

ANN & SANDY CROSS CONSERVATION AREA

FINANCIAL STATEMENTS (Audited)

December 31, 2023



a member of

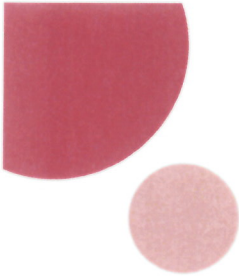
**FEDERATION OF
CALGARY COMMUNITIES**

ANN & SANDY CROSS CONSERVATION AREA

December 31, 2023

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Nancy Murdoch

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Independent Auditor's Report

To the Shareholders of the
Ann & Sandy Cross Conservation Area

Opinion

I have audited the Statement of Financial Position of the Ann & Sandy Cross Conservation Area as at December 31, 2023 and the Statements of Operations, Net Assets and Cash Flows and a summary of significant accounting policies and other explanatory notes for the year ended December 31, 2023 .

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ann & Sandy Cross Conservation Area as at December 31, 2023 and the results of its operations and cash flows for the year ended December 31, 2023 in accordance with Canadian accounting standards for not-for-profit associations.

I conducted my audit in accordance with Canadian auditing standards. I am independent of the Ann & Sandy Cross Conservation Area in accordance with the ethical requirements that are relevant to my audit and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Management's Responsibility

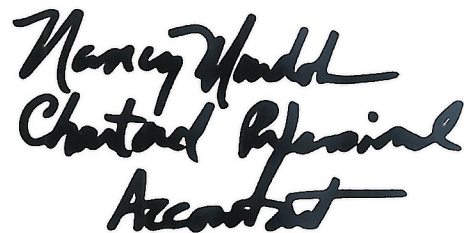
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit associations and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Ann & Sandy Cross Conservation Area's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 judgement, 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 entity'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, concluding on the appropriateness of management's use of the going concern basis of accounting as well as evaluating the overall presentation of the financial statements.

I communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that I identify during my audit.



*Nancy Murdoch
Chartered Professional
Accountant*

Calgary, Alberta
May 28, 2024


Nancy Murdoch
Chartered Professional Accountant

ANN & SANDY CROSS CONSERVATION AREA
STATEMENT OF FINANCIAL POSITION
(Audited)

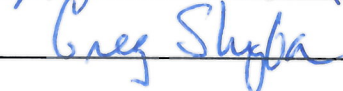
As at December 31, 2023

	2023	2022
ASSETS		
Current assets		
Cash, unrestricted	\$ 34,041	\$ 41,253
Externally restricted cash (Note 3)	2,216	15,926
Accounts receivable, unrestricted	2,006	-
GST receivable	4,825	8,452
Prepaid expenses	32,668	29,855
	75,756	95,486
UFA shares	301	301
Endowment funds held in perpetuity (Note 4)	4,005,033	3,962,409
Internally restricted investments (Note 4)	451,858	451,858
Long term investments, unrestricted (Note 4)	374,842	366,044
Capital assets (Note 5)	280,458	336,161
	\$ 5,188,248	\$ 5,212,259
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 51,788	\$ 26,873
Deferred cash contributions (Note 3)	2,216	15,926
Deferred revenue	13,580	24,200
	67,584	66,999
Deferred capital contributions (Note 6)	232,504	274,873
	300,088	341,872
Net assets		
Capital stock (Note 7)	-	-
Invested in capital assets	47,954	61,288
Restricted for endowment (Note 8)	4,005,033	3,962,409
Internally restricted	451,858	451,858
Unrestricted	383,315	394,832
	4,888,160	4,870,387
	\$ 5,188,248	\$ 5,212,259

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS



Director



Director & CEO

See Notes to the Financial Statements

ANN & SANDY CROSS CONSERVATION AREA
STATEMENT OF CHANGES IN NET ASSETS
(Audited)

For the Year Ended December 31, 2023

	Invested in Capital Assets	Restricted for Endowment	Internally Restricted	Unrestricted Surplus	2023 Totals	2022 Totals
Balances, beginning of the year	\$ 61,288	3,962,409	451,858	394,832	4,870,387	5,304,002
Endowment contributions	-	-	-	-	-	118,333
Endowment realized income (loss)	-	122,415	-	-	122,415	96,070
Endowment realized capital gains (losses)	-	63,224	-	-	63,224	51,872
Endowment unrealized capital gains (losses)	-	119,384	-	-	119,384	(324,990)
Endowment portion, investment mgmt fees	-	(51,149)	-	-	(51,149)	(51,138)
Withdrawal from endowment	-	(211,250)	-	-	(211,250)	(195,804)
Purchase of capital assets from unrestricted funds	21,368	-	-	(21,368)	-	-
	82,656	4,005,033	451,858	373,464	4,913,011	4,998,345
Excess of revenue (deficit)	(34,702)	-	-	9,851	(24,851)	(127,958)
Balances, end of the year	\$ 47,954	4,005,033	451,858	383,315	4,888,160	4,870,387

See Notes to the Financial Statements

ANN & SANDY CROSS CONSERVATION AREA

STATEMENT OF OPERATIONS

(Audited)

For the Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>
OPERATIONS		
Revenue		
Contributions	\$ 139,261	\$ 72,001
Courses, grazing and other	104,664	98,448
Distribution from endowment	211,250	195,804
Grants and funding	50,574	65,035
Housing rent	41,340	106,090
Other income	-	9,764
	<u>547,089</u>	<u>547,142</u>
Expenses		
Auto	4,886	3,024
Bank charges	2,003	2,738
Board meetings	4,197	8,795
Education program	11,584	12,913
Fundraising expenses	4,490	2,128
GST	4,917	5,161
Insurance	55,627	49,026
Legal and audit	-	6,607
Professional fees	18,755	23,730
Property taxes	10,837	10,355
Salaries and benefits	310,512	278,420
Staff training, meals and recognition	77	6,970
Supplies and maintenance	130,055	156,388
Telephone and utilities	31,730	27,845
	<u>589,670</u>	<u>594,100</u>
NET INCOME FROM OPERATIONS	<u>(42,581)</u>	<u>(46,958)</u>
INVESTMENT ACTIVITIES		
Interest and dividend income (Note 8)	25,296	19,830
Realized capital gains (Note 8)	13,050	10,707
Unrealized capital gains (losses) (Note 8)	24,643	(67,083)
Investment management fee (Note 8)	(10,558)	(10,556)
	<u>52,431</u>	<u>(47,102)</u>
NET INCOME BEFORE CAPITAL ACTIVITIES	<u>9,850</u>	<u>(94,060)</u>
CAPITAL ACTIVITIES		
Amortized capital contributions (Note 6)	57,869	57,219
Amortization expense	(92,570)	(91,117)
	<u>(34,701)</u>	<u>(33,898)</u>
SURPLUS (DEFICIT)	<u>\$ (24,851)</u>	<u>\$ (127,958)</u>

See Notes to the Financial Statements

ANN & SANDY CROSS CONSERVATION AREA
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended December 31, 2023

	2023	2022
Funds Provided By (Used In) Operations:		
Excess of revenue (deficit)	\$ (24,851)	\$ (127,958)
Charges not requiring cash outlay:		
Amortization	92,570	91,117
Amortization of deferred capital contributions	(57,869)	(57,219)
Unrealized capital (gain) loss on investments	(24,643)	67,083
	(14,793)	(26,977)
Changes in non-cash operating working capital:		
Account receivable	(2,006)	24,879
Goods and Services Tax	3,626	(1,403)
Prepaid expenses	(2,813)	(4,535)
Accounts payable and accrued liabilities	24,914	3,125
Deferred revenue	(10,620)	11,420
	13,101	33,486
Net increase in working capital	(1,692)	6,509
Cash flows from financing activities		
Net use of (transfer to) deferred cash contributions	(34,726)	(43,653)
Grant proceeds received	52,364	82,917
	17,638	39,264
Cash flows from investing activities		
Purchase of property and equipment	(36,868)	(67,423)
	(36,868)	(67,423)
Increase (decrease) in cash and cash equivalents	(20,922)	(21,650)
Cash and cash equivalents, beginning of the year	57,179	78,829
Cash and cash equivalents, end of the year	\$ 36,257	\$ 57,179
 Cash and cash equivalents consist of:		
Unrestricted cash	\$ 34,041	\$ 41,253
Externally restricted cash	2,216	15,926
	\$ 36,257	\$ 57,179

See Notes to the Financial Statements

ANN & SANDY CROSS CONSERVATION AREA
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2023

1. NATURE OF THE ORGANIZATION

The Sandy Cross Conservation Foundation was incorporated on February 26, 1996 under the Alberta Companies Act as a company limited by shares and became a registered charity under the Income Tax Act on March 7, 1996. On November 24, 2008, the name was changed to the Ann & Sandy Cross Conservation Area (the "Organization").

The Organization leases and manages 4,800 acres of land southwest of Calgary for the purpose of habitat conservation and to provide conservation education, particularly to young people.

The Organization commenced operations on August 1, 1996 with the assignment of the land lease and the transfer of assets from the Nature Conservancy of Canada, which had operated the Organization as the Sandy Cross Conservation Foundation. The Organization recorded the assets at the carrying amounts reflected on the books of the Nature Conservancy of Canada, except for investments in securities which were recorded at market value.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

(a) Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Contributions of capital assets and contributions restricted for capital asset expenditure are deferred and recognized as revenue as the related capital asset is amortized. 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. Unrestricted investment income is recognized when earned. Endowment contributions are recognized as direct increases in net assets.

Amounts received for courses, hay, grazing, housing rent and other items are recognized as revenue as the related services are rendered.

ANN & SANDY CROSS CONSERVATION AREA
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES Continued...

(b) Investments

Investments held as endowments are carried at market value with realized gains, dividends, interest income and unrealized gains or losses recognized directly in the Endowment Fund in Net Assets. These funds are held in perpetuity with an annual distribution from income earned.

Internally restricted and unrestricted investments are carried at market value with realized gains, dividends, interest income and unrealized gains or losses recognized directly in the Statement of Operations.

(c) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is recorded on a straight line basis over their estimated useful lives as follows:

Buildings, fences and roads	10 & 20 years
Furniture and fixtures	10 years
Automotive	4 years
Equipment	5 years
Website	4 years

(d) 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, the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses for the periods covered.

The main estimates relate to the collectibility of receivables, the useful life of property and equipment, the amounts recorded as accrued liabilities and the portion of investment revenue and assets that relate to the endowment.

ANN & SANDY CROSS CONSERVATION AREA
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES Continued...

(e) Financial Instruments

Measurement of financial instruments

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income.

Financial instruments measured at amortized cost include cash and cash equivalents, accounts receivable, investments and accounts payable.

Risk

It is management's opinion that the Association is not exposed to significant interest, currency, price, market or credit risks arising from these financial instruments.

3. EXTERNALLY RESTRICTED ASSETS / DEFERRED CASH CONTRIBUTIONS

Deferred cash contributions represent contributions externally restricted for expenditures according to the specific grant contract. Grant funding is restricted by parameters on spending within each grant contract.

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 15,926	\$ 63,020
Grants received / receivable	52,364	82,917
Transferred to endowment	-	-
Spent on operations, projects and programs	(50,574)	(64,088)
Spent on capital assets (Note 6)	(15,500)	(65,923)
Balance, end of year	<u>\$ 2,216</u>	<u>\$ 15,926</u>

These funds are held as follows:

Restricted cash held in general bank account	\$ 2,216	\$ 15,926
Restricted accounts receivable	-	-
Balance, end of year	<u>\$ 2,216</u>	<u>\$ 15,926</u>

ANN & SANDY CROSS CONSERVATION AREA
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2023

4. INVESTMENTS

	<u>2023</u>	<u>2022</u>
Calgary Foundation - Endowment funds held in perpetuity	\$ 4,005,033	\$ 3,962,409
Calgary Foundation - Restricted investments	451,858	451,858
Calgary Foundation - Unrestricted investments	374,842	366,044
Held in bank (in transit to The Calgary Foundation)	-	-
Long term investments	<u>\$ 4,831,733</u>	<u>\$ 4,780,311</u>

5. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2023 Net</u>	<u>2022 Net</u>
Buildings, fence and roads	\$ 1,530,074	1,293,512	236,562	277,459
Furniture and fixtures	72,957	70,900	2,057	1,398
Automotive	208,129	176,776	31,353	48,955
Equipment	159,240	148,754	10,486	8,349
Website	29,194	29,194	-	-
	<u>\$ 1,999,594</u>	<u>1,719,136</u>	<u>280,458</u>	<u>336,161</u>

The Organization has leased 4,800 acres of land for 99 years for \$1 for the entire term. The lease commenced September 20, 1996.

6. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent funding or donations received to assist in the purchase of capital assets and are recognized as revenue on the same basis that the related asset is amortized.

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 274,873	\$ 266,169
Contributions received during the year (Note 3)	15,500	65,923
Amortized to revenue	(57,869)	(57,219)
Balance, end of the year	<u>\$ 232,504</u>	<u>\$ 274,873</u>

ANN & SANDY CROSS CONSERVATION AREA
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2023

7. CAPITAL STOCK

Authorized

The Organization is authorized to issue 100 common, voting shares without nominal or par value with a maximum price or consideration of \$1. No dividends may be declared nor paid upon these shares. The maximum number of shareholders is twenty-five.

Issued

The Organization originally issued without payment one share with no par value to each of its eleven directors at December 31, 2001. During 2023 no share certificates were cancelled and one was issued. At December 31, 2023 nine shares were outstanding.

8. ENDOWMENT FUND

The Organization's endowment fund is held as part of the investments held by The Calgary Foundation (Note 4). Transactions of the endowment fund do not flow to the statement of operations but are recorded as transactions on the statement of changes in net assets.

Transactions of the remaining unrestricted and internally restricted funds are recognized on the statement of operations.

9. CONTRIBUTED MATERIALS AND SERVICES

Contributed materials and services are recognized in the financial statements when the fair value can be reasonably estimated, when the materials or services are used in the normal course of the Organization's operations and when they would otherwise have been purchased. Contributions of services and materials for the year ended December 31, 2023 were \$11,871 (2022 - \$Nil).

A number of volunteers have made significant contributions of their time to develop the Organization's programs. The value of this contributed time is not reflected in these financial statements.

ANN & SANDY CROSS CONSERVATION AREA
NOTES TO THE FINANCIAL STATEMENTS
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December 31, 2023

10. INTERNALLY RESTRICTED FUNDS

On June 25, 2007, the board internally restricted \$341,854 of the net proceeds generated during the year for the purpose of matching the endowment contribution from the Calgary Foundation as stated per the Grant Agreement between the Calgary Foundation and the Sandy Cross Conservation Foundation.

On September 22, 2008, the board internally restricted an additional amount of \$110,004 of the net proceeds generated during the year from the gala revenue for the purpose of covering the short fall in investments over endowment contributions.

11. RELATED PARTY TRANSACTIONS

The Organization entered into the following related party transaction during the year:

House rentals by staff	\$ 9,840
Donations from related parties	\$ 2,420

The Organization provides house rentals to certain staff at fair market value. These transactions are recognized in the statements at the agreed exchange amounts.

12. FUNDRAISING EXPENSES

As required under section 7(2) of the Charitable Fundraising Regulation of Alberta, the following amounts are disclosed:

Direct costs incurred for the purpose of soliciting contributions
\$4,890 (2022 - \$2,128)

Amounts paid as remuneration to employees whose principal duties
involve fundraising \$24,813 (2022 - \$23,650)