

Vancouver Natural History Society/Nature Vancouver
Treasurer's Report for the 2022 AGM - April 28, 2022

The Society's financial statements for the year ended December 31, 2021, were reviewed by Song & Ho Group LLP Chartered Professional Accountants. This report is a summary of the financial statements and ancillary information.

The 2021 financial statements reflect a smaller operation compared to pre-pandemic with another postponement of our summer camps due to Covid-19 in 2021. Unfortunately, the camp was further postponed to 2023 so you can expect similar effects on our 2022 financials.

Core Operations

Core Operations include membership services, administration, and production of publications, and the delivery of general programs. The financial capacity of the Society is dependent on its core operations, as well as the receipt of donations and bequests.

Core Operations do not include Summer Camps or nature tours. Transactions in the Society's Restricted Funds, such as the VNHS Endowment Fund, are excluded from Core Operations.

We recorded a small deficit of \$1,437 in our core operations, compared to a surplus of \$4,115 in 2020. Our core expenses were actually lower in 2021 and the different results between 2021 and 2020 were due to investment income allocation. In 2020, 75% of investment income generated by our Endowment Fund was allocated to operations while none was allocated in 2021.

Core operating revenue was \$32,501, compared to \$39,169 in 2020. The decrease in core operating revenue was mostly driven by the following items:

- Decreased investment income due to allocation: \$1,211 in 2021 vs \$16,816 in 2020. For your context, total investment income generated was \$38,990 vs. \$27,771 in 2020. We just didn't allocate any investment income from our Endowment Fund to operations.

The decrease in allocated investment income was partially offset by the following items:

- Increased donations from \$1,002 in 2020 to \$3,734 in 2021
- Increased membership dues from \$18,168 in 2020 to \$24,415 in 2021

Core operating expenses decreased to \$33,938 from \$35,054 in 2020 due to the following:

- Meeting room rental expenses decreased significantly due to COVID-19 from \$7,176 in 2019 to just \$583 in 2020, and to \$0 in 2021. Part of the savings were used to fund Zoom subscriptions and honorariums for all sections' speaker events that were previously funded by section funds.
- Professional fees decreased from \$10,022 in 2020 to \$7,557 in 2021
- Bank Charges and interest decreased from \$523 in 2020 to \$92 in 2021 as the number in 2020 included PayPal expenses from 2018 that were not previously claimed

The decreases were partially offset by the following increases:

- Meeting expenses of \$1,641 for our Zoom, Meetup, and website server subscriptions, some of which were previously categorized under Misc.
- Cost of Periodicals (Discovery) increased from \$7,796 in 2020 to \$9,195

Unrestricted Fund Balance (a.k.a. Members' Equity)

Unrestricted Funds, or Members' Equity, was \$40,854 (excluding reclassified section funds) compared to \$43,533 in 2020. The results reflected a relatively flat core operations and the cancellation of summer camps in 2021. (Please note financial results of 2019 summer camp do not include expenses incurred in previous years to prepare for the camp in 2019 or GST paid for camp expenses (separately listed under Expenses). Nature Vancouver operates summer camps on a break even basis.)

The Board has approved to have section funds merged with core operations due to insignificant fund balances and for administrative simplicity. The section funds that have been reclassified include Botany section fund, Marine biology section fund, conservation section fund, Birding section fund, Birding publication fund, and Geology section fund. Total section fund balance of \$5,809 was rolled into operations, adding to Unrestricted Funds, or Members' Equity. Unrestricted Funds, or Members' Equity, was \$46,663 including reclassified section funds.

Restricted Funds

VNHS Endowment Fund – Nature Vancouver maintains an investment account at RBC PH&N Investment Services. The investment account includes the Endowment Fund and the Society's surplus cash holdings in the form of a money market fund. The Endowment Fund continues to be invested in 2 RBC PH&N funds.

Before 2018, the Society's Bylaws allowed a maximum 50% of investment income to be allocated to operations every year to help cover operating expenses from an accounting perspective but the proceeds continue to stay in the PH&N account to earn investment income. That allocation percentage was raised from 50% to 75% in the 2018 revised Bylaws. Our Bylaws were further updated in 2021, approved by the membership at the 2021 AGM, to take an approach that is more aligned with the Society's needs and best practices. As part of the 2021 Bylaws revision, the Education Trust Fund was approved to be merged with the Endowment Fund so it can reflect the Society's priorities and also be managed more efficiently.

The market value of NV's investment account was \$699,900 at the end of 2020, representing a 13.15% annual return from \$619,451 at the end of 2020. The annual return is 10.25% over the past 3 years, and 6.85% since the account opening in 2001.

The financial statements have been posted on Nature Vancouver's website. A PDF of the complete financial statements is also available to any member from the Treasurer upon request.

A big Thank You to our members and volunteers for your unwavering support!

Adele Liu
Treasurer