

# **THE NATURE TRUST OF BRITISH COLUMBIA**

## **CONSOLIDATED FINANCIAL STATEMENTS**

Year Ended December 31, 2023



DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

# Independent Auditor's Report

To the Directors of The Nature Trust of British Columbia

## Opinion

We have audited the financial statements of The Nature Trust of British Columbia (the "Trust"), which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statements of operations and net assets and cash flow for the year then ended, and notes to the financial statements including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2023, and the results of its operations and its cash flows for the year then ended 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

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

### Vancouver

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## Auditor's 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 auditor's 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 these 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 Trust'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 Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Trust 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.

We 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.

**DALE MATHESON CARR-HILTON LABONTE LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, Canada

# THE NATURE TRUST OF BRITISH COLUMBIA

## Consolidated Statement of Financial Position

December 31, 2023

	General Fund \$	Internally Restricted Fund \$	Endowment Fund \$	Property Fund \$	Land Management Fund \$	Total 2023 \$	Total 2022 \$
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash	8,931,738	420,792	-	-	-	9,352,530	3,183,672
Accounts receivable	1,268,942	-	-	-	-	1,268,942	1,101,789
Prepaid expenses and deposits	320,067	-	-	-	-	320,067	199,227
	10,520,747	420,792	-	-	-	10,941,539	4,484,688
<b>INVESTMENTS (Note 2 (b), 2 (i) and 3)</b>	25,967,285	-	6,991,338	-	15,063,797	48,022,420	45,098,801
<b>CAPITAL ASSETS (Note 4)</b>	2,055,055	-	-	-	-	2,055,055	2,018,502
<b>CONSERVATION LANDS (Note 6)</b>	-	-	-	128,987,481	-	128,987,481	123,579,730
<b>CONSERVATION LANDS UNDER LONG TERM LEASE (Note 5 and 6)</b>	-	-	-	895,948	-	895,948	895,948
<b>PACIFIC ESTUARY CONSERVATION PROGRAM PROPERTIES (Note 2(e) and 6)</b>	-	-	-	17,168,789	-	17,168,789	17,168,789
	38,543,087	420,792	6,991,338	147,052,218	15,063,797	208,071,232	193,246,459
<b>LIABILITIES</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable and accrued liabilities	527,047	-	-	-	-	527,047	379,620
Deferred contributions (Note 8)	14,682,956	-	-	-	-	14,682,956	10,690,642
	15,210,003	-	-	-	-	15,210,003	11,070,263
<b>NET ASSETS</b>	23,333,084	420,792	6,991,338	147,052,218	15,063,797	192,861,229	182,176,196
	38,543,087	420,792	6,991,338	147,052,218	15,063,797	208,071,232	193,246,459

APPROVED ON BEHALF OF THE BOARD:

Commitments (see Note 11)

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# THE NATURE TRUST OF BRITISH COLUMBIA

## Consolidated Statement of Operations and Net Assets

Year ended December 31, 2023

	General Fund		Internally Restricted Fund		Endowment Fund		Property Fund		Land Management Fund		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>												
Donations and grants <b>(Note 6, 7)</b>	4,076,911	3,899,918	-	-	7,680	27,828	5,671,794	18,934,986	962,214	2,111,028	10,718,599	24,973,759
Investment income <b>(Note 9)</b>	1,545,323	1,263,031	-	-	-	-	-	-	-	-	1,545,323	1,263,031
Rental and other income	1,695,238	1,317,269	-	-	-	-	-	-	-	-	1,695,238	1,317,269
	<u>7,317,472</u>	<u>6,480,218</u>	<u>-</u>	<u>-</u>	<u>7,680</u>	<u>27,828</u>	<u>5,671,794</u>	<u>18,934,986</u>	<u>962,214</u>	<u>2,111,028</u>	<u>13,959,160</u>	<u>27,554,059</u>
<b>OPERATING EXPENSES</b>												
Salaries and benefits	1,257,907	1,143,136	-	-	-	-	-	-	-	-	1,257,907	1,143,136
Administration expenses	1,272,535	1,184,002	-	-	-	-	-	-	-	-	1,272,535	1,184,002
	<u>2,530,442</u>	<u>2,327,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,530,442</u>	<u>2,327,138</u>
<b>PROGRAM EXPENSES</b>												
Land management and securement												
Salaries and benefits	1,221,587	1,068,180	-	-	-	-	-	-	-	-	1,221,587	1,068,180
General program costs	76,722	48,638	-	-	-	-	-	-	-	-	76,722	48,638
Province-wide	274,412	99,483	-	-	-	-	-	-	-	-	274,412	99,483
Okanagan	687,566	698,220	-	-	-	-	-	-	-	-	687,566	698,220
Vancouver Island	263,587	435,669	-	-	-	-	-	-	-	-	263,587	435,669
North and Central	23,835	24,393	-	-	-	-	-	-	-	-	23,835	24,393
Kootenay	701,136	791,759	-	-	-	-	-	-	-	-	701,136	791,759
Lower Mainland	189,477	252,124	-	-	-	-	-	-	-	-	189,477	252,124
	<u>3,438,322</u>	<u>3,418,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,438,322</u>	<u>3,418,466</u>
<b>EXCESS FROM OPERATIONS</b>	1,348,708	734,614	-	-	7,680	27,828	5,671,794	18,934,986	962,214	2,111,028	7,990,396	21,808,456
<b>Changes in fair value of investments</b>	2,694,637	(5,646,861)	-	-	-	-	-	-	-	-	2,694,637	(5,646,861)
<b>EXCESS OF REVENUE OVER EXPENSES</b>	4,043,345	(4,912,247)	-	-	7,680	27,828	5,671,794	18,934,986	962,214	2,111,028	10,685,033	16,161,595
<b>NET ASSETS, beginning of year</b>	20,719,178	26,902,384	-	-	6,240,287	5,343,741	141,644,467	123,047,020	13,572,265	10,721,457	182,176,196	166,014,602
<b>INTERFUND TRANSFER</b>												
Other transfers	(656,749)	(162,461)	420,792	-	500,000	500,000	(264,043)	(337,539)	-	-	-	-
Inflation protection <b>(Note 2 (f))</b>	(772,690)	(1,108,499)	-	-	243,371	368,718	-	-	529,318	739,781	-	-
<b>NET ASSETS, end of year</b>	23,333,084	20,719,178	420,792	-	6,991,338	6,240,287	147,052,218	141,644,467	15,063,797	13,572,265	192,861,229	182,176,196

# THE NATURE TRUST OF BRITISH COLUMBIA

## Consolidated Statement of Cash Flow December 31, 2023

	2023	2022
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATIONS</b>		
Excess of revenue over expenses	10,685,033	16,161,595
Items not involving cash:		
Amortization	13,311	27,937
Changes in fair value of investments	(2,694,637)	5,646,861
Contributed conservation lands (Note 6)	(200,000)	(6,585,158)
	7,803,707	15,251,235
Changes in non-cash working capital items	(140,566)	1,563,000
Increase (decrease) in deferred contributions	3,992,313	(2,601,278)
	11,655,454	14,212,956
<b>INVESTING ACTIVITIES</b>		
Investment withdrawals	1,250,949	-
Investment purchases	-	(3,120,000)
Reinvestment of investment income	(1,479,907)	(990,274)
Purchase of conservation lands (Note 6)	(5,207,751)	(12,012,289)
Purchase of capital assets	(49,887)	(7,680)
	(5,486,596)	(16,130,243)
<b>INCREASE (DECREASE) IN CASH</b>	6,168,858	(1,917,287)
<b>CASH, beginning of year</b>	3,183,672	5,100,959
<b>CASH, end of year</b>	9,352,530	3,183,672

# THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements  
December 31, 2023

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## 1. OPERATIONS

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The Government of Canada created The Nature Trust of British Columbia (the "Trust") effective July 1, 1971. The Trust is incorporated under the Canada Not-for-profit Corporations Act.

The Trust's objective is the conservation of British Columbia's natural habitat and biodiversity through land securement and management activities. The Trust holds its properties, capital, and accumulated income in a trustee capacity. The majority of the properties owned by the Trust have been leased or are in the process of being leased to federal, provincial or municipal authorities, and to non-government organizations under long-term leases for conservation purposes.

Under the provisions of Section 149.1(1) (b) of the Income Tax Act the Trust is classified as a "Charitable Organization" and is accordingly exempt from income and capital taxes.

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## 2. SIGNIFICANT ACCOUNTING POLICIES

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These consolidated financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

The accounting policies of the Trust are as follows:

(a) Basis of accounting

These consolidated financial statements include the accounts of the Trust and the assets, liabilities, net assets, revenues, expenses and other transactions of White Lake Basin Holdings Ltd. and 0772995 B.C. Ltd., which are wholly owned subsidiaries of the Trust.

(b) Investments

The Trust's investment activities are governed by its Statement of Investment Policies and Procedures as approved by the Board of Directors. This policy has guidelines as to asset categories and mix in accordance with the investment and risk philosophy of the fund. Investment managers of the fund are selected by the Trust's Audit, Finance and Investment committee and continually monitored for performance.

(c) Capital assets

Capital assets are stated at cost less accumulated amortization. Amortization is provided on a declining-balance basis using the following annual rates:

<u>Asset</u>	<u>Rate</u>
Land	non-depreciable
Building	4%
Furniture and equipment	20-30%
Vehicles	30%

Capital assets acquired but not placed into use are not amortized until they are placed into use.

(d) Trust property acquisitions

Trust property purchased is recorded at cost. Property donated is recorded at the fair market value on the acquisition date.

# THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements  
December 31, 2023

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## 2. SIGNIFICANT ACCOUNTING POLICIES – Cont'd

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(e) Pacific Estuary Conservation Program property acquisitions

The Trust holds title on behalf of all participants to properties acquired through the Pacific Estuary Conservation Program. Properties are recorded at cost.

(f) Fund accounting

For financial reporting purposes, the accounts of the Trust have been classified into funds. Under this method of accounting resources for designated purposes are reported under their appropriate fund. The accounts have been classified into the following funds:

(i) General Fund

The general fund accounts for the Trust's unrestricted resources and administrative functions. The balance at year end represents the original capital contributed by the Government of Canada on July 1, 1971 in the amount of \$4.5 million, the Trust's investment in capital assets, changes in fair value on financial instruments, and accumulated operating surpluses and deficits.

(ii) Internally Restricted Fund

Internally restricted funds are funds set aside for future land acquisition and land management purposes, and can only be spent with the approval of the Board.

(iii) Endowment Fund

The endowment fund was established in 2008 to ensure that the Trust maintains a sufficient capital base for its long term operating and property acquisition needs. The capital in this fund is to be held in perpetuity. Commencing with the 2019 fiscal year the Endowment Fund will receive an annual transfer from the General Fund equal to the Canadian Annual Inflation rate applied to the Fund's opening capital balance, provided the Trust's overall rate of return on its investment portfolio is in excess of this inflation rate.

(iv) Property Fund

The property fund accounts for the accumulated cost of land acquisitions. It includes contributions for land acquisitions, land acquired for cash, land donated, land acquired pursuant to long term leases, and certain properties acquired through the Pacific Estuary Conservation Program.

(v) Land Management Fund

The land management fund was established to support the management and maintenance of properties the Trust has acquired to ensure that the long-term ecological and habitat values for which they were acquired are achieved. Contributions to the fund are designated by donors. Also included are funds contributed from the Forest Renewal BC program, which originated under an agreement signed in 1998 with the Trust to ensure the on-going management of properties secured under the agreement. The capital in this fund is to be held in perpetuity. Commencing with the 2019 fiscal year the Land Management Fund will receive an annual transfer from the General Fund equal to the Canadian Annual Inflation rate applied to the Fund's opening capital balance, provided the Trust's overall rate of return on its investment portfolio is in excess of this inflation rate.



# THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements  
December 31, 2023

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## 2. SIGNIFICANT ACCOUNTING POLICIES – Cont'd

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### (g) Revenue recognition

The Trust follows the deferral method of accounting for contributions. Externally restricted contributions for designated purposes are deferred and then recognized as revenue in the year in which the related expense or property acquisition cost is incurred. Unrestricted contributions 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 recorded on the accrual basis which includes dividend and interest income, reinvested distributions from pooled mutual fund investments and realized gains and losses on sale of investments.

Unrealized appreciation and depreciation in the fair value of investments is recognized as changes in fair value of investments.

Rental revenue is recognized as rents are earned and accrued at the beginning of each month based on rents expected according to rental agreements signed by tenants.

Other income which may include revenue from various sources such as grants, donations, fundraising events, and service fees are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

### (h) Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations principles 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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

### (i) Financial instruments

The Trust initially measures its financial assets and liabilities at fair value with transaction costs expensed when incurred. The Trust subsequently measures its financial assets and liabilities at amortized cost, except for investments in quoted active markets, which are measured at fair value. Changes in fair value are recognized in the consolidated statement of operations and net assets.

Financial assets of the Trust include cash, investments and accounts receivable.

Financial liabilities of the Trust include accounts payable and accrued liabilities.

The Trust performs an annual test for impairment on its financial assets not subsequently measured at fair value. Impairment is recognized by a direct reduction to the carrying value of the asset with the loss recognized in the consolidated statement of operations and net assets. When the event that caused the impairment reverses or improves in the future, the loss will be reversed to the extent of the improvement. The amount of the reversal is recognized in the consolidated statement of operations and net assets.

### (j) Contributed assets and services

The Trust receives shares and land donated from contributors. These contributions are recorded at fair market value when received.

The operations on the Trust depend on the contribution of time by volunteers. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

# THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements  
December 31, 2023

## 3. INVESTMENTS

All investments are measured at fair value which is readily available from published price quotations in the active market.

	2023		2022	
	\$		\$	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash	2,069,785	2,069,785	1,006,891	1,006,891
Bond Fund	13,411,458	12,851,279	12,088,639	11,216,903
Canadian Equities	9,235,564	10,877,666	11,112,968	12,553,831
US Equities	4,916,474	5,252,961	4,850,344	4,104,972
Global Equities	14,293,996	14,416,361	14,031,231	13,379,725
Alternative investments	1,564,698	2,442,053	1,688,678	2,219,790
Term Deposits	110,240	112,316	610,240	616,689
	<u>45,602,215</u>	<u>48,022,420</u>	<u>45,388,992</u>	<u>45,098,801</u>

## 4. CAPITAL ASSETS

	2023		2022	
	\$		\$	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Furniture and equipment	194,172	128,732	65,440	42,449
Land and building	1,954,000	-	1,954,000	1,954,000
Vehicles	131,641	96,026	35,615	22,053
	<u>2,279,813</u>	<u>224,758</u>	<u>2,055,055</u>	<u>2,018,502</u>

## 5. CONSERVATION LANDS UNDER LONG-TERM LEASE

The Trust has acquired lease interests in two Crown properties. Under certain conditions, the Crown leases extend into perpetuity. The acquisition cost of these properties has been recorded as Conservation Lands under long-term lease.

# THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements  
December 31, 2023

## 6. PROPERTY FUND

	Acquisition Cost \$	External Funding \$	Net Cost (Recovery) \$
<b>2023</b>			
Property Fund assets at December 31, 2022	141,644,467		
<b>Additions</b>			
Saturna Island - Money Creek	229	308,418	(308,189)
Meteor Lake Wetland - Bog	236	236	-
Columbia Lake North - Wetlands	354	354	-
Saturna Island - Mount Fisher Bluffs	3,331	3,331	-
Little Qualicum River	2,134,474	2,134,474	-
Beck Creek - Evans Road Covenant	223,852	200,000	23,852
Ferguson Lake - Wetlands - Phase I	1,535,085	1,535,085	-
Cranberry Marsh - West - Phase I	912,092	891,798	20,294
Crescent Spur	598,098	598,098	-
	5,407,751	5,671,794	(264,063)
Net cost (recovery)			(264,043)
Property Fund net assets at December 31, 2023	147,052,218		
<b>2022</b>			
Property Fund assets at December 31, 2021	123,047,020		
<b>Additions</b>			
Kamloops Lake - Rosseau Creek	443	113,876	(113,434)
Shoal Creek Estuary - Phase I	882	893,250	(892,368)
Hoodoos - Columbia Wetlands	857	215,077	(214,220)
Skaha Lake - Eastside Lot 2 - D	2,253	54,797	(52,544)
WLBBR - Park Rill Creek DL 1995	1,773,521	1,773,521	-
Galiano Island - Qw'xwulwis - Cable Bay	2,084,251	2,084,251	-
Shoal Creek Estuary - Phase II	964,019	958,280	5,739
Keremeos Columns - MapleCross Grassland	2,140,773	2,140,773	-
WLBBR Park Rill Infill West	1,860,169	1,860,169	-
Saturna Island - Money Creek	2,498,830	1,570,188	928,642
Englishman River - Emil Anderson Legacy Forest	5,243,801	5,243,801	-
Meteor Lake Wetland - Bog	333,922	333,922	-
Columbia Lake North - Wetlands	838,503	838,503	-
Saturna Island - Mount Fisher Bluffs	854,131	854,131	-
Other	1,092	447	645
	18,597,447	18,934,986	(337,539)
Net cost (recovery)			(337,539)
Property Fund net assets at December 31, 2022	141,644,467		

# THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements  
December 31, 2023

## 7. DONATIONS AND GRANTS – GENERAL FUND

Donations and Grants	2023 \$	2022 \$
<b>Donations received from</b>		
Individuals	915,230	3,037,913
Bequests	2,099,507	808,881
Corporations and other organizations	3,882,014	2,959,514
Transferred to endowments	(15,650)	-
Transferred to acquisitions	(2,507,057)	-
Transferred to deferred contributions	(2,177,177)	(4,895,482)
	<u>2,196,867</u>	<u>1,910,826</u>
<b>Program grants</b>		
Grants received	7,188,920	6,922,269
Transferred to acquisitions	(3,493,739)	-
Transferred to deferred contributions	(3,597,178)	(6,817,088)
Transferred from deferred contributions	1,782,041	1,883,911
	<u>1,880,044</u>	<u>1,989,091</u>
<b>Total donations and program grants – General Fund</b>	<b>4,076,911</b>	<b>3,899,918</b>

## 8. DEFERRED CONTRIBUTIONS

Deferred contributions includes donations, grants and other funding received that must be used as designated by the contributor. These amounts will be recognized as revenue in the year the related expenditure is incurred.

	2023 \$	2022 \$
Conservation land acquisitions	10,747,796	7,925,003
Program expenditures	3,902,624	2,514,590
Pacific Estuary Conservation Program (PECP)	22,232	190,769
Other	10,303	60,280
	<u>14,682,955</u>	<u>10,690,642</u>

# THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements  
December 31, 2023

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## 9. INVESTMENT AND OTHER INCOME

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### a) Vancouver Foundation

The Trust is the beneficiary of the income from The Nature Trust of British Columbia Fund held by the Vancouver Foundation. The capital and income funds held by the Vancouver Foundation on behalf of the Trust, which are not reflected in these financial statements, amount to \$279,241 and \$5,569 respectively at December 31, 2023 (2022 - \$279,241 and \$5,458). Included in investment income is \$22,165 (2022 - \$20,825) received from this fund. The fair market value of the fund on December 31, 2023 was \$479,032 (2022 - \$454,771).

### b) British Columbia Government Endowment Fund

In April of 2008 the British Columbia government announced the creation of a \$6 million Conservation Land Operating Account on behalf of The Trust. The account is administered by the Habitat Conservation Trust Foundation and investment income generated from the account is used to fund conservation land management projects. The income received in 2023 was \$170,335 (2022 - \$254,603) and is included in donations and grants in the Statement of Operations and Net Assets.

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## 10. FUNDS HELD IN TRUST

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The Trust was appointed as administrator for the West Coast Conservation Land Management Program, the Kootenay Conservation Program and the Conservation Lands Partner Program. The Trust holds funds in trust for these programs in the amount of \$279,267, \$132,605 and \$160,748 respectively, (2022 - \$1,134,695; \$148,578; \$158,481), which are excluded from the Trust's statement of financial position.

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# THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements  
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## 11. COMMITMENTS

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The Trust has outstanding long-term operating leases with respect to five vehicles it operates. The lease payments due are as follows:

2024	\$ 65,390
2025	65,390
2026	14,236
2027	5,932
	<u>\$ 150,947</u>

The Trust leases office space in Vancouver, BC for its operating premises until October 31, 2028. The annual lease payment is \$121,125 plus operating expenses. The landlord has granted two months free rent in each five year term. The minimum annual lease payments are as follows:

2024	\$ 121,125
2025	121,125
2026	121,125
2027	121,125
Thereafter	100,938
	<u>\$ 585,438</u>

The Trust leases a photocopier for office use. The term of the lease is from March 30, 2022 to September 30, 2027. The lease payments are made in quarterly instalments of \$2,067. Future lease payments due are as follows:

2024	\$ 8,269
2025	8,269
2026	8,269
2027	6,202
	<u>\$ 31,011</u>

# THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements  
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## 12. LIFE INSURANCE POLICIES

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The Trust is the owner and beneficiary of two life insurance policies with an insured value of approximately \$2,102,189 (2022 - \$2,102,099). The Trust owns one policy in respect of which it makes the annual premium payment of \$22,857 (2022 - \$22,857), which is included in administration expenses. For the second policy, the policy donor pays the annual premiums. The total cash surrender values associated with these policies is nominal and have not been included in the Trust's statement of financial position.

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## 13. FINANCIAL INSTRUMENTS AND RISK EXPOSURE

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The Trust is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. There were no significant changes in risk exposures in the current year as compared to 2022.

(a) Foreign currency risk

The Trust is exposed to foreign currency risk with respect to its investments denominated in foreign currencies, including the underlying investments of funds denominated in foreign currencies, because of fluctuations in the relative value of foreign currencies against the Canadian dollar. Cash of \$1,409,076 (2022 - \$1,311,892) are shown in US dollars and converted into Canadian dollars.

(b) Interest rate risk

The Trust is exposed to interest rate risk with respect to its investments in fixed income investments, and other funds that hold fixed income securities because the fair value will fluctuate due to changes in market interest rates.

(c) Credit risk

The Trust is exposed to credit risk in connection with its cash, accounts receivable and its short-term and fixed income investments because of the risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Trust manages credit risk on their cash by placing it with major Canadian financial institutions.

(d) Liquidity risk

The Trust is exposed to liquidity risk to the extent that it will encounter difficulty in meeting obligations associated with financial liabilities. To manage liquidity risk, the Trust keeps sufficient cash resources readily available to meet its obligations. The Trust has investments in publicly traded liquid assets that are easily sold and converted to cash.

(e) Other price risk

The Trust is exposed to other price risk through changes in market prices (other than changes arising from interest rate risk or currency risk) in connection with its investment portfolio.

# THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

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## 14. ACQUISITIONS SUBSEQUENT TO YEAR END

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In 2024, the Trust has completed ten property acquisitions for the purpose of conserving lands in British Columbia; the purchase price for these property totals \$15,208,672.

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