

## 2010-2011 Regional accomplishments

### BRITISH COLUMBIA

5 properties secured  
1,710 total acres\*  
159 stewardship volunteers  
\$5,750,500 land value  
\*692 hectares

### ALBERTA

12 properties secured  
4,617 acres\*  
153 stewardship volunteers  
\$16,257,700 land value  
\*1,868 hectares

### SASKATCHEWAN

6 properties secured  
2,563 acres\*  
69 stewardship volunteers  
\$1,725,800 land value  
\*1,037 hectares

### MANITOBA

22 properties secured  
5,978 acres\*  
147 stewardship volunteers  
\$1,986,825 land value  
\*2,419 hectares

### ONTARIO

20 properties secured  
6,366 acres\*  
391 stewardship volunteers  
\$18,609,913 land value  
\*2,576 hectares

### QUEBEC

20 properties secured  
7,000 acres\*  
64 stewardship volunteers  
\$14,654,812 land value  
\*2,832 hectares

### ATLANTIC CANADA

41 properties secured  
5,721 acres\*  
221 stewardship volunteers  
\$2,554,144 land value  
\*2,315 hectares

## National Office

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[www.natureconservancy.ca](http://www.natureconservancy.ca)

Cover image: Flathead Valley, BC; photo by NCC. John Lounds; photo by Tessa Buchan. Laurie Thomson; photo by Mike Dembeck. Flathead Valley hike, BC; photo by NCC. Carla Reed; photo by NCC. Conway Sand Hills, PEI; photo by John Sylvester. Fred Hyndman; photo courtesy of Mr. Hyndman. Chinook Ranch, AB; photo by NCC. Tony and Liz Fricke; photo courtesy of Mr. & Mrs. Fricke. Turkey Point, ON; photo by NCC. Henry Glowka & Tom Atkinson; photo courtesy of SOOS.

To conserve resources (ours and nature's) our full annual report is now online. For expanded reporting and results from NCC's seven Regions, please visit [www.natureconservancy.ca/annualreport2011](http://www.natureconservancy.ca/annualreport2011).

Questions or comments about this report? Contact us at [supporter.services@natureconservancy.ca](mailto:supporter.services@natureconservancy.ca), or 1-800-465-8005.



# 2010-2011 Report

THE NATURE CONSERVANCY OF CANADA

View our full report to our donors online:  
[www.natureconservancy.ca/annualreport2011](http://www.natureconservancy.ca/annualreport2011)

Dear friends,

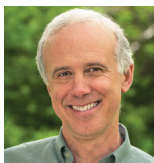
In 1962 a plucky band of naturalists based in Ontario had a bold idea. Concerned about the damage to the natural world they saw all around them, they launched a program to take direct, private action to protect natural spaces and promote conservation. At the time it was an audacious plan. It was also the birth of the Nature Conservancy of Canada (NCC).

As we look forward to our fiftieth year we know we do so with that same spirit of innovation and a fair measure of audacity still woven into our DNA.

Just look at what we have been able to accomplish, together, in the past year—a year when NCC led the way for conservation not only in Canada, but internationally.

We have always looked for new ways to bring partners together to achieve lasting results. In February, we forged an exciting new model for cross-border conservation to help preserve the breathtaking Flathead River Valley. This agreement allows two national governments, provincial and state leaders and our colleagues at The Nature Conservancy (U.S.) to fulfill a common vision of removing major threats to the Flathead River Valley. The river flows unrestricted from BC into Montana, containing some of the purest water found in North America and supporting a wide variety of species. Though not one of our traditional land acquisition projects, this commitment in the name of conservation will help safeguard a treasure we all share.

Our Darkwoods Carbon Pilot Project introduced an innovative strategy for the long-term stewardship of great conservation projects. This is the first of its kind in Canada and the largest forest carbon project to date



MESSAGE FROM THE  
PRESIDENT & CHAIR OF  
THE NATIONAL BOARD

in North America. The sale of carbon credits, verified to the highest international standards, will contribute directly to the long-term care of the Darkwoods property; we are using the trees to save the forest.

We continue to explore creative conservation solutions in all we do. This past year that spirit has helped us to secure nearly 34,000 acres (13,760 hectares), in addition to supporting the conservation of the Flathead. Building on the work begun by our founding directors, we have now helped to protect more than 2.2 million acres (890,300 hectares) coast-to-coast-to-coast. From restored salmon spawning habitat on Vancouver Island, to a home where plains bison roam in Saskatchewan, from the fertile wetlands of the Great Lakes Basin to salt marshes along our Atlantic shores, NCC is working with you to ensure our natural heritage is conserved.

We know that the challenge is daunting—there is so much left to be done. However, we encourage you to take a moment to read through this report and reflect on how much has been achieved. Your generosity and support give us the energy to set new goals and to answer new challenges.

Together we are leading the way to ensure the natural spaces we all love will be there for our children and their children to enjoy.

Sincerely,

John Lounds  
PRESIDENT & CEO

Laurie Thomson  
CHAIR, BOARD OF DIRECTORS





“I was impressed by NCC’s pioneering approach to both governmental and private partnerships in the British Columbia Region. And now with the carbon project at Darkwoods, I believe

NCC is developing one of the great conservation projects of all times.”



Carla Reed, NCC donor in British Columbia

22,204

The litres of water saved during  
the production of this report.



Andrew Harcombe winds his way through a long string of wetlands in British Columbia's Flathead River Valley, along the cleared border between Canada and the U.S. Behind him, other Nature Conservancy of Canada (NCC) staffers follow, noting the presence of bear claw marks on trees and evidence of moose.

Only yesterday, the group made another exciting discovery – a solitary sandpiper standing in a wetland they hadn't known existed.

"It took us all by surprise," says Harcombe. "We thought there were no sandpipers in that area, or wetlands, especially because this is the very southern extent of that species' range."

The team was there to gather information before writing their management plan for NCC's Flathead River Ranch – one of the few private parcels in a spectacular wilderness area that straddles the Canada-U.S. border. NCC is also helping to protect the entire Flathead watershed in partnership with The Nature Conservancy (U.S.) by committing to provide funds to help the BC government remove major threats to the area.

Furthering the protection of this area was just one of the many conservation successes celebrated by NCC in 2010-2011 – and a great example of how NCC is leading the way for conservation not only in Canada, but internationally.



“I am confident that NCC is a reputable, well established and committed organization. My interest is that our endowment will help it preserve natural habitat in perpetuity here in this province. NCC’s work is doubly important to capture the few remaining bits of natural inheritance left on PEI.”



Fred Hyndman, OC, NCC donor in PEI





In 2010-2011, NCC protected 126 properties totalling 33,956 acres (13,742 hectares). We continued to work on a landscape scale to protect natural areas that support species at risk, including:

- 3,900 acres (1,580 hectares) of private land at the Grassy Place in southwest Newfoundland – NCC's largest property in Atlantic Canada.
- More than 875 acres (354 hectares) of Carolinian Canada land in Norfolk County's Backus Woods in southwestern Ontario through a new \$6.1 million donation from The W. Garfield Weston Foundation.

### **Leading the way in conservation**

NCC is a leader in land conservation across Canada. Our goal is to significantly advance conservation in the more than 80 Natural Areas we have identified as critical for the protection of Canada's natural diversity.

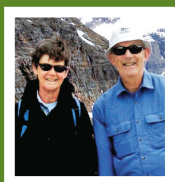
Among the accomplishments of the past year, NCC's conservation team:

- launched the Land Information System (LIS) – an integrated data storage tool that will allow NCC staff instant access to critical information in the field or in the office;





“We emigrated to Canada from South Africa in 1971 and have always loved the natural world here. We want our grandchildren and future generations to know these unspoiled places. We support NCC because their approach is effective. They do research then work directly with stakeholders to protect important places permanently.”



Tony and Liz Fricke, NCC donors in Alberta



- finalised the Moose Mountain Natural Area Conservation Plan in Saskatchewan, which provides habitat for 25 species at risk;
- led the Lake Erie Biodiversity Conservation Strategy in collaboration with The Nature Conservancy (U.S.) to provide recommendations for restoring and protecting Lake Erie.

### **Leading the way for the future**

This year marked the 10<sup>th</sup> anniversary of the Shell Conservation Internship Program. To date, 200 university and college students have gained important on-the-ground training while contributing to NCC's stewardship work.

In 2010, NCC held 85 Conservation Volunteers events. Close to 1,200 participants assisted in important management and restoration activities on NCC properties.

### **Leading a force for nature**

Our partners are a core component of our force for nature. Together, we are able to tackle the important job of protecting the best of Canada's natural heritage for the benefit of our species, habitats and all Canadians.

NCC completed the fourth year of its partnership with the Government of Canada under the Natural Areas Conservation Program.



**“The Southern Ontario Orchid Society is dedicated to conservation and preservation of natural habitat, especially in Canada. There is no finer, more reliable way to do so than by supporting the Nature Conservancy of Canada.”**



Tom Atkinson - Member of the SOOS conservation committee and past president



We continued to build our force for nature in partnership with communities, landowners, foundations, corporations, governments and individuals across the country.

Several new partnerships were established with corporations, including TELUS.

### **Leading the way responsibly**

For a second year in a row, NCC received an overall A grade in the MoneySense Charity 100 rating – ranking NCC as the top environmental charity in Canada and one of the most responsible and efficient charities in the country.

In addition, we announced the largest forest carbon project to date in North America. Developed through a rigorous procedure involving numerous advisors, and meeting international standards, this sale of carbon credits at the Darkwoods property in BC is raising the bar for conservation in Canada and contributes in excess of \$4 million for NCC's conservation work.

And once again, through prudent management we have ensured that 85 percent of our funds\* continue to go directly into our conservation work, producing tangible results. We believe this is critically important for our supporters.

\* calculated over a five-year rolling average



INDEPENDENT  
AUDITORS' REPORT

To the Members of  
**The Nature Conservancy of Canada**

The accompanying summarized statements of financial position and operations and changes in operating deficit are derived from the complete financial statements of **The Nature Conservancy of Canada** as at June 30, 2011 and for the year then ended on which we expressed an opinion without reservation in our report dated November 16, 2011. The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on **The Nature Conservancy of Canada's** financial position, results of operations and cash flows, reference should be made to the related complete financial statements.

The logo for Ernst & Young LLP is written in a white, cursive script font. The letters are fluid and connected, with a prominent 'E' and 'Y'.

Chartered Accountants  
Licensed Public Accountants

Toronto, Canada,  
November 16, 2011.

## The Nature Conservancy of Canada

Incorporated under the laws of Canada  
as a corporation without share capital

### Summarized Statement of Financial Position

AS AT JUNE 30

	2011 \$	2010 \$
<b>ASSETS</b>		
Total current assets	40,174,952	60,822,198
Investments	63,209,991	45,955,799
Capital assets, net	4,156,784	4,394,111
Conservation lands and agreements	478,279,199	432,188,352
	<u>585,820,926</u>	<u>543,360,460</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	6,249,565	7,550,829
Operating loan	1,500,000	798,682
Current portion of long-term debt	3,245,096	6,236,732
Deferred contributions	31,042,301	49,344,372
<b>Total current liabilities</b>	<u>42,036,962</u>	<u>63,930,615</u>
Long-term debt	2,650,163	2,368,805
Deferred revenue related to sales of carbon offset credits	6,000,000	—
<b>Total liabilities</b>	<u>50,687,125</u>	<u>66,299,420</u>
<b>Net assets</b>		
Internally restricted		
Invested in conservation lands and agreements	475,772,688	430,050,878
Other	1,619,492	3,606,821
	<u>477,392,180</u>	<u>433,657,699</u>
Operating deficit	(1,392,236)	(2,174,159)
Science and Stewardship Endowments	59,133,857	45,577,500
<b>Total net assets</b>	<u>535,133,801</u>	<u>477,061,040</u>
	<u>585,820,926</u>	<u>543,360,460</u>

See accompanying notes

### Summarized Statement of Operations and Changes in Operating Deficit

YEAR ENDED JUNE 30

	2011 \$	2010 \$
<b>REVENUE</b>		
Donations of conservation lands and agreements	15,055,828	5,463,382
Other donations and grants	73,216,983	57,135,566
Proceeds from property sales	3,272,800	160,000
Other	6,738,008	5,688,880
	<u>98,283,619</u>	<u>68,447,828</u>
<b>EXPENSES</b>		
Conservation lands and agreements acquired		
Purchased	31,881,659	19,313,810
Donated	15,055,828	5,463,382
Loan repayments for prior year acquisitions	150,298	81,074
Contributions to properties acquired and property related expenses incurred by others	15,970,518	13,527,972
	<u>63,058,303</u>	<u>38,386,238</u>
Property related	17,212,145	15,402,688
Support	14,416,384	13,354,429
	<u>94,686,832</u>	<u>67,143,355</u>
<b>Excess of revenue over expenses for the year</b>	3,596,787	1,304,473
Net transfer from (to) internally restricted net assets	2,303,956	(1,215,715)
Transfer to internally endowed net assets	(5,118,820)	(1,907,994)
<b>Net change in operating deficit</b>	781,923	(1,819,236)
Operating deficit, beginning of year	(2,174,159)	(354,923)
<b>Operating deficit, end of year</b>	<u>(1,392,236)</u>	<u>(2,174,159)</u>

See accompanying notes

## NOTES TO THE SUMMARIZED FINANCIAL STATEMENTS

JUNE 30, 2011

### **1. Revenue Recognition**

The Nature Conservancy of Canada [the "Conservancy"] follows the deferral method of accounting for contributions.

Revenue related to the sale of carbon offset credits is amortized over the term of the agreements related to the sale of the credits when there is an obligation to maintain the accreditation of the offset credits.

### **2. Conservation Lands and Agreements**

Purchased conservation lands and agreements are recorded at cost when title is transferred. The purchases are recorded as an expense to the extent that the purchase is internally financed. When a loan is obtained in a subsequent year related to an internally financed purchase, an amount equal to the debt is transferred from invested in conservation lands and agreements to operating net assets. Repayments of debt related to property acquisitions are expensed when made. The expense related to purchases and debt repayments is added to net assets invested in conservation lands and agreements.

Contributed conservation lands and agreements are recorded at fair market value when title is transferred, unless fair market value is subject to review by regulatory authorities, in which case the contribution is recorded when an amount is approved by authorities. The contributions are recorded as revenue and expenses and also as an asset offset by net assets invested in conservation lands and agreements.

Properties transferred to others are recorded as a reduction of net assets invested in conservation lands and agreements.

Conservation lands and agreements, either purchased or donated, are assets held as part of the Conservancy's collection. Conservation agreements are legal agreements entered into by the Conservancy under which a landowner voluntarily restricts or limits the type and amount of development that may take place on his or her land to conserve its natural features. Once registered on title, that agreement runs with the title and binds all future owners.

### **3. Allocation of Expenses**

Salaries and benefits expenses are allocated between property-related and support expenses based on the primary job responsibilities of the employee's position. No support expenses are allocated to property-related expenses.

### **4. Donated Materials and Services**

Donated materials and services are not recognized in the summarized financial statements.

### 5. Long-Term Debt

Substantially all of the Conservancy's assets have been pledged as security in connection with certain long-term debt. The debt has been incurred to fund acquisition of conservation land and agreements, property and support expenses and capital assets.

### 6. Financial Instruments

The Conservancy is subject to market risk, foreign currency risk and interest rate price risk with respect to its investment portfolio. To manage these risks, the Conservancy has established a target mix of investment types designed to achieve the optimal return within reasonable risk tolerances.

The Conservancy is subject to interest rate cash flow risk with respect to its floating rate debt payable and interest rate price risk with respect to its fixed rate debt.

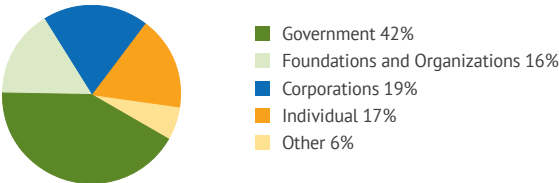
### 7. Contingency

The Conservancy is subject to a claim for damages. The outcome of the claim is not determinable at this time. However, management believes the claim is without merit. Losses, if any, related to the claim will be recorded in the period during which the liability can be estimated.

### 8. Comparative Summarized Financial Statements

The comparative summarized financial statements have been reclassified from statements previously presented to conform to the presentation of the 2011 financial statements.

FUNDING SOURCES  
5-YEAR AVERAGE



EXPENDITURES  
5-YEAR AVERAGE

