

Thames Talbot Land Trust
Financial Statements
Year ended December 31, 2024



Independent Auditor's Report

To the Board of Directors and Members of Thames Talbot Land Trust

Qualified Opinion

We have audited the financial statements of Thames Talbot Land Trust ("the Trust"), which comprise the Statement of Financial Position as at December 31, 2024, and the Statements of Changes in Net Assets, Operations and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2024 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.

Basis for Qualified Opinion

In common with many charitable organizations, the Trust derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Trust. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, net revenue, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets, net assets and total assets as at December 31, 2024 and 2023. Our audit opinion on the financial statements was modified accordingly because of the possible effects of this limitation in scope.

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 Trust 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 qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust'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 Trust's preparation and fair presentation of the 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 Trust'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 Trust'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 Trust 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 achieve 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.



London, Ontario
May 22, 2025

**Chartered Professional Accountants
Licensed Public Accountants**

Thames Talbot Land Trust


Statement of Financial Position
As at December 31, 2024

	Operating Fund	Stewardship Fund	Conservation Lands Fund	Opportunities Fund	Total 2024	Total 2023
Assets						
Current						
Cash	\$ 93,845	\$ -	\$ -	\$ 473,878	\$ 567,723	\$ 448,536
Investments (Note 3)	-	437,745	-	542,218	979,963	778,736
Accounts receivable	-	15,998	-	84,454	100,452	60,300
Government remittances recoverable	7,940	-	-	-	7,940	5,077
Prepaid expenses	12,012	-	-	-	12,012	11,243
	113,797	453,743	-	1,100,550	1,668,090	1,303,892
Capital Assets (Note 4)	596,091	2,768	-	-	598,859	624,388
Land	-	-	10,333,772	-	10,333,772	9,798,665
	\$ 709,888	\$ 456,511	\$ 10,333,772	\$ 1,100,550	\$ 12,600,721	\$ 11,726,945
Liabilities						
Current						
Accounts payable and accrued liabilities	\$ 30,663	\$ 318	\$ -	\$ -	\$ 30,981	\$ 21,339
Government remittances payable	7,463	-	-	-	7,463	5,304
Deferred contributions (Note 6)	55,260	209,336	-	304,870	569,466	320,229
	93,386	209,654	-	304,870	607,910	346,872
Net assets	616,503	246,856	10,333,772	795,680	11,992,811	11,380,073
	\$ 709,889	\$ 456,510	\$ 10,333,772	\$ 1,100,550	\$ 12,600,721	\$ 11,726,945

Approved by the Board of Directors:



Director



Director

Thames Talbot Land Trust

Statement of Changes in Net Assets
Year ended December 31, 2024

	Operating Fund	Stewardship Fund	Conservation Lands Fund	Opportunities Fund	Total 2024	Total 2023
Net assets, beginning of year	\$ 692,950	\$ 158,955	\$ 9,798,665	\$ 729,503	\$ 11,380,073	\$ 9,730,629
Net revenue (expense)	(28,710)	34,996	340,000	266,452	612,738	1,649,444
	664,240	193,951	10,138,665	995,955	11,992,811	11,380,073
Net interfund transfers (Note 5)	(47,737)	52,905	195,107	(200,275)	-	-
Net assets, end of year	\$ 616,503	\$ 246,856	\$ 10,333,772	\$ 795,680	\$ 11,992,811	\$ 11,380,073

Thames Talbot Land Trust

Statement of Operations
Year ended December 31, 2024

	Operating Fund	Stewardship Fund	Conservation Lands Fund	Opportunities Fund	Total 2024	Total 2023
Revenues						
Grants	\$ 12,500	\$ 300,074	\$ -	\$ 355,246	\$ 667,820	\$ 1,518,462
Donated land	-	-	340,000	-	340,000	297,000
Donations	123,707	8,374	-	78,045	210,126	294,154
Investment	461	33,060	-	27,214	60,735	37,719
London Community Foundation distribution	2,000	54,400	-	-	56,400	49,000
Fundraising	34,350	-	-	-	34,350	26,800
Rental	22,204	-	-	-	22,204	20,004
Farm	9,282	-	-	-	9,282	18,256
Sales and events	1,389	580	-	-	1,969	3,321
	205,893	396,488	340,000	460,505	1,402,886	2,264,716
Expenses						
Salaries and wages	127,659	231,317	-	51,846	410,822	309,643
Property acquisition	-	-	-	95,333	95,333	58,305
Property stewardship	5,640	77,910	-	-	83,550	35,499
Marketing, promotion and events	20,433	16,865	-	14,563	51,861	26,278
Administrative and office	19,003	14,324	-	5,819	39,146	44,971
Amortization	24,837	692	-	-	25,529	26,257
London Community Foundation contribution	-	-	-	25,000	25,000	66,166
Automotive	39	16,024	-	1,016	17,079	12,791
Professional fees	15,098	-	-	-	15,098	11,242
Insurance	9,060	-	-	-	9,060	7,243
Farm	8,187	-	-	-	8,187	7,547
Investment management fees	-	4,360	-	-	4,360	3,367
Membership fees	2,914	-	-	-	2,914	3,065
Bank charges and interest	1,733	-	-	476	2,209	2,898
	234,603	361,492	-	194,053	790,148	615,272
Net revenue (expense)	\$ (28,710)	\$ 34,996	\$ 340,000	\$ 266,452	\$ 612,738	\$ 1,649,444

Thames Talbot Land Trust

Statement of Cash Flows
Year ended December 31, 2024

	2024	2023
Cash provided by (used in):		
Operating Activities		
Net revenue	\$ 612,738	\$ 1,649,444
Add (deduct) non-cash items:		
Amortization	25,529	26,257
Donation of land	(340,000)	(297,000)
Change in non-cash working capital items:		
Accounts receivable	(40,152)	38,420
Prepaid expenses	(769)	7,243
Government remittances recoverable	(704)	7,598
Accounts payable and accrued liabilities	9,641	(14,748)
Deferred contributions	249,237	29,983
	<u>515,520</u>	<u>1,447,197</u>
Investing Activities		
Purchase of land	(195,107)	(1,219,678)
Purchase of capital assets	-	(3,845)
Purchase of investments	(608,471)	(1,067,260)
Capital withdrawals on investments	407,245	945,273
	<u>(396,333)</u>	<u>(1,345,510)</u>
Increase in cash	119,187	101,687
Cash, beginning of year	<u>448,536</u>	<u>346,849</u>
Cash, end of year	<u>\$ 567,723</u>	<u>\$ 448,536</u>

Thames Talbot Land Trust

Notes to Financial Statements
December 31, 2024

1. Purpose of the Organization and Statutory Information

Thames Talbot Land Trust ("the Trust") was incorporated by Letters Patent constituting a corporation without share capital on March 28, 2000 and is a registered charity pursuant to the Income Tax Act. Its purpose is to protect areas of ecological value, protect areas of importance for water supplies and to acquire and hold lands for conservation purposes. According to the provisions of the Income Tax Act (Canada), the Trust is exempt from taxes on income.

2. Accounting Policies

The accompanying financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are summarized below.

Revenue Recognition

The Trust follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are 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 earned, including realized and unrealized gains and losses, is recognized on an accrual basis as revenue of the appropriate fund.

Membership fees, rental income, farming income and government assistance are recognized as revenue in the period in which they are earned as long as collection is reasonably assured. These revenues are considered earned over the term of the membership/rental agreement, and at the end of the subsidy period for government assistance.

Cash and Cash Equivalents

Cash as disclosed on the Statement of Financial Position consists of cash on hand, balances with banks and money market funds.

Land

Land owned by the Trust is recorded as a capital asset at fair market value at the time of acquisition, where such value can be reasonably determined, and is not amortized.

Capital Assets

Capital assets are recorded at acquisition cost. Amortization is provided on the declining balance method over the estimated useful lives of the assets at the following annual rates, with one-half the rate in the year of acquisition.

Building	4 %
Equipment	20 %

Contributed Services

Volunteers contribute many hours each year to assist the Trust in carrying out its activities. Due to the difficulty in determining fair value, contributed services are not recognized in the financial statements.

Thames Talbot Land Trust

Notes to Financial Statements
December 31, 2024

2. Accounting Policies (Continued)

Fund Accounting

The Trust maintains its accounts in accordance with the principles of fund accounting. Resources are classified for accounting purposes into funds according to the objective specified as follows:

Operating Fund

The Operating Fund accounts for the day to day operating activities of the Trust.

Stewardship Fund

The Stewardship Fund provides for the maintenance of Trust properties. The Trust engages in outreach and education initiatives for the community to raise awareness of environmental topics and promote sustainability.

Conservation Lands Fund

The Conservation Lands Fund holds properties donated to or acquired by the Trust.

Opportunities Fund

The Opportunities Fund is used to secure the donation or acquisition of land or conservation easements.

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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Specific estimates include the useful lives of capital assets, amortization rates and methods, non-monetary transactions, grant revenue recognition and fund allocation of revenue and expenses. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in net revenue in the period in which they become known.

Financial Instruments

Measurement of financial instruments:

The Trust initially measures its financial assets and financial liabilities at fair value. The Trust subsequently measures all its financial assets and financial liabilities at amortized cost, except the investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net revenue.

Impairment:

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down and any subsequent reversal are recognized in net revenue.

Transaction costs:

The Trust recognizes its transactions costs in net revenue in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Thames Talbot Land Trust

Notes to Financial Statements
December 31, 2024

3. Investments

The Stewardship Funds and Opportunities Funds' investments, recorded at fair market value, consist of the following:

	2024	2023
TD Canada Trust - GICs (Stewardship Fund)	\$ 88,140	\$ 85,371
RBC - money market funds (Opportunities Fund)	542,218	459,236
London Community Foundation - Jane M. Bowles (Stewardship Fund)	349,605	234,129
	<u>\$ 979,963</u>	<u>\$ 778,736</u>

4. Capital Assets

	Cost	Accumulated Amortization	Net	
			2024	2023
Operating Fund:				
Building - Boview	\$ 660,000	\$ 63,909	\$ 596,091	\$ 620,928
Stewardship Fund:				
Equipment	3,845	1,077	2,768	3,460
	<u>\$ 663,845</u>	<u>\$ 64,986</u>	<u>\$ 598,859</u>	<u>\$ 624,388</u>

5. Transfer Between Funds

During the year, the Trust transferred amounts between funds as follows:

- A net transfer of \$52,905 to the Stewardship Fund from the Operating Fund to cover general expenses paid by and donations and grants deposited to the Operating Fund.
- A net transfer of \$200,275 to the Operating Fund from the Opportunities Fund to cover general expenses and London Community Foundation contributions paid by and donations and grants deposited to the Operating Fund.
- A net transfer of \$195,107 from the Operating Fund to the Conservation Fund to cover land purchase costs and associated legal fees, net of donated buildings allocated to the Operating Fund.

6. Deferred Contributions

Deferred contributions represent revenue received for which the completion of a grant contract and expenses will occur in a subsequent period.

Operating Fund

Deferred contributions include Passport 2 Nature sponsorship.

Thames Talbot Land Trust

Notes to Financial Statements
December 31, 2024

6. Deferred Contributions (continued)

Stewardship Fund

In 2014, the Board established a limited term restricted fund at the London Community Foundation for the Jane M. Bowles Stewardship Fund. This fund is used to support the salary for the property manager position at the Trust. During 2014 \$220,000 was deposited to the fund. This fund continues to receive donations annually. Additional grants restricted for stewardship and outreach programs received in 2024 or continuing from a previous year are included.

Opportunities Fund

In 2023, the Trust signed a community-led land protection for a sustainable future initiative grant with London Community Foundation for \$326,717. \$96,827 was received and deposited to the fund in the year. The unspent amounts at year-end are included below. Additional grants received for land acquisition received in 2024 or continuing from a previous year are included.

	Opening 2023	Received	Disbursement	Ending 2024
Operating Fund				
ECHO Foundation	\$ 12,500	\$ -	\$ 12,500	\$ -
Fundraising campaign	-	50,310	-	50,310
Passport 2 Nature	2,950	4,950	2,950	4,950
	<u>15,450</u>	<u>55,260</u>	<u>15,450</u>	<u>55,260</u>
Stewardship Fund				
Jane M. Bowles	133,047	75,932	34,380	174,599
Nature Education for Youth	-	5,000	217	4,783
- OTF Volunteer Program	8,254	87,200	77,501	17,953
Wetlands Conservation Partnership Program	9,260	19,155	28,415	-
TD Friends of the Environment Foundation	-	5,200	-	5,200
Other	13,444	-	6,643	6,801
	<u>164,005</u>	<u>192,487</u>	<u>147,156</u>	<u>209,336</u>
Opportunities Fund				
Hawk Cliff Woods HSP	-	48,852	48,852	-
Hawk Cliff Woods Expansion & Restoration	-	188,728	-	188,728
Echo Foundation	67,019	-	67,019	-
London Community Foundation - Vitality Grant	73,755	96,827	54,440	116,142
	<u>140,774</u>	<u>334,407</u>	<u>170,311</u>	<u>304,870</u>
	<u>\$ 320,229</u>	<u>\$ 582,154</u>	<u>\$ 332,917</u>	<u>\$ 569,466</u>

Thames Talbot Land Trust

Notes to Financial Statements
December 31, 2024

7. Commitments

The Trust has signed a lease agreement with Reforest London to rent two offices at the Bruce Pavilion (Westminster Ponds Centre). The lease expires December 31, 2025 at a cost of \$13,583 plus HST annually, increasing 2% each year.

8. Financial Instruments Risk Management

Transactions in financial instruments may result in financial risks being assumed by the Trust or transferring to another party. The risks identified by the Trust are as follows:

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 are a mix of fixed and variable interest rates. Accordingly, the Trust is exposed to interest rate risk resulting in changes to future interest rates applicable to its investments with variable interest rates.

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. The Trust is exposed to market risk to the extent of its investments in Stewardship Fund marketable securities as shown on the Statement of Financial Position.

Other Risks

It is management's belief that the Trust is not exposed to significant credit, currency and liquidity risk.

The nature, extent and concentration of the Trust's exposure to the above risks did not change during the fiscal year.

9. Subsequent Event

On January 8, 2025, the Trust purchased land at a cost of \$23,203. The land is located in the Municipality of West Elgin, Ontario.