

**Thames Talbot Land Trust**  
Financial Statements  
Year ended December 31, 2025



## Independent Auditor's Report

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

### 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, 2025, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2025 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 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 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 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 21, 2026

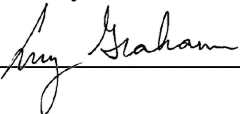
**Chartered Professional Accountants  
Licensed Public Accountants**

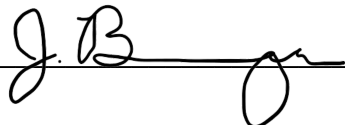
## Thames Talbot Land Trust

Statement of Financial Position  
As at December 31, 2025

	Operating Fund	Stewardship Fund	Conservation Lands Fund	Opportunities Fund	Total 2025	Total 2024
<b>Assets</b>						
Current						
Cash	\$ 87,402	\$ -	\$ -	\$ 148,872	\$ 236,274	\$ 567,723
Investments (Note 3)	-	502,976	-	580,703	1,083,679	979,963
Accounts receivable	15,117	42,749	-	309,899	367,765	100,452
Government remittances recoverable	9,778	-	-	-	9,778	7,940
Prepaid expenses	17,227	-	-	-	17,227	12,012
	129,524	545,725	-	1,039,474	1,714,723	1,668,090
Capital Assets (Note 4)	572,247	2,214	-	-	574,461	598,859
Land	-	-	11,374,380	-	11,374,380	10,333,772
Land held in joint arrangement (Note 5)	-	-	377,105	-	377,105	-
	\$ 701,771	\$ 547,939	\$ 11,751,485	\$ 1,039,474	\$ 14,040,669	\$ 12,600,721
<b>Liabilities</b>						
Current						
Accounts payable and accrued liabilities	\$ 70,412	\$ -	\$ -	\$ -	\$ 70,412	\$ 30,981
Government remittances payable	10,591	-	-	-	10,591	7,463
Deferred contributions (Note 6)	2,201	246,417	-	207,964	456,582	569,466
	83,204	246,417	-	207,964	537,585	607,910
Net assets	618,567	301,522	11,751,485	831,510	13,503,084	11,992,811
	\$ 701,771	\$ 547,939	\$ 11,751,485	\$ 1,039,474	\$ 14,040,669	\$ 12,600,721

Approved by the Board of Directors:

  
Director

  
Director

## Thames Talbot Land Trust

### Statement of Changes in Net Assets Year ended December 31, 2025

	Operating Fund	Stewardship Fund	Conservation Lands Fund	Opportunities Fund	Total 2025	Total 2024
Net assets, beginning of year	\$ 616,503	\$ 246,856	\$ 10,333,772	\$ 795,680	\$ 11,992,811	\$ 11,380,073
Net revenue (expense)	52,716	(19,951)	135,000	1,342,508	1,510,273	612,738
	669,219	226,905	10,468,772	2,138,188	13,503,084	11,992,811
Net interfund transfers (Note 7)	(50,652)	74,617	1,282,713	(1,306,678)	-	-
Net assets, end of year	\$ 618,567	\$ 301,522	\$ 11,751,485	\$ 831,510	\$ 13,503,084	\$ 11,992,811

## Thames Talbot Land Trust

Statement of Operations  
Year ended December 31, 2025

	Operating Fund	Stewardship Fund	Conservation Lands Fund	Opportunities Fund	Total 2025	Total 2024
<b>Revenues</b>						
Grants	\$ 51,245	\$ 225,270	\$ -	\$ 1,338,283	\$ 1,614,798	\$ 667,820
Donations	255,398	15,156	-	239,304	509,858	210,126
Donated land	-	-	135,000	-	135,000	340,000
London Community Foundation distribution	2,000	68,700	-	-	70,700	56,400
Investment	430	37,666	-	19,209	57,305	60,735
Non-receipted fundraising	39,963	4,500	-	-	44,463	34,350
Rental	23,604	-	-	-	23,604	22,204
Farm	22,180	-	-	-	22,180	9,282
Merchandise sales and events	8,900	620	-	-	9,520	1,969
	<u>403,720</u>	<u>351,912</u>	<u>135,000</u>	<u>1,596,796</u>	<u>2,487,428</u>	<u>1,402,886</u>
<b>Expenses</b>						
Salaries and wages	196,706	267,287	-	79,027	543,020	410,822
Property acquisition	-	-	-	73,959	73,959	95,333
Donations (Note 5)	-	-	-	70,718	70,718	-
Property stewardship	5,428	62,868	-	-	68,296	83,550
Administrative and office	45,389	9,135	-	10,183	64,707	39,147
Marketing, promotion and events	31,026	13,556	-	15,921	60,503	51,861
Amortization	23,844	554	-	-	24,398	25,529
Professional fees	18,165	-	-	712	18,877	15,098
Automotive	-	13,247	-	3,379	16,626	17,079
Farm	15,114	-	-	-	15,114	8,187
Insurance	8,683	-	-	-	8,683	9,060
Investment management fees	-	5,216	-	-	5,216	4,360
Bank charges and interest	3,388	-	-	389	3,777	2,208
Membership fees	3,261	-	-	-	3,261	2,914
London Community Foundation contribution	-	-	-	-	-	25,000
	<u>351,004</u>	<u>371,863</u>	<u>-</u>	<u>254,288</u>	<u>977,155</u>	<u>790,148</u>
Net revenue	\$ 52,716	\$ (19,951)	\$ 135,000	\$ 1,342,508	\$ 1,510,273	\$ 612,738

## Thames Talbot Land Trust

Statement of Cash Flows  
Year ended December 31, 2025

	2025	2024
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
Net revenue	\$ 1,510,273	\$ 612,738
Add (deduct) non-cash items:		
Amortization	24,398	25,529
Donation of land	(135,000)	(340,000)
Change in non-cash working capital items:		
Accounts receivable	(267,312)	(40,152)
Prepaid expenses	(5,215)	(769)
Government remittances recoverable	1,289	(704)
Accounts payable and accrued liabilities	39,433	9,641
Deferred contributions	(112,886)	249,237
	<u>1,054,980</u>	<u>515,520</u>
<b>Investing Activities</b>		
Purchase of land	(1,282,713)	(195,107)
Purchase of investments	(362,815)	(608,471)
Capital withdrawals on investments	259,099	407,245
	<u>(1,386,429)</u>	<u>(396,333)</u>
Increase (decrease) in cash	(331,449)	119,187
Cash, beginning of year	<u>567,723</u>	<u>448,536</u>
Cash, end of year	<u>\$ 236,274</u>	<u>\$ 567,723</u>

# Thames Talbot Land Trust

Notes to Financial Statements  
December 31, 2025

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## 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.

Contributions include grant revenue, receipted donations and non-receipted fundraising revenue. 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.

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 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 %

## **Thames Talbot Land Trust**

Notes to Financial Statements  
December 31, 2025

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### **2. Accounting Policies (Continued)**

#### **Interest in Joint Arrangements**

The Trust accounts for its interest in joint arrangements at historical cost. The Trust's share of revenue and expenses is reported in net revenue.

#### **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.

#### **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.

## Thames Talbot Land Trust

Notes to Financial Statements  
December 31, 2025

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### 2. Accounting Policies (Continued)

#### Financial Instruments (continued)

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.

### 3. Investments

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

	2025	2024
TD Canada Trust - GICs (Stewardship Fund)	\$ 88,659	\$ 88,140
RBC - money market funds (Opportunities Fund)	580,703	542,218
London Community Foundation - Jane M. Bowles (Stewardship Fund)	414,317	349,605
	<u>\$ 1,083,679</u>	<u>\$ 979,963</u>

### 4. Capital Assets

	Cost	Accumulated Amortization	Net	
			2025	2024
Operating Fund:				
Building - Boview	\$ 660,000	\$ 87,753	\$ 572,247	\$ 596,091
Stewardship Fund:				
Equipment	3,845	1,631	2,214	2,768
	<u>\$ 663,845</u>	<u>\$ 89,384</u>	<u>\$ 574,461</u>	<u>\$ 598,859</u>

### 5. Land Held in Joint Arrangement

During the year, The Trust entered into a joint arrangement with St. Clair Region Conservation Foundation for the acquisition and ongoing maintenance of land held for conservation purposes. The terms of the joint arrangement are that the Trust and St. Clair Region Conservation Foundation contribute equally to the total cost of the project, \$895,646. However, the Trust contributed a larger portion of the capital cost. The excess contribution is recorded as a donation to St. Clair Region Conservation Foundation. St. Clair Region Conservation Foundation is responsible for all of the operating costs and will recognize all of the revenue. Any changes to the arrangement require approval from both parties.

## Thames Talbot Land Trust

Notes to Financial Statements  
December 31, 2025

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### 5. Land Held in Joint Arrangement (continued)

Appraisal value	<u>\$ 725,000</u>
The Trust's 50% share	362,500
The Trusts's acquisition costs	<u>14,605</u>
Land held in joint arrangement	377,105
Less: The Trust's contribution	<u>(447,823)</u>
Donation to St. Clair Conservation Foundation	<u>\$ 70,718</u>

### 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.

#### 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 2025 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. No amounts were 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 2025 or continuing from a previous year are included.

## Thames Talbot Land Trust

Notes to Financial Statements  
December 31, 2025

### 6. Deferred Contributions (continued)

	Opening 2024	Received	Disbursement	Ending 2025
<b>Operating Fund</b>				
Fundraising campaign	\$ 50,310	\$ -	\$ 50,309	\$ 1
Passport 2 Nature	4,950	-	2,750	2,200
	<u>55,260</u>	<u>-</u>	<u>53,059</u>	<u>2,201</u>
<b>Stewardship Fund</b>				
Jane M. Bowles	174,599	71,081	13,200	232,480
Nature Education for Youth	4,783	-	4,534	249
- OTF Volunteer Program	17,953	13,400	31,353	-
TD Friends of the Environment Foundation	5,200	-	5,200	-
Other	6,801	16,668	9,781	13,688
	<u>209,336</u>	<u>101,149</u>	<u>64,068</u>	<u>246,417</u>
<b>Opportunities Fund</b>				
Hawk Cliff Woods Expansion & Restoration	188,728	80,600	269,328	-
Echo Foundation	-	200,000	78,745	121,255
London Community Foundation - Vitality Grant	116,142	-	29,433	86,709
	<u>304,870</u>	<u>280,600</u>	<u>377,506</u>	<u>207,964</u>
	<u>\$ 569,466</u>	<u>\$ 381,749</u>	<u>\$ 494,633</u>	<u>\$ 456,582</u>

### 7. Transfer Between Funds

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

- A net transfer of \$74,617 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 \$1,306,678 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 \$1,282,713 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.

## Thames Talbot Land Trust

Notes to Financial Statements  
December 31, 2025

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### 8. 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, 2028 at a cost of \$12,214 plus HST annually, increasing 1.5% each year.

The Trust has signed a lease agreement with Finch Chevrolet to lease a 2026 Chevrolet Silverado. The lease expires December 11, 2029 at a cost of \$8,160 plus HST annually.

### 9. 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.

### 10. Subsequent Event

On January 29, 2026, the Trust purchased land with a value of \$700,000 for a cost of \$560,000. The remaining \$140,000 was donated to the Trust. The land is located in the Municipality of Perth East, Ontario.

On January 29, 2026, the Trust received a donation of a conservation easement agreement valued at \$235,000. The land is located in the Municipality of North Middlesex Ontario.

On February 4, 2026, the Trust purchased land at a cost of \$342,500. The land is located in the Municipality of Blandford-Blenheim, Ontario.