

Financial Statements of:

Habitat Acquisition Trust

**For the year ended
October 31, 2020
(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, 2020, 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 21, 2021
Victoria, British
Columbia

Habitat Acquisition Trust
Statement of Financial Position
As at October 31, 2020

ASSETS	<u>General Fund</u>		<u>Land Acquisition</u>		<u>D. Andrew Fund</u>	
	2020	2019	2020	2019	2020	2019
Current Assets						
Cash	\$288,745	\$175,257	\$69,335	\$66,326	\$14,902	\$14,721
Accounts Receivable	130,092	26,484	-	-	-	-
Interest Receivable	-	-	712	586	-	-
Due from Government Agencies	1,374	2,481	-	-	-	-
Inventory	5,742	10,966	-	-	-	-
Interfund Receivable	-	-	-	705	-	-
Victoria Car Share Membership	250	250	-	-	-	-
Prepays	2,244	3,264	-	-	-	-
	<u>\$428,447</u>	<u>\$218,704</u>	<u>70,047</u>	<u>\$67,618</u>	<u>14,902</u>	<u>14,721</u>
Real Estate Properties	475,000	475,000	-	-	-	-
	<u>\$903,447</u>	<u>\$693,704</u>	<u>\$70,047</u>	<u>\$67,618</u>	<u>\$14,902</u>	<u>\$14,721</u>
LIABILITIES & NET ASSETS						
Current Liabilities						
Salaries and Benefits Payable	\$23,209	\$11,082	\$0	\$0	\$0	\$0
Due to Government Agencies	1,345	6,920	-	-	-	-
Accounts Payable	15,399	12,425	-	-	-	-
Interfund Payable	-	705	-	-	-	-
	<u>\$39,953</u>	<u>\$31,132</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Contributions (note 7)	211,143	58,557	-	-	-	-
Net Assets						
Restricted	597,351	604,015	70,047	67,618	14,902	14,721
Unrestricted - Gaming	55,000	-	-	-	-	-
	<u>\$903,447</u>	<u>\$693,704</u>	<u>\$70,047</u>	<u>\$67,618</u>	<u>\$14,902</u>	<u>\$14,721</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, 2020

	<u>General Fund</u>		<u>Land Acquisition</u>		<u>D. Andrew Fund</u>	
	2020	2019	2020	2019	2020	2019
REVENUES						
Contract Revenue	\$18,785	\$26,178	\$0	\$0	\$0	\$0
Donations & Gifts	149,704	102,149	1,000	750	-	-
Foundations & Charities	225,395	188,714	43	-	-	-
Fundraising	1,360	1,305	-	-	-	-
Gaming	55,000	55,000	-	-	-	-
Government Grants	140,002	114,720	-	-	-	-
Interest	2,711	4,899	1,386	1,035	181	306
Membership Fees	2,408	3,933	-	-	-	-
Sale of Goods (net)	3,693	3,165	-	-	-	-
Workshops	1,080	-	-	-	-	-
Other (net)	238	88	-	-	-	-
	\$600,376	\$500,152	\$2,429	\$1,785	\$181	\$306
EXPENSES						
Advertising	1,307	5,880	\$0	\$0	\$0	\$0
Bank Charges	805	982	-	-	-	-
Donations	85,536	9,363	-	-	-	-
Dues	1,270	1,335	-	-	-	-
Education	1,990	1,104	-	-	-	-
Fundraising	3,300	3,101	-	-	-	-
Insurance	1,921	1,624	-	-	-	-
Land Acquisition & Management	14,738	4,600	-	-	-	-
Office (note 6)	33,991	44,582	-	-	-	-
Professional Fees	4,106	3,905	-	-	-	-
Projects	14,622	18,672	-	-	-	-
Travel	8,065	7,466	-	-	-	-
Wages & Contracts	380,389	400,536	-	-	-	-
	552,040	503,150	0	0	0	0
EXCESS (DEFICIENCY) OF						
REVENUE OVER EXPENSES	\$48,336	(\$2,999)	\$2,429	\$1,785	\$181	\$306
NET ASSETS						
Beginning of the year	\$604,015	\$607,014	\$67,618	\$65,833	\$14,721	\$14,415
Balance end of the year	\$652,351	\$604,015	\$70,047	\$67,618	\$14,902	\$14,721

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Habitat Acquisition Trust
Statement of Cash Flows
For the year ended October 31, 2020

	<u>General Fund</u>		<u>Land Acquisition</u>		<u>D. Andrew Fund</u>	
	2020	2019	2020	2019	2020	2019
Excess (deficiency) of revenues over expenses	\$48,336	(\$2,999)	\$2,429	\$1,785	\$181	\$306
Increase (decrease) in non-cash working capital						
Accounts Receivable	(103,608)	21,669		-	-	-
Interest Receivable	-	-	(125)	(143)	-	-
Due from Government Agencies	1,107	(142)		-	-	-
Inventory	5,224	(5,733)		-	-	-
Interfund Receivable	-	-	705	(705)	-	-
Victoria Car Share Membership	-	-		-	-	-
Prepays	1,020	505		-	-	-
Salaries and Benefits Payable	12,127	1,766		-	-	-
Due to Government Agencies	(5,575)	(757)		-	-	-
Accounts Payable	2,974	(14,856)		-	-	-
Interfund Payable	(705)	705		-	-	-
Deferred Contributions	152,586	(22,731)		-	-	-
	65,153	(19,574)	580	(849)	0	0
Investment Activities						
Acquisition of Real Estate	0	0	0	0	0	0
Cash Increase for the period	113,489	(22,573)	3,009	936	181	306
Cash at beginning of period	175,257	197,830	66,326	65,390	14,721	14,415
Cash at end of period	\$288,745	\$175,257	\$69,335	\$66,326	\$14,902	\$14,721

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

Habitat Acquisition Trust
Notes to the Financial Statements
For the year ended October 31, 2020

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.

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 Andrew, a naturalist at Goldstream Provincial Park; 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.

In-Kind Contributions: HAT had approximately 140 volunteer working for approximately 1600 volunteer hours. HAT values the volunteer time at a nominal \$15/hour for calculating "in kind" contributions. Because of the difficulty of determining their specific fair value, in-kind contributions are not recognized in the financial statements.

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, 2020 and October 31, 2019 are reported as follows:

Market Value	2020	2019
	\$	\$
Acquisition Trust Endowment	302,993	303,557
Matson Lands Endowment	123,914	124,425
Distribution		
Acquisition Trust Endowment	11,184	10,158
Matson Lands Endowment	4,864	4,750

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:

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:

	2020	2019
	\$	\$
Beginning balance	58,557	81,288
Add: amount received related to subsequent years	19,8939	44,382
Less: amount recognized as revenue in the year	<u>(46,353)</u>	<u>(67,113)</u>
Ending balance	\$211,143	\$58,557

Note 7: Deferred Contributions (cont'd)

Components of deferred revenue at year end:

	2020	2019
	\$	\$
Development Program:		
Foundation & Charity Grants	7,918	8,650
Habitat Management Program:		
Foundation & Charity Grants	21,170	16,727
Contract Services	0	655
Municipal Grants	30	0
Land Protection Program:		
Foundation & Charity Grants	126,743	8,090
Charitable Donations	8,692	6,480
Good Neighbours Program:		
Foundation & Charity Grants	13,413	0
Greenspots Program		
Federal Government Grants	8,190	5,731
Species of Concern Program:		
Foundation & Charity Grants	11,854	49
Charitable Donations	4,133	12,175
Federal Government Grants	9,000	0
Ending balance	\$ 211,143	\$58,557