over the remaining term plus one renewal option of the lease

(h) Investment management expense allocations

Investment management expenses are allocated to the General Fund, the Externally Restricted Fund and the Endowment Fund based on estimates made by Tides Canada's management.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) *Use of estimates*

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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 those estimates

(j) *Foreign currency translation*

Monetary assets and liabilities denominated in foreign currency are translated into Canadian dollars at the exchange rate prevailing at the balance sheet date. Non-monetary items are translated at the rate in existence at the time the asset was acquired or the liability was realized. Revenue and expenses are translated at the rate prevailing at the time of the transaction.

4. FIRST-TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

These are the organization's first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations ("new standards"). The date of transition to these new standards is January 1, 2011.

These financial statements have been prepared using policies specified by those standards that were in effect at the end of the reporting period ended December 31, 2012. The significant accounting policies that have been applied in the preparation of these financial statements are summarized in Note 3. These policies have been used throughout all periods presented in the financial statements.

Tides Canada has applied *Section 1501 First-Time Adoption* in preparing these first financial statements under accounting standards for not-for-profit organizations. The effects of the transition on net assets, revenue and reported cash flows are presented in this section and are further explained in the notes accompanying the table.

4. FIRST-TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS (Continued)

Reconciliation to previously reported amounts

Balance sheet - Net assets and other balances at the date of transition have not been affected by the application of the new standards.

Combined statement of revenues and expenditures - Excess of revenues over expenses for the reporting period ended December 31, 2011 can be reconciled to the amounts previously reported as follows:

	General			Externally Restricted			Endowments			2011 Total		
	As previously reported	Adjustment	As restated	As previously reported	Adjustment	As restated	As previously reported	Adjustment	As restated	As previously reported (Note 4)	Adjustment	As restated
REVENUES												
Support awards and earned income	$ 2,231,996		$ 2,231,996	$ -		$ -	$ -		$ -	$ 2,231,996	$ -	$ 2,231,996
Other awards and donations	4,744,997		4,744,997	13,732,320	-	13,732,320	1,819,113		1,819,113	20,296,430	-	20,296,430
Investment and other revenue	786,216		786,216	764,699		764,699	256,473		256,473	1,807,388		1,807,388
Unrealized gains (losses) on investments		(446,877)	(446,877)					(284,017)	(284,017)		(730,894)	(730,894)
TOTAL REVENUES	7,763,209	(446,877)	7,316,332	14,497,019	-	14,497,019	2,075,586	(284,017)	1,791,569	24,335,814	(730,894)	23,604,920
EXPENSES												
General and administrative	4,331,075		4,331,075	-		-	-		-	4,331,075		4,331,075
Realized loss (gain) on investments	37,488		37,488	5		5	(2,904)		(2,904)	34,589		34,589
Grant and program expenditures	3,045,728		3,045,728	13,422,524		13,422,524	1,233,511		1,233,511	17,701,763		17,701,763
TOTAL EXPENSES	7,414,291	-	7,414,291	13,422,529	-	13,422,529	1,230,607	-	1,230,607	22,067,427	-	22,067,427
EXCESS OF REVENUES OVER EXPENSES	$348,918	$(446,877)	$(97,959)	$ 1,074,490	$ -	$1,074,490	$ 844,979	$(284,017)	$ 560,962	$ 2,268,387	$(730,894)	$ 1,537,493
FUND BALANCES BEGINNING OF YEAR	**$ 15,358,489**		**$ 15,358,489**	**$ 12,705,019**		**$12,705,019**	**$7,755,302**		**$7,755,302**	**$ 35,818,810**	**$ -**	**$ 35,818,810**
Excess of Revenues over Expenses	348,918	(446,877)	(97,959)	1,074,490	-	1,074,490	844,979	(284,017)	560,962	2,268,387	(730,894)	1,537,493
Transfers (From)/To Funds	(5,054,680)		(5,054,680)	4,406,343		4,406,343	648,337		648,337			
Unrealized (Loss)/Gain on Investment	(446,877)	446,877	-				(284,017)	284,017	-	(730,894)	730,894	-
FUND BALANCES, END OF YEAR	**$ 10,205,850**	**$ -**	**$ 10,205,850**	**$ 18,185,852**	**$ -**	**$18,185,852**	**$8,964,601**	**$ -**	**$8,964,601**	**$ 37,356,303**	**$ -**	**$ 37,356,303**

4. FIRST-TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS (Continued)

The Combined Statement of Cash Flow for the reporting period ended December 31, 2011 can be reconciled to amount previously reported as follows:

	As previously reported	Adjustment	As restated
OPERATING ACTIVITIES			
Excess of revenues over expenses	$2,268,387	$730,894	$1,537,493
Adjust for items not requiring cash:			
Amortization	329,242		329,242
Amortization of deferred capital contribution	(92,200)		(92,200)
Unrealized (gains)/losses on investments		(730,894)	730,894
Changes in:			
Accounts receivable	(311,035)		(311,035)
Prepaid expenses	(23,082)		(23,082)
Accounts payable & accrued liabilities	(69,954)		(69,954)
Deferred revenue	(30,000)		(30,000)
Net cash provided by operating activities	**2,071,358**	**-**	**2,071,358**
INVESTING ACTIVITIES			
Repayment of loans receivable	300,549		300,549
Term deposits	3,986,132		3,986,132
Loans receivable	(1,700,000)		(1,700,000)
Investments	(1,169,819)		(1,169,819)
Purchase of property and equipment	(315,958)		(315,958)
Net cash provided by investing activities	**1,100,904**	**-**	**1,100,904**
INCREASE IN CASH	3,172,262		3,172,262
CASH, BEGINNING OF YEAR	3,647,740		3,647,740
CASH, END OF YEAR	**$6,820,002**	**$-**	**$6,820,002**

4. FIRST-TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS (Continued)

Note to the adjustment is as follows:

a. Under previous generally accepted accounting principles ("GAAP"), Tides Canada recorded their investments at fair value with changes in value being recorded as a direct charge to fund balances. Under the new standards, changes in fair value of investments are recorded in the statement of revenues and expenses.

5. FINANCIAL INSTRUMENTS

Fair values

Tides Canada's financial instruments include cash, term deposits, accounts receivable, loans receivables, donated assets, investments, and accounts payable and accrued liabilities. Unless otherwise noted, the estimated fair value of Tides Canada's financial instruments approximates their carrying value.

The carrying amount of financial assets measured at amortized cost is $10,966,191 as at December 31, 2012 (December 31, 2011: $13,015,974).

The carrying amount of financial assets measured at fair value is $25,463,792 as at December 31, 2012 (December 31, 2011: $24,361,049).

The carrying amount of financial liabilities measured at amortized cost is $1,334,255 as at December 31, 2012 (December 31, 2011: $822,273).

Market risk

Market risk is the potential for financial loss to Tides Canada from changes in the values of its financial instruments due to changes in interest rates, equity prices, currency exchange and other price risks. The investments of Tides Canada are subject to normal market fluctuations and to the risk inherent in investment in capital markets.

i) Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises primarily from Tides Canada's investment in interest-bearing financial instruments. The value of fixed income securities will generally rise when interest rates fall and decrease when interest rates rise. Changes in interest rates may also affect the value of equity securities.

5. FINANCIAL INSTRUMENTS (Continued)

ii) Equity price risk

Equity price risk is the risk that the value of financial instruments will fluctuate due to changes in market prices. Tides Canada is exposed to equity price risk on its investments in equity funds holding equity securities.

iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices, other than those arising from interest rates.

All investments represent a risk of loss of capital. Investments held by Tides Canada are susceptible to other price risk arising from uncertainties about future prices of the investments. The maximum risk resulting from the investments is determined by the fair value of their total investments.

Tides Canada actively manages market risk through its investment policy that outlines the objectives, constraints, and parameters related to its investment activities. The Finance and Investment Committee and management regularly review Tides Canada's investments to ensure all activities adhere to the investment policy.

Liquidity risk

Liquidity risk is the risk that Tides Canada cannot meet a demand for cash or fund its obligations as they come due. Maximum exposure to liquidity risk is $1,334,255 as at December 31, 2012 (December 31, 2011: $822,273), which is due to be paid in full before December 31, 2013.

Liquidity risk is managed by investing the majority of Tides Canada's assets in investments that are traded in an active market and can be readily liquidated. In addition, Tides Canada retains sufficient cash positions to maintain liquidity.

Credit risk

Tides Canada is exposed to the risk that a counterparty defaults or becomes insolvent. Financial instruments that potentially subject Tides Canada to concentrations of credit risk are receivables and investments in pooled funds that hold debt securities that are exposed to such risks.

Tides Canada limits the credit risk of investments in money market funds and bond funds by dealing principally with counterparties that maintain a credit rating of Single A or higher as rated by Dominion Bond Rating Service or equivalent.

The maximum exposure to credit risk in terms of receivables is $4,232,133 (December 31, 2011: $2,524,867). Tides Canada manages credit risk on receivables by ensuring sufficient security is in place to support repayment of the loan.

6. INVESTMENTS

	December 31 2012	December 31 2011	January 1 2011
Money market	$ 1,770,844	$ 1,858,976	$ 4,764,919
Bonds	12,926,416	12,400,161	8,050,252
Equity	10,216,532	9,308,258	10,806,664
Long-term deposits	550,000	557,537	-
Securities held for sale	0	236,117	261,122
Investments at fair value	25,463,792	24,361,049	23,882,957
Long term investment, at cost	436,662	253,807	292,974
Total Investments	$ 25,900,454	$ 24,614,856	$24,175,931

Money market and bond funds have a weighted average yield of 0.88% and 2.56%, respectively (December 31, 2011: 1.00% and 3.30%; January 1, 2011: 2.08% and 2.04%).

Long term investments consist of 423 units (December 31, 2011: 284 units) which were acquired in a social venture fund to invest in program related sectors that are critical for a sustainable economy and to generate investment returns. The companies are private companies and fair market value is not readily determinable. The investment is carried at cost.

Periodically, Tides Canada receives securities available for sale which are subsequently disposed of and credited to the donor advised fund.

7. DONATED ASSETS

	December 31 2012	December 31 2011	January 1 2011
Limited Partnership interest	$ 247,000	$ 769,946	$769,946
Limited liability company	250,000	250,000	250,000
Total Donated Assets	$ 497,000	$ 1,019,946	$1,019,946

The Limited Partnership interest consists of 25 of 100 Class A Units. The primary asset is a parcel of land held with the intention of establishing a land conservancy. The revised 2012 asset value is based on an appraisal done by a certified appraiser in December 2012, with the reduction in value of $522,946 recorded as an impairment.

344 Class A units of a private Limited Liability Company which develops community venture capital funds were donated in 2010. The fair market value of the units upon receipt was $250,000.

8. LOANS RECEIVABLE

Loans receivable are comprised of the following:

One loan with a maturity date beyond one year— November 2014. Outstanding amount as of December 31, 2012 on this account is $45,622 and the interest rate is 6%.

Loan agreement for $1.7 million with Haida Gwaii TLUU, signed February 4, 2011. This loan is secured by a mortgage on property, a general security agreement, and a guarantee from Haida Enterprise Corporation. The loan accrues interest annually at the Bank of Canada's prime rate.

9. PROPERTY AND EQUIPMENT

	December 31, 2012		
	Cost	Accumulated Amortization	Net Book Value
Computer software	$ 183,386	$ 125,034	$ 58,352
Enterprise software	728,066	492,219	235,847
Furniture and equipment	687,195	567,389	119,806
Leasehold improvements	1,120,765	500,062	620,703
Total Property and Equipment	$ 2,719,412	$ 1,684,704	$ 1,034,708

	December 31, 2011		
	Cost	Accumulated Amortization	Net Book Value
Computer software	$ 167,244	$ 84,624	$ 82,620
Enterprise software	726,748	346,651	380,097
Furniture and equipment	629,977	486,005	143,972
Leasehold improvements	1,085,925	402,201	683,724
Total Property and Equipment	$ 2,609,894	$ 1,319,481	$ 1,290,413

	January 1, 2011		
	Cost	Accumulated Amortization	Net Book Value
Computer software	$ 90,775	$ 80,943	$ 9,832
Enterprise software	610,514	208,114	402,400
Furniture and equipment	510,655	400,519	110,136
Leasehold improvements	1,085,925	304,596	781,329
Total Property and Equipment	$ 2,297,869	$ 994,172	$ 1,303,697

In 2008, gifted leasehold improvements of $922,000 were received. The deferred capital contribution is being recognized over the amortization period of the leasehold improvements.

10. COMMITMENTS AND CONTINGENCIES

As of December 31, 2012, Tides Canada committed to grants totaling $2,960,000. Payment of these grants is conditional on the recipients meeting certain criteria and providing certain supporting information.

Tides Canada committed to purchasing 709 units in a limited investment partnership, totaling $731,404. As at the year-end, 423 units totaling $436,662 have been purchased (see Note 6). The remaining commitments of $294,742 are required at the call of the general partner when further investment capital is required.

As at December 31, 2012, minimum rental commitments are as follows:

Year	Total
2013	$ 508,380
2014	55,673
	$ 564,053

11. GENERAL AND ADMINISTRATIVE EXPENSES

	2012	2011
Staff costs	$ 3,062,372	$ 2,738,685
Professional services	404,122	174,658
Office expenses	778,638	668,171
Amortization	355,476	303,571
Travel	199,931	130,722
Finance costs	81,930	80,050
Marketing and communications	210,070	235,218
Events and programming	21,180	-
Total General and Administrative Expenses	$ 5,113,719	$ 4,331,075

12. ALLOCATION OF EXPENSES

General and administrative expenses include investment management fees of $110,187 (2011: $105,312) which have been allocated as follows:

	2012	2011
General	$ 77,327	$ 76,294
Endowment, grant and program expenditures	32,860	29,018
Total Allocation of Expenses	$ 110,187	$ 105,312

13. CONTROLLED ORGANIZATION

Tides Canada Ventures Society (TCVS) is a not-for-profit society incorporated in the Province of British Columbia that is controlled by Tides Canada established for the purpose of encouraging and promoting social entrepreneurship. The board of TCVS consists of two Tides Canada staff and one Tides Canada board member. There were no financial transactions between TCVS and Tides Canada in 2012.

Funds held by TCVS are externally restricted by agreement with its funder, and are held for the purpose of supporting work related to salmon aquaculture.

13. CONTROLLED ORGANIZATION (continued)

As a controlled organization, Tides Canada does not combine the financial information of TCVS. The below financial information for TCVS is provided:

Tides Canada Ventures Society
Balance Sheet
As at December 31, 2012

ASSETS		
Cash	$	97,234
TOTAL ASSETS	$	97,234
LIABILITIES		
FUND BALANCES		
Externally Restricted Funds	$	97,234
TOTAL FUND BALANCES	$	97,234
TOTAL LIABILITIES AND FUND BALANCES	$	97,234

Tides Canada Ventures Society
Statement of Revenues and Expenditures
For the Year Ended December 31, 2012

REVENUES		
Awards & Funding Agreements	$	100,000
Interest and Other Income	$	44
TOTAL REVENUES	$	100,044
EXPENSES		
Consulting Fees	$	2,806
Miscellaneous	$	4
TOTAL EXPENSES	$	2,810
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$	97,234