

THE NATURE TRUST OF NEW BRUNSWICK, INC.

FINANCIAL STATEMENTS

APRIL 30, 2008

(UNAUDITED)

September 11, 2008

REVIEW ENGAGEMENT REPORT

To the Board of Trustees of The Nature Trust of New Brunswick, Inc.

We have reviewed the statement of financial position of The Nature Trust of New Brunswick, Inc. as at April 30, 2008 and the statements of revenue and expenses, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

THE NATURE TRUST OF NEW BRUNSWICK, INC.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED APRIL 30, 2008

(UNAUDITED)

	General Operating Fund	Coastal Campaign Fund	Stewardship Fund	Endowment Fund	Total 2008	Total 2007
<u>ASSETS:</u>						
Current:						
Cash	\$ 21,449	\$ 3,998	\$ 13,284	\$ 816	\$ 39,547	\$ 93,976
Accounts receivable	8,707	-	660	-	9,367	5,843
Inventory	8,100	-	-	-	8,100	-
Prepaid expenses	6,003	-	-	-	6,003	1,739
	<u>44,259</u>	<u>3,998</u>	<u>13,944</u>	<u>816</u>	<u>63,017</u>	<u>101,558</u>
Interfund balances	55,990	(80,859)	37,352	(12,483)	-	-
Investments (note 3)	-	-	17,664	149,974	167,638	175,417
Capital assets (note 4)	6,063	-	-	-	6,063	6,987
	<u>\$ 106,312</u>	<u>\$ (76,861)</u>	<u>\$ 68,960</u>	<u>\$ 138,307</u>	<u>\$ 236,718</u>	<u>\$ 283,962</u>
<u>LIABILITIES:</u>						
Current:						
Accounts payable and accrued liabilities (note 9)	\$ 10,090	\$ 50,274	\$ -	\$ -	\$ 60,364	\$ 3,263
Deferred revenue	32,397	-	-	-	32,397	48,333
total liabilities	<u>42,487</u>	<u>50,274</u>	<u>-</u>	<u>-</u>	<u>92,761</u>	<u>51,596</u>
<u>NET ASSETS:</u>						
Unrestricted	57,762	-	-	-	57,762	79,722
Invested in capital assets	6,063	-	-	-	6,063	6,987
Coastal Campaign Fund	-	(127,135)	-	-	(127,135)	-
Stewardship Fund	-	-	68,960	-	68,960	-
Endowment Fund (note 5)	-	-	-	145,657	145,657	145,657
Accumulated Other Comprehensive Loss (note 6)	-	-	-	(7,350)	(7,350)	-
	<u>63,825</u>	<u>(127,135)</u>	<u>68,960</u>	<u>138,307</u>	<u>143,957</u>	<u>232,366</u>
	<u>\$ 106,312</u>	<u>\$ (76,861)</u>	<u>\$ 68,960</u>	<u>\$ 138,307</u>	<u>\$ 236,718</u>	<u>\$ 283,962</u>
On behalf of the board:						
Director: _____						

THE NATURE TRUST OF NEW BRUNSWICK, INC.**STATEMENT OF REVENUE AND EXPENSES****FOR THE YEAR ENDED APRIL 30, 2008****(UNAUDITED)**

	General Operating Fund	Coastal Campaign Fund	Stewardship Fund	Endowment Fund	Total 2008	Total 2007
Revenue:						
Donations and grants	\$176,163	\$ 80,018	\$ 21,445	\$ -	\$ 277,626	\$ 123,391
Donations-in-kind (note 7)	72,600	-	-	-	72,600	770,500
Workshops and miscellaneous	262	920	80	-	1,262	2,640
Investment income	7	-	668	9,311	9,986	11,301
	<u>249,032</u>	<u>80,938</u>	<u>22,193</u>	<u>9,311</u>	<u>361,474</u>	<u>907,832</u>
Expenses:						
Amortization	1,450	-	-	-	1,450	1,263
Board meetings	172	-	-	-	172	303
Conferences, workshops and travel	6,022	622	-	-	6,644	6,102
Contract labour	10,240	-	-	-	10,240	1,190
Donations	174	-	-	-	174	180
Excursions	8,702	-	-	-	8,702	872
Insurance	3,221	-	-	-	3,221	3,043
Interest and bank charges	571	294	-	-	865	823
Miscellaneous	349	-	-	-	349	197
Office and computer expenses	9,950	843	33	-	10,826	12,699
Postage	1,678	24	-	-	1,702	2,191
Professional fees	15,521	218	-	-	15,739	10,522
Projects, sites and preserves (note 7)	91,754	200,000	-	-	291,754	774,577
Property taxes	198	-	-	-	198	-
Rent	6,218	60	-	-	6,278	7,072
Telephone and utilities	1,927	-	-	-	1,927	1,861
Wages and benefits	76,280	6,012	-	-	82,292	71,808
	<u>234,427</u>	<u>208,073</u>	<u>33</u>	<u>-</u>	<u>442,533</u>	<u>894,703</u>
Excess of revenue (expenses) for the year	14,605	(127,135)	22,160	9,311	(81,059)	13,129
Other comprehensive loss (note 6)	-	-	-	(14,203)	(14,203)	-
Comprehensive loss for the year	<u>\$ 14,605</u>	<u>\$(127,135)</u>	<u>\$ 22,160</u>	<u>\$ (4,892)</u>	<u>\$ (95,262)</u>	<u>\$ 13,129</u>

THE NATURE TRUST OF NEW BRUNSWICK, INC.**STATEMENT OF CHANGES IN NET ASSETS****FOR THE YEAR ENDED APRIL 30, 2008**

(UNAUDITED)

	Unrestricted	Invested in Capital Assets	Coastal Campaign Fund	Stewardship Fund	Endowment Fund	Accumulated Other Comprehensive Loss	Total 2008	Total 2007
Balance beginning of year:								
As originally stated	\$85,555	\$6,987	\$ -	\$ -	\$ 145,657	\$ -	\$238,199	\$219,237
Adjustments (note 8)	<u>(5,833)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,833)</u>	<u>-</u>
As restated	79,722	6,987	-	-	145,657	-	232,366	219,237
Excess of revenue (expenses)	14,605	-	(127,135)	22,160	9,311	-	(81,059)	13,129
Additions to capital assets	(526)	526	-	-	-	-	-	-
Amortization of capital assets	1,450	(1,450)	-	-	-	-	-	-
Unrealized gain on available-for-sale investments as at May 1, 2007	-	-	-	-	-	6,853	6,853	-
Other Comprehensive Loss (note 6)	-	-	-	-	-	(14,203)	(14,203)	-
Transfers	<u>(37,489)</u>	<u>-</u>	<u>-</u>	<u>46,800</u>	<u>(9,311)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 57,762</u>	<u>\$6,063</u>	<u>\$(127,135)</u>	<u>\$ 68,960</u>	<u>\$145,657</u>	<u>\$ (7,350)</u>	<u>\$143,957</u>	<u>\$232,366</u>

THE NATURE TRUST OF NEW BRUNSWICK, INC.**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED APRIL 30, 2008****(UNAUDITED)**

	<u>2008</u>	<u>2007</u>
CASH GENERATED FROM (USED IN):		
OPERATING ACTIVITIES:		
Excess of revenue (expenses) for the year	\$ (81,059)	\$ 13,129
Amortization, not requiring a cash outlay	<u>1,450</u>	<u>1,263</u>
	(79,609)	14,392
Net change in current assets and liabilities other than cash (note 10)	<u>25,277</u>	<u>49,544</u>
	<u>(54,332)</u>	<u>63,936</u>
INVESTING ACTIVITIES:		
Additions to investments	(9,883)	(17,944)
Proceeds on disposal of investments	10,312	-
Additions to capital assets	<u>(526)</u>	<u>(3,875)</u>
	<u>(97)</u>	<u>(21,819)</u>
INCREASE (DECREASE) IN CASH, in the year	(54,429)	42,117
CASH, beginning of year	<u>93,976</u>	<u>51,859</u>
CASH, end of year	<u>\$ 39,547</u>	<u>\$ 93,976</u>

THE NATURE TRUST OF NEW BRUNSWICK, INC.

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2008

(UNAUDITED)

1. The organization:

The organization is a registered charity under the Income Tax Act. Its primary purpose is the identification, preservation, and protection of sensitive ecological areas of scientific and historical interest for New Brunswick.

2. Significant accounting policies:

(a) Changes in accounting policy:

- (i) During the year, the organization adopted Fund accounting whereby the activities of specific Funds are shown separately, as follows:

The Coastal Campaign Fund includes activities for the Coastal Campaign project. The net assets of this Fund are internally restricted.

The Stewardship Fund includes property stewardship activities. The net assets of this Fund are internally restricted.

The Endowment Fund includes endowment contributions and other donor-directed contributions. Investment income earned in this Fund is recorded as revenue and then as a transfer to the General Operating Fund because the investment income is not restricted for Endowment Fund purposes. \$73,383 of the net assets of this Fund are externally restricted. The remaining net assets of the Fund can be transferred to another Fund with approval of 2/3 of the Board of Trustees.

The General Operating Fund includes all other activities of the organization. The net assets of this Fund (excluding amounts invested in capital assets) are unrestricted.

- (ii) During the year, the Association applied on a prospective basis the new recommendation of the Canadian Institute of Chartered Accountants regarding the recognition, measurement and presentation of financial instruments following the release of Sections 1530, "Comprehensive income," 3855, "Financial instruments – Recognition and measurement" and 3861, "Financial instruments – Disclosure and presentation."

(b) Sites and preserves:

The organization does not record the acquisition of sites and preserves as an asset. All costs related to sites and preserves are expensed as incurred.

THE NATURE TRUST OF NEW BRUNSWICK, INC.**NOTES TO THE FINANCIAL STATEMENTS****APRIL 30, 2008****(UNAUDITED)****2. Significant accounting policies (continued):****(c) Inventory:**

Inventory consists of assets donated to the organization and held for resale. Inventory is recorded at estimated fair market value when asset received.

(d) Investments:

- (i) Investments held-to-maturity are recorded at cost which approximates fair value.
- (ii) Available-for-sale investments are non-derivative financial assets that are designated as available for sale, or that are not classified as loans and receivables, held-to-maturity investments, or held for trading. They are measured at fair value. Fair value is determined based on market prices. Gains and losses are recognized directly in other comprehensive income until the financial asset is derecognized, at which time the cumulative gain or loss previously recognized in accumulated other comprehensive income should be recognized in excess of revenue over expenses for the year.

(e) Capital assets:

Capital assets are recorded at cost. Provision for amortization is made utilizing the declining balance method at an annual rate of 20%. One half of annual rates are applied for current year additions.

(f) Revenue recognition:

The organization defines contributions revenue as revenue from grants and donations.

The organization follows the deferral method of accounting for contributions revenue. Project and restricted contributions are recognized as revenue of the appropriate Fund in the year in which the related expenses are incurred. Unrestricted contributions and investment income are recognized as revenue of the appropriate Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets of the Endowment Fund.

(g) Donations-in-kind:

Donations-in-kind are recorded at the estimated fair market value of the item received.

THE NATURE TRUST OF NEW BRUNSWICK, INC.**NOTES TO THE FINANCIAL STATEMENTS****APRIL 30, 2008****(UNAUDITED)****2. Significant accounting policies (continued):****(h) Donated services:**

The value of donated services provided to the organization such as volunteer work is not recorded in the accounts.

(i) Use of estimates:

In preparing the Organization's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

3. Investments:

The organization has investments managed by The Fredericton Community Foundation Inc. (FCF), a charitable public foundation. These investments are recorded at fair value. The organization also has term deposits with a Canadian bank.

	<u>Internally Restricted</u>	<u>Externally Restricted</u>	<u>Total</u>
Available-for-sale investments:			
Investments with FCF	\$ 20,905	\$ 73,383	\$ 94,288
Held-to-maturity investments:			
Term deposits	<u>73,350</u>	<u>-</u>	<u>73,350</u>
	<u>\$ 94,255</u>	<u>\$ 73,383</u>	<u>\$167,638</u>

The investments with FCF are recorded at fair value as of March 31, 2008 because April 30, 2008 information is not available from FCF.

4. Capital assets:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2008 Net Book Value</u>	<u>2007 Net Book Value</u>
Equipment	<u>\$ 15,651</u>	<u>\$ 9,588</u>	<u>\$ 6,063</u>	<u>\$ 6,987</u>

THE NATURE TRUST OF NEW BRUNSWICK, INC.**NOTES TO THE FINANCIAL STATEMENTS****APRIL 30, 2008****(UNAUDITED)****5. Endowment Fund:**

	<u>2008</u>	<u>2007</u>
The organization established an Endowment Fund in October 1998. Donor-directed donations and directed bequests (totaling \$73,383) are to be held in the Fund for a minimum of 10 years and therefore an equivalent amount of investments is externally restricted		
Externally Restricted amounts	\$ 73,383	\$ 73,383
Internally restricted "Other", amounts can be transferred to Unrestricted net assets with approval of 2/3 of Board of Trustees	<u>72,274</u>	<u>72,274</u>
	<u>\$145,657</u>	<u>\$145,657</u>

6. Accumulated Other Comprehensive Loss:

	<u>2008</u>	<u>2007</u>
Unrealized losses for the year on available-for-sale investments	\$ (14,203)	\$ -
Unrealized gain on available-for-sale investments as at May 1, 2007	<u>6,853</u>	<u>-</u>
	<u>\$ (7,350)</u>	<u>\$ -</u>

Amount represented by:

Investments with FCF at fair value	\$ 94,288
Investments with FCF at cost	<u>(101,638)</u>
Excess	<u>\$ (7,350)</u>

THE NATURE TRUST OF NEW BRUNSWICK, INC.**NOTES TO THE FINANCIAL STATEMENTS****APRIL 30, 2008****(UNAUDITED)****7. Sites and preserves:**

The following is a list of sites and preserves presently owned or maintained by the organization:

- von Ziegesar Easement (73 hectares) (Easement)
- Shea Lake (151 hectares) (Leased)
- George M. Stirrett (1 hectare)
- Robert K. Stewart (24.4 hectares) (Land and Easement)
- Pickerel Pond (78 hectares)
- Manawagonish Island (20 hectares)
- Saints Rest Marsh (8.1 hectares)
- Hyla Park (8 hectares) (Leased)
- Sugar Island (8.1 hectares)
- Cape Enrage Marsh (26 hectares)
- Caughey-Taylor (118 hectares)
- Burpee Bar (5 hectares)
- Chocolate Cove (25 hectares)
- New River Island (13 hectares)
- Ministers' Face (Long Island) (161 hectares)
- Clarks' Point (138 hectares)
- Dick's Island (1.4 hectares)
- L'Etang Islands (33.9 hectares)
- James C. Yerxa Preserve (0.8 hectares)
- Thomas B. Munro Memorial Shoreline (26 hectares)
- Arthur Kyle Nature Preserve (Middle Becaguimec Island) (2.8 hectares)
- Beldings Reef Nature Preserve (Chance Harbour) (5.6 hectares)
- Thompson Marsh Nature Preserve (4.5 hectares)
- Pagan Point Nature Preserve (12 hectares)
- Sea Dog Cove (30.4 hectares)
- MacNichol Conservation Easement (936 hectares)
- Navy Island (9.7 hectares)
- Meredith Houseworth Memorial Seashore (11.3 hectares) (Land and Easements)

During 2008, the organization received one land donation for \$6,000 and one land/easements donation for \$56,500. The amounts are included on the statement of revenue and expenses in **Donations-in-kind revenue** and **Projects, sites and preserves expense**.

8. Adjustment to opening unrestricted net assets:

The amount represents an adjustment of 2007 deferred revenue and 2007 donations and grants revenue. Comparative figures have been properly restated.

THE NATURE TRUST OF NEW BRUNSWICK, INC.**NOTES TO THE FINANCIAL STATEMENTS****APRIL 30, 2008****(UNAUDITED)****9. Accounts payable and accrued liabilities:**

Accounts payable and accrued liabilities of \$50,274 for the Coastal Campaign Fund includes a \$50,000 amount secured by a mortgage on the 9.7 hectares Navy Island land site. The \$50,000 amount is non-interest bearing and due August 31, 2008.

10. Net change in current assets and liabilities other than cash:

	<u>2008</u>	<u>2007</u>
(Increase) decrease in accounts receivable	\$(3,524)	\$ 2,275
(Increase) in inventory	(8,100)	-
(Increase) in prepaid expenses	(4,264)	(614)
Increase (decrease) in accounts payable and accrued liabilities	57,101	(405)
Increase (decrease) in deferred revenue	<u>(15,936)</u>	<u>48,333</u>
	<u>\$ 25,277</u>	<u>\$ 49,544</u>

11. Financial Instruments:

The Organization's financial instruments consist of cash, accounts receivable, investments, accounts payable and deferred revenue. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

12. Comparative figures:

Certain 2007 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2008.