



Financial statements

Nature United

June 30, 2025

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# Independent auditor's report

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## To the Board of Directors of Nature United

### Opinion

We have audited the financial statements of Nature United (the "Organization"), which comprise the statement of financial position as at June 30, 2025, and the statements of operations and changes in net (deficiency) assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2025, and its results of 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 Organization 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 these 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

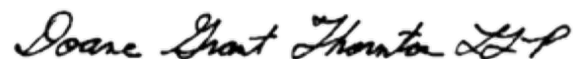
#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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 Organization'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 Organization'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 Organization 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.



Mississauga, Canada  
October 24, 2025

Chartered Professional Accountants  
Licensed Public Accountants

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**Nature United**  
**Statement of financial position**

June 30,

**2025****2024**

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**Assets**

## Current

Cash	<b>\$ 2,660,759</b>	\$ 6,945,322
Accounts receivable (Note 3)	<b>1,625,440</b>	3,671,820
Sales tax recoverable	<b>203,655</b>	278,647
Prepaid expenses	<u><b>23,238</b></u>	<u>27,201</u>
	<b>\$ 4,513,092</b>	<b>\$ 10,922,990</b>

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**Liabilities**

## Current

Accounts payable and accrued liabilities	<b>\$ 1,527,382</b>	\$ 1,007,021
Grants payable (Note 5)	<b>308,625</b>	70,000
Deferred contributions (Notes 3 and 5)	<u><b>2,721,721</b></u>	<u>9,003,417</u>
	<b>4,557,728</b>	10,080,438

**Net (deficiency) assets****(44,636)**      842,552**\$ 4,513,092**      **\$ 10,922,990**

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Commitments (Note 6)

Approved by the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See accompanying notes to the financial statements.

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**Nature United****Statement of operations and changes in net (deficit) assets**

Year ended June 30,

**2025****2024**

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**Revenue**

Restricted contributions (Note 3)	<b>\$ 36,363,239</b>	\$ 16,906,220
Donation from The Nature Conservancy (Note 3)	<b>2,073,060</b>	3,766,516
Other donations	<b>1,324,080</b>	1,180,356
The Nature Conservancy fees for service (Note 3)	<b>1,230,261</b>	1,033,484
Interest Income	<b>18,951</b>	87,053
	<b><u>41,009,591</u></b>	<u>22,973,629</u>

**Expenses**

Grants and contracts	<b>33,679,107</b>	15,627,709
Personnel and fringe benefits	<b>7,761,364</b>	6,341,433
Professional fees	<b>159,417</b>	166,193
Rent	<b>108,598</b>	116,364
Other expenses	<b>78,146</b>	85,150
Travel	<b>70,560</b>	58,805
Training and meetings	<b>39,587</b>	59,477
	<b><u>41,896,779</u></b>	<u>22,455,131</u>

**(Deficiency) excess of revenue over expenses** (887,188) 518,498

**Net assets, beginning of year** 842,552 324,054

**Net (deficiency) assets, end of year** \$ (44,636) \$ 842,552

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See accompanying notes to the financial statements.

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## Nature United

### Statement of cash flows

Year ended June 30,	2025	2024
<b>Operating activities</b>		
(Deficiency) excess of revenues over expenses	\$ (887,188)	\$ 518,498
Items not affecting cash		
Amortization of deferred lease inducements	<u>          -</u>	<u>      (8,477)</u>
	<u><b>(887,188)</b></u>	<u>510,021</u>
Change in non-cash operating working capital:		
Accounts receivable	<b>2,046,380</b>	(2,086,129)
Sales tax recoverable	<b>74,992</b>	(86,554)
Prepaid expenses	<b>3,963</b>	(303)
Accounts payable and accrued liabilities	<b>520,361</b>	127,976
Grants payable	<b>238,625</b>	35,000
Deferred contributions	<u><b>(6,281,696)</b></u>	<u>7,400,222</u>
	<u><b>(3,397,375)</b></u>	<u>5,390,212</u>
(Decrease) increase in cash	<b>(4,284,563)</b>	5,900,233
Cash, beginning of year	<u><b>6,945,322</b></u>	<u>1,045,089</u>
<b>Cash, end of year</b>	<u><b>\$ 2,660,759</b></u>	<u><b>\$ 6,945,322</b></u>

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See accompanying notes to the financial statements.

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# Nature United

## Notes to the financial statements

June 30, 2025

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### 1. Nature of operations

Nature United (the Organization) was incorporated on November 21, 2012, under the provisions of the Canada Not-for-Profit Corporations Act and became a registered charity on March 18, 2014. As a registered charity, the Organization is exempt from income taxes pursuant to subsection 149(1)(l) of the Income Tax Act (Canada).

The purpose of the Organization is to partner with Indigenous Peoples, businesses, governments and other non-profits to work towards a Canada where healthy communities and responsible economic development drive locally and globally significant conservation outcomes. The Nature Conservancy (the Conservancy) founded and is the sole member of the Organization. The Conservancy also makes ongoing financial donations to the Organization to help support its purpose, consistent with the Cooperation Agreement between the two entities.

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### 2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The Organization's significant accounting policies are as follows:

#### Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred.

Revenue from unrestricted donations and grants is recognized as revenue in the general fund when cash is received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fees for service revenues relate to services provided by Nature United for the Conservancy. Revenue is recognized as services are rendered.

#### Financial instruments

##### Initial measurement

The Organization's financial instruments are measured at fair value when issued or acquired. Except for certain related party transactions.

##### Subsequent measurement

At each reporting date, the Organization measures its financial assets and liabilities at cost or amortized cost. The financial instruments measured at amortized cost are cash, accounts receivable, accounts payable and accrued liabilities, and grants payable.

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# Nature United

## Notes to the financial statements

June 30, 2025

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### 2. Summary of significant accounting policies (continued)

#### Financial instruments (continued)

For financial assets measured at cost or amortized cost, the Organization regularly assesses whether there are indications of impairment. If there is an indication of impairment, and the Organization determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial assets, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

#### Financial instruments in related party transactions

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Organization does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Organization initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the Organization has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

#### Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Estimates include amortization and accounts payable and accrued liabilities.

#### Lease inducements

Inducements received on signing or renewal of a lease are deferred and amortized on a straight-line basis over the term of the lease.

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## Nature United

### Notes to the financial statements

June 30, 2025

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#### 3. Related party transactions

During the year, the Organization received a total of \$26,932,905 (2024 - \$22,639,191) from the Conservancy with an additional \$1,425,040 (2024 - \$918,026) remaining in accounts receivable at year end. Included in this amount were unrestricted contributions totalling \$2,169,739 (2024 - \$3,766,516), fees for service revenue provided on behalf of Nature United for the Conservancy totalling \$1,230,261 (2024 - \$1,033,484), and a total of \$24,957,945 (2024 - \$18,757,217) of restricted contribution funding received, or receivable with \$22,241,158 (2024 - \$11,587,222) recognized in restricted contributions, \$1,798,761 (2024 - \$5,593,304) remaining in deferred contributions, and \$918,026 (2024 - \$1,576,691) collection of prior year accounts receivable.

Transactions between related parties are recorded at the exchange amount. Amounts owing from the Conservancy are non-interest bearing and have no specific terms of repayment.

The Conservancy also incurred \$1,091,017 (2024 - \$720,629) of contractual, communications, travel and other expenses, which were not charged back to the Organization. The Conservancy provided various support services to the Organization (including corporate services, ethics and compliance, legal, finance and administration, human resources and information technology) at no charge.

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#### 4. Grants payable

As at June 30, 2025, the Organization had approved grants of various terms up to May 2029. Amounts are payable based on the terms of the grant, which may include pre-term costs, amounts that are paid out without additional deliverables or amounts that are paid out based on the submission of reports or supporting cost summaries.

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#### 5. Deferred contributions

	<u>2025</u>	<u>2024</u>
Balance – beginning of year	\$ 9,003,417	\$ 1,603,195
Restricted contributions received	30,081,543	24,306,442
Restricted contributions recognized as revenue	<u>(36,363,239)</u>	<u>(16,906,220)</u>
Balance – end of year	<u>\$ 2,721,721</u>	<u>\$ 9,003,417</u>

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## Nature United

### Notes to the financial statements

June 30, 2025

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#### 6. Commitments

The Organization leases office space from a third party until April 2030. The minimum lease payments due under the operating lease are as follows:

2026	\$	116,240
2027		116,724
2028		119,146
2029		119,630
2030		122,052

The Organization enters into grant agreements with third parties, which have various expiry dates. As at June 30, 2025, the following amounts related to these grants are not yet due (Note 5):

2026	424,400
2027	424,400
2028	390,400
2029	190,400

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#### 7. Financial instruments

The Organization is subject to liquidity risk through its current obligations. To ensure the Organization is able to fund its obligations as they come due, it maintains accessible sources of liquidity, consisting primarily of cash balances. The Organization mitigates its risk by monitoring cash flows and maintaining a conservative level of debt suitable to its size in reference to the industry in which it operates.

It is management's opinion that the Organization is not subject to significant credit, currency, interest or other risk.

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