

THE NATURE TRUST OF BRITISH COLUMBIA

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017



DALE MATHESON CARR-HILTON LABONTE LLP
 CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Directors of The Nature Trust of British Columbia

We have audited the accompanying consolidated financial statements of The Nature Trust of British Columbia, which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statements of operations and net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Nature Trust of British Columbia as at December 31, 2017 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.

Reporting on Other Legal and Regulatory Requirements

As required by the Society Act of British Columbia, we report that in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations have been applied on a basis consistent with that of the preceding year.

DMCL

Vancouver, Canada
 June 15, 2018

DALE MATHESON CARR-HILTON LABONTE LLP
 CHARTERED PROFESSIONAL ACCOUNTANTS


PARTNERSHIP OF:

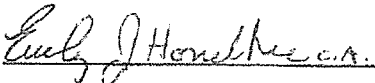
VANCOUVER Bradley G. Allen Inc. Robert J. Burkart, Inc. Kenneth P. Chong Inc. Alvin F. Dale Ltd. Donald L. Furney, Ltd. David J. Goertz, Inc. Matthew G. Gosden, Inc. Barry S. Hartley, Inc. Reginald J. LaBonte Ltd. Robert J. Matheson, Inc. Rakesh I. Patel Inc. Lorraine W. Rinfret, Inc. Brad A. Robin Inc.
 SURREY Michael K. Braun Inc. Peter J. Donaldson, Inc. Harjit S. Sandhu, Inc. TRI-CITIES Isomura Services Corp. Fraser G. Ross, Ltd. Brian A. Shaw Inc.

THE NATURE TRUST OF BRITISH COLUMBIA
 Consolidated Statements of Financial Position
 December 31, 2017

	General Fund \$	Endowment Fund \$	Property Fund \$	Land Management Fund \$	Total 2017 \$	Total 2016 \$
ASSETS						
CURRENT ASSETS						
Cash	496,151	-	-	-	496,151	2,891,323
Accounts receivable	349,592	-	-	-	349,592	176,603
Prepaid expenses and deposits	36,573	-	28,833	-	65,406	713,230
	882,316	-	28,833	-	911,149	3,781,156
INVESTMENTS (Note 2 (b), 2 (i) and 3)	14,966,014	4,529,607	1,563,058	4,539,041	25,597,720	20,451,386
CAPITAL ASSETS (Note 4)	548,225	-	-	-	548,225	552,720
CONSERVATION LANDS (Note 6)	-	-	78,898,355	-	78,898,355	75,910,816
CONSERVATION LANDS UNDER LONG TERM LEASE (Note 5 and 6)	-	-	895,948	-	895,948	895,948
PACIFIC ESTUARY CONSERVATION PROGRAM PROPERTIES (Note 2(e) and 6)	-	-	17,168,789	-	17,168,789	17,168,789
	16,396,555	4,529,607	98,554,983	4,539,041	124,020,186	118,760,815
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	61,223	-	-	-	61,223	63,623
Deferred contributions (Note 8)	1,175,431	-	1,591,891	-	2,767,322	2,472,826
	1,236,654	-	1,591,891	-	2,828,545	2,536,448
FUND BALANCES	15,159,901	4,529,607	96,963,092	4,539,041	121,191,641	116,224,367
	16,396,555	4,529,607	98,554,983	4,539,041	124,020,186	118,760,815

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director

Commitments (see Note 11)
 Subsequent events (see Note 15)

THE NATURE TRUST OF BRITISH COLUMBIA

Consolidated Statements of Operations and Net Assets

Year ended December 31, 2017

	General Fund		Endowment Fund		Property Fund		Land Management Fund		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Donations and grants (Note 6, 7)	1,264,916	1,549,961	258,578	131,097	2,992,774 (1)	11,040,551 (2)	732,428	554,950	5,248,696	13,276,559
Investment income (Note 9)	1,149,025	760,970	-	-	-	-	-	-	1,149,025	760,970
Rental and other income	527,423	485,183	-	-	-	-	-	-	527,423	485,183
	<u>2,941,364</u>	<u>2,796,114</u>	<u>258,578</u>	<u>131,097</u>	<u>2,992,774</u>	<u>11,040,551</u>	<u>732,428</u>	<u>554,950</u>	<u>6,925,144</u>	<u>14,522,712</u>
OPERATING EXPENSES										
Salaries and benefits	671,776	714,115	-	-	-	-	-	-	671,776	714,115
Administration expenses	653,851	580,841	-	-	-	-	-	-	653,851	580,841
	<u>1,325,627</u>	<u>1,294,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,325,627</u>	<u>1,294,956</u>
PROGRAM EXPENSES										
Land management										
Salaries and benefits	461,847	445,702	-	-	-	-	-	-	461,847	445,702
General program costs	36,088	34,385	-	-	-	-	-	-	36,088	34,385
Province-wide	122,483	92,763	-	-	-	-	-	-	122,483	92,763
Okanagan	229,785	202,743	-	-	-	-	-	-	229,785	202,743
Vancouver Island	50,841	67,413	-	-	-	-	-	-	50,841	67,413
North and Central	54,874	59,611	-	-	-	-	-	-	54,874	59,611
Kootenay	254,300	323,059	-	-	-	-	-	-	254,300	323,059
Lower Mainland	65,811	82,627	-	-	-	-	-	-	65,811	82,627
	<u>1,276,029</u>	<u>1,308,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,276,029</u>	<u>1,308,303</u>
EXCESS FROM OPERATIONS	339,708	192,855	258,578	131,097	2,992,774	11,040,551	732,428	554,950	4,323,488	11,919,453
Changes in fair value of Investments	643,786	878,699	-	-	-	-	-	-	643,786	878,699
EXCESS OF REVENUE OVER EXPENSES	983,494	1,071,554	258,578	131,097	2,992,774	11,040,551	732,428	554,950	4,967,274	12,798,152
FUND BALANCE, beginning of year	14,171,172	13,128,468	4,271,029	4,139,932	93,975,553	82,906,152	3,806,613	3,251,663	116,224,367	103,426,215
INTERFUND TRANSFER										
Other transfers	5,235	(28,850)	-	-	(5,235)	28,850	-	-	-	-
FUND BALANCE, end of year	<u>15,159,901</u>	<u>14,171,172</u>	<u>4,529,607</u>	<u>4,271,029</u>	<u>96,963,092</u>	<u>93,975,553</u>	<u>4,539,041</u>	<u>3,806,613</u>	<u>121,191,641</u>	<u>116,224,367</u>

(1) \$2,987,539 was used to acquire property in the 2017 fiscal year (Note 6)

(2) All of the \$11,040,551 was used to acquire property in the 2016 fiscal year (Note 6)

THE NATURE TRUST OF BRITISH COLUMBIA

Consolidated Statements of Cash Flow

December 31, 2017

	2017	2016
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATIONS		
Excess of revenue over expenses	4,967,274	12,798,152
Items not involving cash:		
Amortization	17,141	17,374
Changes in fair value of investments	(643,786)	(878,699)
Contributed conservation lands (Note 6)	(1,357,239)	(8,402,403)
	2,983,390	3,534,424
Changes in non-cash working capital	472,434	(577,142)
Increase (decrease) in deferred contributions	294,497	(1,508,023)
	3,750,321	1,449,259
INVESTING ACTIVITIES		
Investment withdrawals	-	2,645,746
Investment purchases	(3,218,732)	-
Reinvestment of investment income	(1,283,815)	(870,463)
Purchase of conservation lands (Note 6)	(1,630,300)	(2,666,998)
Purchase of capital assets	(12,646)	(13,355)
	(6,145,493)	(905,070)
INCREASE (DECREASE) IN CASH	(2,395,172)	544,189
CASH, beginning of year	2,891,323	2,347,134
CASH, end of year	496,151	2,891,323

THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

December 31, 2017

1. OPERATIONS

The Government of Canada created The Nature Trust of British Columbia (the "Trust") effective July 1, 1971. The Trust is incorporated under Part II of the Canada Business 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.

2. SIGNIFICANT ACCOUNTING POLICIES

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

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 controlled by the Trust.

(b) Investments

The Trust's investment activities are governed by an endowment fund investment policy 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. Building consists of three suites in a strata title office building. Amortization is provided on a declining-balance basis using the following annual rates:

<u>Asset</u>	<u>Rate</u>
Building	2.5%
Furniture and equipment	20%
Vehicles	30%

(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, 2017

2. SIGNIFICANT ACCOUNTING POLICIES – Cont'd

(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

(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) 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. This is an externally restricted fund, with only investment income generated from the endowment capital to be used by the Trust to fund these purposes, with the capital to be held in perpetuity.

(iii) Property Fund

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

(iv) 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. This is an externally restricted fund, with only investment income generated from the capital to be used by the Trust to fund these purposes, with the capital to be held in perpetuity.

(g) Revenue recognition

The Trust follows the deferral method of accounting for contributions. Restricted contributions 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.

THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

December 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES – Cont'd

(h) Use of estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting 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 and 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.

Unless otherwise noted, it is management's opinion that the Trust is not exposed to significant interest or credit risks arising from these financial instruments.

(j) Contributed assets

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

(k) Comparative figures

Certain comparative amounts have been reclassified to conform to the current year's presentation.

THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

December 31, 2017

3. INVESTMENTS

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

	2017		2016	
	\$		\$	
	Cost	Fair Value	Cost	Fair Value
Bond Fund	7,993,713	7,889,814	7,364,222	7,319,936
Canadian Equities	5,298,519	7,111,173	4,865,313	6,452,232
US Equities	2,742,960	2,998,781	2,772,956	2,696,739
Global Equities	6,724,454	7,003,961	3,684,858	3,650,321
Alternative investments	444,339	483,991	203,607	222,158
Term Deposits	110,000	110,000	110,000	110,000
	23,313,985	25,597,720	19,000,956	20,451,386

4. CAPITAL ASSETS

	2017			2016
	\$			\$
	Cost	Accumulated Amortization	Net	Net
Land	245,150	-	245,150	245,150
Building	383,795	130,273	253,522	259,945
Furniture and equipment	330,621	285,371	45,250	41,794
Vehicles	62,654	58,351	4,303	5,831
	1,022,220	473,995	548,225	552,720

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, 2017

6. CONSERVATION LANDS

2017	Acquisition Cost \$	External Funding \$	Net Cost (Surplus) \$
Property Fund assets at December 31, 2016	93,975,553		
Additions			
White Lake – Turtle Pond	66,068	66,068	-
Skaha Lake Eastside – Lot C	1,130,460	1,130,460	-
Northey Lake Ph III	169,124	165,000	4,124
Bull River	751,417	751,417	-
Lardeau-Duncan – Meadow Creek	142,772	142,772	-
Somenos	727,239	727,239	-
Other	459	9,818	(9,359)
	<u>2,987,539</u>	<u>2,992,774</u>	<u>(5,235)</u>
Net cost (surplus)			(5,235)
Property Fund assets at December 31, 2017	96,963,092		
2016	Acquisition Cost \$	External Funding \$	Net Cost (Surplus) \$
Property Fund assets at December 31, 2015	82,906,152		
Additions			
Nanaimo River	1,691,167	1,691,167	-
Okanagan Falls Grasslands – Peachcliff	449,076	449,076	-
South Winchelsea Island	1,069,966	1,069,966	-
Wycliffe Wildlife Corridor	2,371,532	2,350,951	20,581
Squitty Bay	37,042	37,042	-
Antelope-brush Ph IV	3,361,898	3,361,898	-
Cobble Hill – Sandersons Royd	982,561	975,240	7,321
Arrowsmith Woodland	1,101,144	1,100,000	1,144
Other	5,015	5,211	(196)
	<u>11,069,401</u>	<u>11,040,551</u>	<u>28,850</u>
Net cost (surplus)			28,850
Property Fund assets at December 31, 2016	93,975,553		

THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

December 31, 2017

7. DONATIONS AND GRANTS – GENERAL FUND

Donations and Grants	2017 \$	2016 \$
Donations received from		
Individuals	594,574	452,669
Bequests	108,500	315,102
Corporations and other organizations	828,733	592,351
Transferred to deferred contributions	(1,017,106)	(639,260)
	514,701	720,862
Program grants		
Grants received	613,033	709,202
Transferred to deferred contributions	(525,135)	(612,974)
Transferred from deferred contributions	662,317	732,871
	750,215	829,099
Total donations and program grants – General Fund	1,264,916	1,549,961

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.

	2017 \$	2016 \$
Conservation land acquisitions	1,591,891	1,500,190
Program expenditures	842,356	724,695
Pacific Estuary Conservation Program (PECP)	173,971	172,504
Other	159,104	75,436
	2,767,322	2,472,825

THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

December 31, 2017

9. INVESTMENT AND OTHER INCOME

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 \$278,291 and \$3,956 respectively at December 31, 2017 (2016 - \$278,191 and \$3,802). Included in investment income is \$15,668 (2016 - \$15,019) received from this fund. The fair market value of the fund on December 31, 2017 was \$448,509 (2016 - \$432,822).

b) Investment income consists of the following:

	2017 \$	2016 \$
Portfolio investment income	1,133,357	745,951
Vancouver Foundation	15,668	15,019
	<u>1,149,025</u>	<u>760,970</u>

c) 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 2017 was \$181,398 (2016 - \$179,744) and is included in donations and grants in the Statement of Operations and Net Assets.

10. FUNDS HELD IN TRUST

The Trust was appointed as administrator for the Vancouver Island Conservation Land Management Program, the Kootenay Conservation Program and the Crown Land Securement Partner Program. The Trust holds funds in trust for these programs in the amount of \$165,258, \$26,711 and \$5,690 respectively, (2016 - \$133,930; \$39,785; \$90,259), which are excluded from the Trust's statement of financial position.

11. COMMITMENTS

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

2018	\$ 21,695
2019	14,318
2020	7,020
2021	7,020
2022	6,812
	<u>\$ 56,865</u>

THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

December 31, 2017

12. BANK LINE OF CREDIT

The Trust has established a line of credit with a total borrowing facility of \$500,000, bearing interest at the bank's prime lending rate payable monthly and secured by certain investments held by the Trust. The line of credit was established to meet short term funding obligations for conservation land acquisitions. The line of credit was not drawn upon in the years 2017 and 2016.

13. LIFE INSURANCE POLICIES

The Trust is the owner of several life insurance policies with an insured value of approximately \$2,251,900 (2016 - \$2,251,900). The Trust owns one policy in respect of which it makes the annual premium payment of \$22,857 (2016 - \$22,857), which is included in administration expenses. For the remaining policies the policy donors pay 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.

14. FINANCIAL INSTRUMENTS AND RISK EXPOSURE

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. The following analysis provides information about the company's risk exposure and concentration as of December 31, 2017.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four types of risk: currency risk, interest rate risk, credit risk and other price risk. The Trust is exposed to currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the foreign currency or future cash flows of a foreign financial instrument will fluctuate because of changes in the foreign exchange rates. The Trust's investments in foreign currency investments are subject to foreign exchange rates fluctuation risk at the time when income is received, investment is purchased or disposed.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust's investments in Guaranteed Investment certificates are subject to cash flow risk and market interest rates fluctuation risk at the time of renewal upon maturity. Investments with fixed-rate are subject to a fair value risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Trust is not exposed to any significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its obligations associated with financial liabilities. The Trust is not exposed to any significant liquidity risk.

THE NATURE TRUST OF BRITISH COLUMBIA

Notes to Consolidated Financial Statements

December 31, 2017

14. FINANCIAL INSTRUMENTS AND RISK EXPOSURE – Cont'd

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arises from interest and currency risks. The Trust is exposed to other price risk through its investments in equities, pooled fund units and limited partnerships.

15. SUBSEQUENT EVENTS

In October 2017 and January 2018 the Trust signed two purchase and sale agreements to purchase Conservation Lands located in the Okanagan and Kootenay regions of British Columbia for \$1,760,000. Funds of \$202,192 received in 2017 by way of donor contributions are included in deferred contributions as at December 31, 2017.

In December 2017 the Trust signed an offer to sell the Trust's office space located in North Vancouver BC. The sale price was \$1,530,000, with a closing date of September 1, 2018.

In February 2018 the Trust signed a lease for office space in Vancouver BC. The term of the lease is from November 1, 2018 to October 31, 2028, with the ability to enter the premises on or after August 1, 2018. The annual lease payment for the first five years of the lease is \$106,250, plus operating costs estimated at \$84,150. The annual lease payment for the next five years is \$121,125. Two free months of rent are granted for each five year lease period.

In December 2017, "Friends of Savary DL 1375", a group of Savary Island residents, secured an agreement to purchase a 50% share of lands comprised of 350 acres on Savary Island from the Sahlin family. The Trust owns the other 50% interest in the lands. Conditions to the purchase were successfully removed on March 31, 2018. Subsequently, The Friends of Savary DL 1375 assigned the purchase and sale agreement over to the Trust. The transaction completed on May 31, 2018, giving the Trust 100% ownership of the lands.