

FOOTHILLS LAND TRUST

FINANCIAL STATEMENTS (Audited)

December 31, 2022

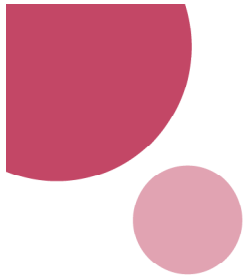


FOOTHILLS LAND TRUST

December 31, 2022

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Nancy Murdoch

Chartered Professional Accountant

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Independent Auditor's Report

To the Members of Foothills Land Trust

Opinion

I have audited the Statement of Financial Position of Foothills Land Trust as at December 31, 2022 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, 2022.

In my opinion, these financial statements present fairly, in all material respects, the financial position of Foothills Land Trust as at December 31, 2022 and the results of its operations and cash flows for the year ended December 31, 2022 in accordance with Canadian accounting standards for not-for-profit associations.

Basis for Opinion

I conducted my audit in accordance with Canadian auditing standards. I am independent of Foothills Land Trust 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 Foothills Land 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.

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 20, 2023

Nancy Murdoch
Chartered Professional Accountant

FOOTHILLS LAND TRUST

STATEMENT OF FINANCIAL POSITION

(Audited)

As at December 31, 2022

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash, unrestricted	\$ 2,712	\$ 22,708
Cash, externally restricted (Note 4)	19,850	-
Short term investments, externally restricted (Note 4)	464,616	731,428
Short term investments, internally restricted (Note 3)	375,970	110,908
Short term investments, unrestricted	1,500	11,703
Accounts receivable, unrestricted	2,735	1,278
GST receivable	223	1,988
Bond amortization	-	147
Prepaid expenses	1,382	1,285
	868,988	881,445
Long term investments, internally restricted (Note 3)	359,000	359,000
Land donations (Note 5)	427,282	427,282
Conservation easements (Note 5)	6,377,312	4,578,431
	\$ 8,032,582	\$ 6,246,158
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 3,997	\$ 29,108
Deferred contributions (Note 4)	484,466	731,428
	488,463	760,536
NET ASSETS		
Unrestricted	4,555	10,001
Internally restricted (Note 3)	734,970	469,908
Invested in conservation easements & land donations (Note 5)	6,804,594	5,005,713
	7,544,119	5,485,622
	\$ 8,032,582	\$ 6,246,158

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

Sandy Bruce Director

Tom Maier Director

See Notes to the Financial Statements

FOOTHILLS LAND TRUST

STATEMENT OF CHANGES IN NET ASSETS (Audited)

For the Year Ended December 31, 2022

	Conservation Easements and Land Donations	Internally Restricted	Unrestricted	2022 Totals	2021 Totals
Balances, beginning of the year	\$ 5,005,713	469,908	10,001	5,485,622	5,405,896
Conservation easements	1,794,000	-	-	1,794,000	-
Easement adjustments from prior years	-	-	-	-	2,498
Easement additions from restricted funds	4,881	-	-	4,881	83,850
Easement project no longer going forward	-	-	-	-	(1,333)
Excess of revenue (expenses)	-	265,062	(5,446)	259,616	(5,289)
Balances, end of the year	\$ 6,804,594	734,970	4,555	7,544,119	5,485,622

See Notes to the Financial Statements

FOOTHILLS LAND TRUST

STATEMENT OF OPERATIONS (Audited)

For the Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>
REVENUE		
Cash donations (Note 8)	\$ 841	\$ 1,284
Donated services	2,694	14,139
Grants (Note 7)	259,240	7,192
Interest and investment income	<u>10,223</u>	<u>9,151</u>
	<u>272,998</u>	<u>31,766</u>
EXPENSES		
Audit fees	3,588	3,680
Bank charges	40	69
Baseline studies and professional fees	2,573	5,299
Insurance	704	610
Office and administration	586	629
Project development	1,000	1,775
Project implementation	-	5,450
Property monitoring and maintenance	2,890	17,936
Subscriptions and memberships	1,316	895
Telephone and website	<u>685</u>	<u>712</u>
	<u>13,382</u>	<u>37,055</u>
EXCESS OF REVENUE (EXPENSES)	<u>\$ 259,616</u>	<u>\$ (5,289)</u>

See Notes to the Financial Statements

FOOTHILLS LAND TRUST

STATEMENT OF CASH FLOWS (Audited)

For the Year Ended December 31, 2022

	2022	2021
CASH FLOWS FROM (USED IN) OPERATIONS		
Cash donations	\$ 1,496	\$ 17,482
GST rebates received	2,048	249
Investment income	16,902	10,265
Cash generated from operations	20,446	27,996
Cash paid to suppliers	(38,805)	(72,969)
Net cash flows from operations	(18,359)	(44,973)
CASH FLOWS FROM (USED IN) FINANCING		
Grant received - Private fund "RC"	5,260	-
Grants received - Land Trust Grant Programs	-	786,350
Grant received - Foothills County	1,000	1,000
	6,260	787,350
CASH FLOWS FROM (USED IN) INVESTING		
Sale/redemption of investments	302,207	215,808
Purchase of investments	(278,843)	(959,740)
Redemption of term deposits	-	31
Interest reinvested in mutual funds	(11,411)	(1,160)
	11,953	(745,061)
Increase (decrease) in cash and cash equivalents	(146)	(2,684)
Cash and cash equivalents, beginning of the year	22,708	25,392
Cash and cash equivalents, end of the year	\$ 22,562	\$ 22,708
Cash and cash equivalents consists of:		
Chequing account	\$ 20,512	\$ 20,626
Savings accounts	2,050	2,082
	\$ 22,562	\$ 22,708
Non cash transactions:		
Donation of services	\$ 2,694	\$ 14,139

See Notes to the Financial Statements

FOOTHILLS LAND TRUST

NOTES TO THE FINANCIAL STATEMENTS

(Audited)

December 31, 2022

1. NATURE OF THE TRUST

Foothills Land Trust (the Trust) was incorporated on May 13, 2003 under the Alberta Companies Act as a non-profit, public company limited by guarantee and became a registered charity under paragraph 149 (1) (f) of the Income Tax Act on October 2, 2003.

The purpose of the Trust is to conserve ecologically sensitive lands in Foothills County by way of a registered conservation easement on title or by owning the property outright. The Trust only accepts easements or ownership on land parcels which have natural, scenic and aesthetic importance or show significant biological diversity. All properties in the care of the Trust are monitored and stewarded in perpetuity.

A conservation easement is a voluntary, legally-binding and enduring agreement which limits the amount and type of development that can occur on a property in order to preserve its environmental, recreational, scenic, historic and/or productive qualities. The landowner continues to retain title to the property and all other rights of property ownership. While the terms of conservation easements vary, all preclude environmentally-damaging forms of development. Conservation easements are typically assigned in perpetuity and are registered on the title to the land.

Landowners may receive an official income tax receipt for the donation of a conservation easement or property outright to a recognized land trust. The value of the receipt is determined by a certified land appraiser and, in the case of conservation easements, represents the difference in the appraised value of the property before and after the conservation restrictions of easements are in place. In the case of outright property donations, the appraised value is the full market value of the property.

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 Trust follows the deferral method of accounting for externally restricted contributions. Externally restricted contributions and operating grants are deferred and recognized as revenue in the year that the related expenses are incurred.

Unrestricted contributions and other income are reported as revenue in the period in which they are received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Internally restricted contributions that have previously been recognized as revenue are recorded as a transfer from internally restricted funds to unrestricted funds when spent.

FOOTHILLS LAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Conservation Easements

Interest in real property by acquisitions of conservation easements are recorded in the accounts of the Trust when conservation easements are registered on the title of the property and are recorded at the estimated fair market value of the easement at the time of acquisition including any costs associated with the receipt of the conservation easement.

Donated conservation easements are recognized as direct increases in net assets when registered on the title of the property. Donated costs and cash outlays for conservation easements, including biological and legal services necessary to establish and register the easement, are recorded as direct increases in net assets when incurred.

(c) Land Donations

Interest in real property by direct property acquisition is recorded in the accounts of the Trust when the title of the property is transferred to the Trust and is recorded at the fair market value of the property at the time of acquisition including any costs associated with the receipt of the property.

Real property acquisitions are recognized as direct increases in net assets when the title is registered in the name of the Trust. Donated costs and cash outlays for property acquisition, including biological and legal services necessary to establish and register the title, are recorded as direct increases in net assets when incurred.

(d) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires the Trust 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 reporting period. These estimates, including the prepaid portion of expenses and accrued liabilities, are reviewed periodically and as adjustments become necessary, they are reported in earnings in the period in which they become known.

(e) Donated services

Donated services are recorded in the financial statements when their fair value can be reasonably determined, when the services are used in the normal course of operations and when they would otherwise have been purchased. In the current year \$2,694 in donated services were recorded in the financial statements (2021 - \$14,139).

FOOTHILLS LAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

December 31, 2022

3. CASH AND SHORT TERM INVESTMENTS, INTERNALLY RESTRICTED

Internally restricted assets are comprised of:

	<u>2022</u>	<u>2021</u>
Internally restricted cash	\$ -	\$ -
Short term investments, restricted, available for sale	375,970	110,908
Long term investments, restricted, held to maturity	359,000	359,000
	<u>\$ 734,970</u>	<u>\$ 469,908</u>

Internally restricted funds are held for the stewardship of six (6) properties, for one (1) unspent grant and for the budget stabilization reserve as follows:

	<u>2022</u>	<u>2021</u>
"CS" Conservation Easement	\$ 332,004	\$ 326,492
"DH" Conservation Easement	253,345	-
"MG" Property	56,178	56,193
"JL" Conservation Easement	54,387	53,511
"N2" Conservation Easement	15,149	14,927
Budget stabilization reserve (Note 6)	15,000	15,000
"RE" Conservation Easement	5,122	-
Community Spirit Grant	3,785	3,785
	<u>\$ 734,970</u>	<u>\$ 469,908</u>

4. SHORT TERM INVESTMENTS, EXTERNALLY RESTRICTED / DEFERRED CONTRIBUTIONS

Deferred contributions represent contributions externally restricted for expenditures according to the specific grant contract or donor wishes. The funds are held in investment accounts managed by a third party according to the Trust's investment policy.

	<u>2022</u>	<u>2021</u>
Grant funds held in bank accounts	\$ 19,850	\$ -
Grant funds held in investment account	\$ 437,988	\$ 709,937
Private restricted donations held in investment account	26,628	21,491
	<u>\$ 484,466</u>	<u>\$ 731,428</u>

Externally restricted assets are comprised of:

Externally restricted cash	\$ 19,850	\$ -
Short term investments, restricted, available for sale	464,616	731,428
Long term investments, restricted, held to maturity	-	-
	<u>\$ 484,466</u>	<u>\$ 731,428</u>

FOOTHILLS LAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
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December 31, 2022

5. CONSERVATION EASEMENTS AND LAND DONATIONS

The Trust registered two (2) conservation easements during the year covering 274.03 hectares (2021 - Nil hectares). During the year \$462 (2021 - \$Nil) in professional fees associated with easements were expended. The total area covered by conservation easements was 645.02 hectares at December 31, 2022 (2021 - 371.05 hectares).

No land was donated during the year (2021 - \$Nil). There were no legal costs and other professional fees associated with land donations expended (2021 - \$Nil). The total area covered by land donations was 18.29 hectares at December 31, 2022 (2021 - 18.29 hectares).

6. BUDGET STABILIZATION RESERVE

A reserve fund was established to provide budget stabilization (see Note 3).

7. GRANTS

	2021 Balance forward	Received or Receivable	Expended, Returned or Recognized	2022 Carried Forward
Province - Land Trust Grant Program	\$ 709,937	8,649	260,748	457,838
Foothills County - Community Cleanup	-	1,000	1,000	-
Private fund "MG"	10,000	-	-	10,000
Private fund "SB"	11,491	-	123	11,368
Private fund "RC"	-	5,260	-	5,260
	\$ 731,428	14,909	261,871	484,466

	2022	2021
Grant funds contributed to conservation easements - current	\$ 2,631	\$ 70,475
Grant funds contributed to conservation easements - prior year	-	2,498
Interest earned on investments	-	1,226
Grant funds recognized in income	259,240	7,192
	\$ 261,871	\$ 81,391

FOOTHILLS LAND TRUST
NOTES TO THE FINANCIAL STATEMENTS
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December 31, 2022

8. RELATED PARTY TRANSACTIONS

The Trust entered into the following related party transactions with Directors during the year. These transactions are in the normal course of operations and are measured at the exchange amount, which is the fair market value of the assets or services received. These amounts are included in the various subtotals on the statement of operations.

	2022	2021
Inflows		
Cash donations	\$ 100	\$ 450
Donated services	2,281	9,188
	2,381	9,638
Outflows		
Project development	350	1,775
Professional fees	650	5,450
Property monitoring and maintenance	1,281	1,963
	2,281	9,188

9. 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 cost or amortized cost. Changes in amortized cost 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 Trust is not exposed to significant interest, currency, price, liquidity, market or credit risks arising from these financial instruments.

10. 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
\$Nil (2021 - \$Nil)

Amounts paid as remuneration to employees whose principal duties
involve fundraising \$Nil (2021 - \$Nil)


Final Signed Audited FS FLT 2022

Final Audit Report

2023-06-26

Created:	2023-06-20
By:	Nancy Murdoch (nancy.murdoch@calgarycommunities.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAzbPqifE9_nHXDC3fDIKQSIhUoGue9byX


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 Signer sandybruce80@gmail.com entered name at signing as Sandy Bruce

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Signature Date: 2023-06-26 - 5:32:22 PM GMT - Time Source: server- IP address: 74.127.204.5

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