

Financial Statements of:

Habitat Acquisition Trust

**For the year ended
October 31, 2019
(Unaudited)**

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REVIEW ENGAGEMENT REPORT

To the Board Members of Habitat Acquisition Trust

I have reviewed the statement of financial position of Habitat Acquisition Trust as at October 31, 2019, and the statement of operations, change in net assets and cash flow for the period then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to me by the society.

A review does not constitute an audit and, consequently, I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian Accounting Standards for Not- for-Profit Organizations (ASNFPO).



Susan Ryan, CPA, CA
Chartered Accountant
January 23, 2019
Victoria, British
Columbia

Habitat Acquisition Trust
Statement of Financial Position
As at October 31, 2019

ASSETS	<u>General Fund</u>		<u>Land Acquisition</u>		<u>D. Andrew Fund</u>	
	2019	2018	2019	2018	2019	2018
Current Assets						
Cash	\$175,257	\$197,830	\$66,326	\$65,390	\$14,721	\$14,415
Accounts Receivable	26,484	48,153	-	-	-	-
Interest Receivable	-	-	586	443	-	-
Due from Government Agencies	2,481	2,339	-	-	-	-
Inventory	10,966	5,234	-	-	-	-
Interfund Receivable	-	-	705	-	-	-
Victoria Car Share Membership	250	250	-	-	-	-
Prepays	3,264	3,770	-	-	-	-
	<u>\$218,703</u>	<u>\$257,576</u>	<u>\$67,618</u>	<u>65,833</u>	<u>14,721</u>	<u>14,415</u>
Real Estate Properties	475,000	475,000	-	-	-	-
	<u>\$693,703</u>	<u>\$732,576</u>	<u>\$67,618</u>	<u>\$65,833</u>	<u>\$14,721</u>	<u>\$14,415</u>
LIABILITIES & EQUITY						
Current Liabilities						
Salaries and Benefits Payable	\$11,082	\$9,316	\$0	\$0	\$0	\$0
Due to Government Agencies	387	226	-	-	-	-
Accounts Payable	18,957	34,732	-	-	-	-
Interfund Payable	705	-	-	-	-	-
	<u>\$31,131</u>	<u>\$44,274</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Contributions (note 7)	58,557	81,288	-	-	-	-
Net Assets						
Restricted	-	-	-	-	-	-
Unrestricted	604,015	607,014	67,618	65,833	14,721	14,415
	<u>604,015</u>	<u>607,014</u>	<u>67,618</u>	<u>65,833</u>	<u>14,721</u>	<u>14,415</u>
	<u>\$693,703</u>	<u>\$732,576</u>	<u>\$67,618</u>	<u>\$65,833</u>	<u>\$14,721</u>	<u>\$14,415</u>

See the Notice to Reader and the Notes to these Unaudited Financial Statements.

Habitat Acquisition Trust
Statement of Operations and Changes in Fund Balance
For the year ended October 31, 2019

	<u>General Fund</u>		<u>Land Acquisition</u>		<u>D. Andrew Fund</u>	
	2019	2018	2019	2018	2019	2018
REVENUES						
Contract Revenue	\$26,178	\$19,784	\$0	\$0	\$0	\$0
Donations & Gifts	102,149	114,569	750	-	-	-
Foundations & Charities	188,714	132,305	-	-	-	-
Fundraising	1,305	4,956	-	-	-	-
Gaming	55,000	55,788	-	-	-	-
Government Grants	114,720	194,698	-	-	-	-
Interest	4,899	5,260	1,034	949	306	254
Membership Fees	3,933	3,616	-	-	-	-
Sale of Goods (net)	3,165	3,033	-	-	-	-
Other (net)	88	-	-	-	-	-
	\$500,151	\$534,009	\$1,784	\$949	\$306	\$254
EXPENSES						
Advertising	5,880	\$913	\$0	\$0	\$0	\$0
Bank Charges	982	1,051	-	-	-	-
Donations	9,363	21,635	-	-	-	-
Dues	1,335	1,318	-	-	-	-
Education	1,104	2,876	-	-	-	-
Fundraising	-	3,293	-	-	-	-
Insurance	1,624	994	-	-	-	-
Land Acquisition & Management	4,600	13,510	-	-	-	-
Office (note 6)	44,582	37,053	-	-	-	-
Professional Fees	3,905	3,236	-	-	-	-
Projects	21,773	27,604	-	-	-	-
Travel	7,466	9,405	-	-	-	-
Wages & Contracts	400,536	417,067	-	-	-	-
	503,150	539,955	0	0	0	0
EXCESS (DEFICIENCY) OF						
REVENUE OVER EXPENSES	(\$2,999)	(\$5,946)	\$1,784	\$949	\$306	\$254
NET ASSETS						
Beginning of the year	\$568,916	\$574,862	\$65,833	\$64,884	\$14,415	\$14,161
Balance end of the year	\$565,917	\$568,916	\$67,618	\$65,833	\$14,721	\$14,415

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Habitat Acquisition Trust
Statement of Cash Flows
For the year ended October 31, 2019

	<u>General Fund</u>		<u>Land Acquisition</u>		<u>D. Andrew Fund</u>	
	2019	2018	2019	2018	2019	2018
Excess (deficiency) of revenues over expenses						
Increase (decrease) in non-cash working capital	(\$2,999)	(\$5,946)	\$1,784	\$949	\$306	\$254
Accounts Receivable	21,669	(46,189)	-	721	-	-
Interest Receivable	-	-	(143)	(443)	-	-
Due from Government Agencies	(142)	(42)	-	-	-	-
Inventory	(5,733)	(2,461)	-	-	-	-
Interfund Receivable	-	-	(705)	-	-	-
Victoria Car Share Membership	-	-	-	-	-	-
Prepays	505	(2,692)	-	-	-	-
Salaries and Benefits Payable	1,766	(7,192)	-	-	-	-
Due to Government Agencies	161	7,550	-	-	-	-
Accounts Payable	(15,774)	6,441	-	-	-	-
Interfund Payable	705	-	-	-	-	-
Deferred Contributions	- 22,731	- 59,591	-	-	-	-
	(19,574)	(104,176)	(848)	278	0	0
Investment Activities						
Acquisition of Real Estate	0	0	0	0	0	0
Cash Increase for the period	(22,573)	(110,122)	936	1,227	306	254
Cash at beginning of period	197,830	307,952	65,390	64,163	14,415	14,161
Cash at end of period	\$175,257	\$197,830	\$66,326	\$65,390	\$14,721	\$14,415

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Habitat Acquisition Trust
Notes to the Financial Statements
For the year ended October 31, 2019

Note 1: Habitat Acquisition Trust (HAT) is a not-for-profit association organized to assist the community to conserve natural environments by preserving habitats and promoting stewardship. HAT is incorporated under the British Columbia Society Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

Note 2: Significant Accounting Policies

The basis of presentation of these financial statements is the Canadian accounting standards for not for profit organizations.

HAT follows the deferral method of accounting for contributions.

Fund Accounting: The General Fund is used to account for programs and administrative services and includes unrestricted resources and restricted operating grants.

HAT Funds (Internal):

General Fund – contains all operational revenue and expenses, including land stewardship programs, covenant monitoring, and all other ongoing initiatives not part of other specific funds.

Matson Fund (now closed) was an internal HAT fund containing Matson restricted donations and income from the Victoria Foundation Matson Endowment Fund. However, it was always separate from the Victoria Foundation Matson Endowment Fund. In FY 17/18, it had a balance of \$1,000 and was rolled into the General Fund for FY18/19.

Land Acquisition Fund provides matching funding for acquisition projects; held as term deposits; both income and principal are available.

D. Andrew Fund is a non-permanent fund for the allocation of donations received by HAT in memory of Doug Andrews, a naturalist at Goldstream; donations received have been internally restricted for the purpose of improving the interpretative programs at Goldstream; both income and principal are available.

Applications are made to the BC Gaming Commission to provide funding for HAT's Good Neighbours program and Covenants program. Revenue and expenditures of Gaming Funds are recorded in the General Fund; however the Gaming revenue is restricted to expenditures related only to the delivery of these programs.

Revenue: Revenues related to restricted contributions are recorded in the appropriate fund and recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions and membership fees are recognized as revenue when received or receivable when the amounts can be reasonably estimated and collection can be reasonably assured

Capital Assets: Capital assets are recorded as an expense in the period purchased.

Use of Estimates: The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Note 3: Financial Instruments

The Society's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. The carrying amount of these financial instruments approximates their fair market value. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest or credit risks arising from these financial instruments.

Note 4: Income Tax

HAT is a not-for-profit society and is exempt from Income Tax by section 149 of the *Income Tax Act*.

Note 5: Endowment fund investments

Matson Endowment Fund is used for expenses related to the HAT-managed Matson Conservation Area in Esquimalt. Funds are managed by the Victoria Foundation (only the income is available).

The Matson land was conveyed from the Nature Conservancy of Canada (NCC) in 2005 with consent from the Township of Esquimalt and Mandalay Developments. The land is covenanted by NCC, and along with the Township of Esquimalt, each hold reversionary rights to re-acquire the property for \$10 if HAT winds up or dissolves, which is the original nominal recorded amount. When the property was acquired, it had a declared market value of \$1,060,000.

HAT Endowment Fund is managed by the Victoria Foundation (only the income is available).

In the current and previous years, the Society transferred cash to the Victoria Foundation. The Victoria Foundation makes distributions back to the Society based on the market value of the investments held in the funds.

Fluctuations in the market value occur throughout the year; the values at October 31, 2018 and October 31, 2019 are reported as follows:

Market Value	2019	2018
	\$	\$
Acquisition Trust Endowment	303,557	291,347
Matson Lands Endowment	124,425	123,918
Distribution		
Acquisition Trust Endowment	10,158	9,003
Matson Lands Endowment	4,750	4,662

Note 6: Commitments

Included in office expenses is the HAT's operating lease commitment. HAT entered into a five-year operating lease in November 2018. Under the terms of the lease, HAT may renew the lease, in writing, 180 days prior to the expiration of the term, if HAT is not then in default of its obligations under the lease. The annual calendar year lease payment commitments are as follows:

2020: \$13,861
 2021: \$14,075
 2022: \$14,288
 2023: \$14,501

Note 7: Deferred Contributions

Deferred contributions represent unspent resources externally restricted for a particular program and restricted operating funding received in the current year that is related to a subsequent year. The amounts will be recognized as revenue in subsequent years when the related expenditures have been incurred. The current year deferred contributions balances are as follows:

	2019	2018
	\$	\$
Beginning balance	81,288	140,879
Add: amount received related to subsequent years	44,382	52,646
Less: amount recognized as revenue in the year	<u>(67,113)</u>	<u>(112,237)</u>
Ending balance	\$58,557	\$81,288

Note 7: Deferred Contributions (cont'd)

Components of deferred revenue at year end:

	2019	2018
	\$	\$
Development Program:		
Foundation & Charity Grants	8,650	0
Habitat Management Program:		
Foundation & Charity Grants	16,727	16,498
Contract Services	655	0
Municipal Grants	0	962
Land Protection Program:		
Foundation & Charity Grants	8,090	0
Charitable Donations	6,480	5,360
Good Neighbours Program:		
Federal Government Grants	0	17,842
Greenspots Program		
Federal Government Grants	5,731	0
Species of Concern Program:		
Contract Services	0	8,100
Charitable Donations	12,175	32,526
Foundation & Charity Grants	49	0
Ending balance	\$58,557	\$81,288