

Thames Talbot Land Trust
Financial Statements
Year ended December 31, 2013

This copy of financial statements should be
signed on the face of the Balance Sheet,
indicating approval of the financial statements,
and returned to

Collins Barrow KMD LLP

Chartered Accountants

Thames Talbot Land Trust

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Independent Auditor's Report

To the Members of Thames Talbot Land Trust

We have audited the accompanying financial statements of Thames Talbot Land Trust, which comprise the statements of financial position as at December 31, 2013, and the statements of operations, changes in net assets and cash flows for the year, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Thames Talbot Land Trust derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization, and we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenues over expenditures, and cash flows from operations for the years ended December 31, 2013 current assets and net assets at December 31, 2013.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Thames Talbot Land Trust as at December 31, 2013, and its results of its operations and its cash flows for the year ended December 31, 2013 in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the Corporations Act of Ontario, we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.



Chartered Accountants
Licensed Public Accountants

London, Canada
March 19, 2014

Thames Talbot Land Trust
Statement of Financial Position
As at December 31, 2013

	Operating Fund	Stewardship Fund	Conservation Lands Fund	Opportunities Fund	Total 2013	Total 2012
ASSETS						
Current assets						
Cash	\$ 76,228	\$ 54,479	\$ -	\$ 44,144	\$ 174,851	\$ 111,715
Investments (Note 3)	-	759,189	-	791,725	1,550,914	1,272,967
HST receivable	3,183	-	-	-	3,183	3,475
Interfund balance	(8,722)	8,722	-	-	-	-
Prepaid expenses	1,400	-	-	-	1,400	1,400
	72,089	822,390	-	835,869	1,730,348	1,389,557
	-	-	2,035,274	-	2,035,274	2,035,274
Land	\$ 72,089	\$ 822,390	\$ 2,035,274	\$ 835,869	\$ 3,765,622	\$ 3,424,831
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities (Note 4)	\$ 9,458	\$ -	\$ -	\$ -	\$ 9,458	\$ 9,188
Deferred contributions	33,191	221,104	-	2,879	257,174	12,829
	42,649	221,104	-	2,879	266,632	22,017
FUND BALANCES						
	29,440	601,286	2,035,274	832,990	3,498,990	3,402,814
Net assets	\$ 72,089	\$ 822,390	\$ 2,035,274	\$ 835,869	\$ 3,765,622	\$ 3,424,831

See accompanying notes

Approved on behalf of the Board of Directors:

Director,

Director,

Thames Talbot Land Trust
Statement of Changes in Net Assets
Year ended December 31, 2013

For the year ended December 31	Operating Fund	Stewardship Fund	Conservation Lands Fund	Opportunities Fund	Total 2013	Total 2012
Net assets, beginning of year	\$	42,598 \$	516,517 \$	2,035,274 \$	808,425 \$	3,402,814 \$
Excess (deficiency) of revenues over expenditures for the year	(16,113)	84,769	-	-	27,520	96,176
Net internal fund transfers	2,955	-	-	(2,955)	-	59,460
Net assets, end of year	\$	29,440 \$	601,286 \$	2,035,274 \$	832,990 \$	3,498,990 \$
						3,402,814

See accompanying notes

Thames Talbot Land Trust

Statement of Operations

Year ended December 31, 2013

For the year ended December 31	Operating Fund	Stewardship Fund	Conservation Lands Fund	Opportunities Fund	Total 2013	Total 2012
Revenue						
Agricultural rental income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,729
Canada Summer Jobs grant	5,443	-	-	-	5,443	-
Donations	98,544	13,136	-	17,502	129,182	91,643
Grants	-	-	-	-	-	9,000
Investment income	-	79,292	-	10,076	89,368	55,994
Membership fees	6,575	-	-	-	6,575	3,770
Ontario Land Trust Assistance Plan (OLTAP) grant	-	-	-	446	446	-
Trillium grant	44,339	-	-	-	44,339	32,071
Workshops and miscellaneous	3,012	-	-	-	3,012	5,549
	157,913	92,428	-	28,024	278,365	207,756
Expenses						
Administrative and general	7,220	-	-	-	7,220	10,633
Advertising and promotion	1,350	-	-	-	1,350	2,611
Audit and legal	7,724	-	-	-	7,724	7,910
Bank charges and interest	1,228	65	-	59	1,352	1,375
Board development and training	2,369	-	-	-	2,369	-
Canada Summer Jobs grant expenditure	5,468	-	-	-	5,468	-
Executive director costs	71,494	-	-	-	71,494	69,396
Insurance - directors and officers	2,004	-	-	-	2,004	1,981
Investment management fees	-	7,594	-	-	7,594	7,031
Meetings - board and AGM	3,788	-	-	-	3,788	1,506
Membership fees	2,146	-	-	-	2,146	1,765
Newsletter and web page	1,363	-	-	-	1,363	823
OLTAP grant expenditures	-	-	-	445	445	-
Office rent	2,495	-	-	-	2,495	485
Property acquisition costs	-	-	-	-	-	2,570
Property stewardship	18,047	-	-	-	18,047	7,256
Strategic plan expenditures	1,139	-	-	-	1,139	-
Take a Hike fundraiser expenditures	745	-	-	-	745	-
Trillium grant expenditures	44,339	-	-	-	44,339	32,071
Workshops	1,107	-	-	-	1,107	883
	174,026	7,659	-	504	182,189	148,296
Excess (deficiency) of revenues over expenditures for the year	\$ (16,113)	\$ 84,769	\$ -	\$ 27,520	\$ 96,176	\$ 59,460

See accompanying notes

Thames Talbot Land Trust
Statement of Cash Flows
Year ended December 31, 2013

	2013	2012
Operating activities		
Excess (deficiency) of revenues over expenditures for the year	\$ 96,176	\$ 59,460
Change in non-cash working capital items		
HST receivable	292	825
Accounts payable and accrued liabilities	270	(695)
Deferred contributions	244,345	12,829
	<u>341,083</u>	<u>72,419</u>
Investing activities		
Acquisition of land	-	(208,189)
Purchase of investment	(277,947)	-
Disposition of investments	-	138,268
	<u>(277,947)</u>	<u>(69,921)</u>
Increase in cash	63,136	2,498
Cash, beginning of year	111,715	109,217
Cash, end of year	<u>\$ 174,851</u>	<u>\$ 111,715</u>
Cash consists of:		
Operating fund	\$ 76,228	\$ 59,740
Stewardship fund	54,479	28,658
Opportunities fund	44,144	23,317
	<u>\$ 174,851</u>	<u>\$ 111,715</u>

See accompanying notes

Thames Talbot Land Trust
Notes to the Financial Statements
December 31, 2013

1. Nature of operations

Thames Talbot Land Trust (the "Trust") was incorporated March 28, 2000 under the laws of Canada. 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.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Fund accounting

Thames Talbot Land Trust has the following funds:

(i) Operating fund

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

(ii) Stewardship fund

The Stewardship fund has been created to provide for the maintenance of Trust properties.

(iii) Conservation Lands Fund

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

(iv) Opportunities fund

The Opportunities fund was established in 2005 and the funds accumulated therein will be used to secure the donation or acquisition of land or conservation easements.

(b) Accrual basis of accounting

Revenue and expenditures are recorded on the accrual basis of accounting under which they are recorded in the financial statements in the period they are earned or incurred respectively, whether or not such transactions have been settled by the receipt or payment of money.

(c) Revenue recognition

Thames Talbot Land 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.

(d) Contributed materials and services

Some of the work of the Trust is dependent on the services of volunteers. Since these services are not normally purchased by the Trust and because of the difficulty in determining their fair value, donated services are not recognized in these financial statements.

(e) 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.

Thames Talbot Land Trust

Notes to the Financial Statements

2. Significant accounting policies, continued

(f) Investments

Thames Talbot Land Trust has elected to account for all of the short-term and long-term investments at fair value. Changes in fair values during the year are included in revenue or expenditures on the statement of operations.

Quoted market prices were used to determine the fair value of the investments as at the year end date.

(g) Income taxes

According to the provisions of the Income Tax Act (Canada), the Trust is exempt from taxes on income.

During the year, the Trust expended sufficient amounts on charitable activities and by way of gifts to qualified donees to meet the disbursement quota requirements as defined in paragraph 149.1(1)(e) of the Income Tax Act (Canada).

(h) Accounting estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. By their nature, these estimates are subject to measurement uncertainty. These estimates are reviewed periodically and adjustments are made to income in the year in which they become known. Actual results may vary from these estimates.

Thames Talbot Land Trust

Notes to the Financial Statements

2. Significant accounting policies, continued

(i) Financial instruments

(i) Measurement of financial instruments

Thames Talbot Land Trust initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The organization subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash. Financial assets measured at fair market value include investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations. The write down reflects the difference between the carrying amount and the higher of:

- a. the present value of the cash flows expected to be generated by the asset or group of assets;
- b. the amount that could be realized by selling the assets or group of assets;
- c. the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the event occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in the statement of operations up to the amount of the previously recognized impairment

Thames Talbot Land Trust
Notes to the Financial Statements

3. Investments

The Stewardship's fund's investments, recorded at fair market value, consist of the following as at:

	December 31, 2013	December 31, 2012
TD Canada Trust - GICs	\$ 21,548	\$ 21,223
London Community Foundation - Endowment Fund	525,464	466,636
RBC Mutual Funds	212,177	-
	\$ 759,189	\$ 487,859

The Opportunities fund's investments, recorded at fair market value, consist of the following as at:

	December 31, 2013	December 31, 2012
TD Canada Trust - GICs	\$ 365,272	\$ 363,974
RBC Mutual Funds	426,453	421,134
	\$ 791,725	\$ 785,108