

**Habitat Acquisition Trust**  
**Financial Statements**  
**Year Ended October 31, 2023**

## Independent Practitioner's Review Engagement Report

To the Members of Habitat Acquisition Trust

We have reviewed the accompanying financial statements of Habitat Acquisition Trust (the Society) that comprise the statement of financial position as at October 31, 2023, and the statements of operations and changes in net assets and cash flows for the year then ended, 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 (ASNPO), 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.

### *Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Habitat Acquisition Trust as at October 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

*Dusanj & Wirk*

Victoria, British Columbia  
February 12, 2024

Chartered Professional Accountants



**Habitat Acquisition Trust**  
**Statement of Financial Position**  
**October 31, 2023**

	General Fund 2023 \$	Land Protection Fund 2023 \$	Doug Andrew Memorial Fund 2023 \$	Total 2023 \$	Total 2022 \$
<b>Assets</b>					
<b>Current</b>					
Cash ( <i>Note 3</i> )	535,022	42,946	15,991	593,959	221,597
Accounts receivable	2,934	-	-	2,934	121,315
Interest receivable	-	201	-	201	132
Government remittances receivable	4,599	-	-	4,599	1,874
Prepaid expenses	6,508	-	-	6,508	6,600
Due from other funds	28	-	-	28	-
Inventory	4,343	-	-	4,343	4,922
	553,434	43,147	15,991	612,572	356,440
Victoria Car Share Membership	250	-	-	250	250
Property and equipment ( <i>Note 4</i> )	869,799	-	-	869,799	870,607
	1,423,483	43,147	15,991	1,482,621	1,227,297

The accompanying notes are an integral part of these financial statements

**Habitat Acquisition Trust**  
**Statement of Financial Position**  
**October 31, 2023**

	General Fund 2023 \$	Land Protection Fund 2023 \$	Doug Andrew Memorial Fund 2023 \$	Total 2023 \$	Total 2022 \$
<b>Liabilities</b>					
<b>Current</b>					
Accounts payable and accrued liabilities	20,774	-	-	20,774	21,666
Wages payable	29,618	-	-	29,618	18,689
Government remittances payable	541	-	-	541	-
Due to other funds	-	28	-	28	-
	50,933	28	-	50,961	40,355
Deferred contributions (Note 6)	338,986	-	-	338,986	130,186
	389,919	28	-	389,947	170,541
<b>Net Assets</b>					
Externally restricted	-	23,119	15,991	39,110	36,648
Internally restricted	-	20,000	-	20,000	20,000
Unrestricted	1,033,564	-	-	1,033,564	1,000,108
	1,033,564	43,119	15,991	1,092,674	1,056,756
	1,423,483	43,147	15,991	1,482,621	1,227,297

Commitment (Note 7)

**Approved on behalf of the Board**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

The accompanying notes are an integral part of these financial statements

**Habitat Acquisition Trust**  
**Statement of Operations and Changes in Net Assets**  
**Year Ended October 31, 2023**

	General Fund 2023 \$	Land Protection Fund 2023 \$	Doug Andrew Memorial Fund 2023 \$	Total 2023 \$	Total 2022 \$
<b>Revenue</b>					
Foundations and charities	477,762	-	-	477,762	581,772
Government funding	382,809	-	-	382,809	295,838
Donations and gifts	181,830	-	-	181,830	806,284
Interest	21,156	1,743	743	23,642	5,070
Contracts	16,775	-	-	16,775	27,374
Sale of goods (net)	3,261	-	-	3,261	9,830
Fundraising	6,724	-	-	6,724	1,210
Membership fees	3,419	-	-	3,419	4,406
Other	113	-	-	113	639
	<u>1,093,849</u>	<u>1,743</u>	<u>743</u>	<u>1,096,335</u>	<u>1,732,423</u>
<b>Expenses</b>					
Advertising and promotion	891	-	-	891	-
Amortization	3,333	-	-	3,333	2,127
Bank charges	1,207	-	-	1,207	1,265
Business taxes, licenses and memberships	2,372	-	-	2,372	2,337
Donations	33,714	-	-	33,714	1,204
Education	8,664	-	-	8,664	1,977
Fundraising	50,960	-	-	50,960	4,701
Insurance	2,307	-	-	2,307	2,242
Land acquisition and management	42,019	-	-	42,019	12,337
Office	45,576	-	-	45,576	45,725
Professional fees	26,611	-	-	26,611	22,584
Program events	-	-	-	-	3,964
Project expenses	51,325	-	-	51,325	946,518
Salaries and wages	767,498	-	-	767,498	666,711
Travel	19,584	-	-	19,584	12,202
Utilities	4,356	-	-	4,356	4,545
	<u>1,060,417</u>	<u>-</u>	<u>-</u>	<u>1,060,417</u>	<u>1,730,439</u>
Net excess of revenue over expenses	33,432	1,743	743	35,918	1,984
Net assets - beginning of year	<u>1,000,132</u>	<u>41,376</u>	<u>15,248</u>	<u>1,056,756</u>	<u>1,054,772</u>
Net assets - end of year	<u>1,033,564</u>	<u>43,119</u>	<u>15,991</u>	<u>1,092,674</u>	<u>1,056,756</u>

The accompanying notes are an integral part of these financial statements

**Habitat Acquisition Trust**  
**Statement of Cash Flows**  
**Year Ended October 31, 2023**

	General Fund 2023 \$	Land Protection Fund 2023 \$	Doug Andrew Memorial Fund 2023 \$	Total 2023 \$	Total 2022 \$
Operating activities					
Excess of revenue over expenses	33,432	1,743	743	35,918	1,984
Item not affecting cash:					
Amortization of property and equipment	3,333	-	-	3,333	2,127
	<u>36,765</u>	<u>1,743</u>	<u>743</u>	<u>39,251</u>	<u>4,111</u>
Changes in non-cash working capital:					
Accounts receivable	118,382	-	-	118,382	61,952
Interest receivable	-	(69)	-	(69)	(13)
Government remittances receivable	(2,725)	-	-	(2,725)	506
Inventory	579	-	-	579	(451)
Interfund transactions	(28)	28	-	-	-
Prepaid expenses	92	-	-	92	2,704
Wages payable	10,929	-	-	10,929	(9,388)
Government remittances payable	541	-	-	541	(486)
Accounts payable and accrued liabilities	(893)	-	-	(893)	9,801
Deferred contributions	208,800	-	-	208,800	(679,398)
	<u>335,677</u>	<u>(41)</u>	<u>-</u>	<u>335,636</u>	<u>(614,773)</u>
Cash flow from (used by) operating activities	<u>372,442</u>	<u>1,702</u>	<u>743</u>	<u>374,887</u>	<u>(610,662)</u>
Investing activity					
Purchase of property and equipment	(2,525)	-	-	(2,525)	(7,734)
<b>Increase (decrease) in cash flow</b>	<u>369,917</u>	<u>1,702</u>	<u>743</u>	<u>372,362</u>	<u>(618,396)</u>
Cash - beginning of year	<u>165,105</u>	<u>41,244</u>	<u>15,248</u>	<u>221,597</u>	<u>839,993</u>
<b>Cash - end of year</b>	<u>535,022</u>	<u>42,946</u>	<u>15,991</u>	<u>593,959</u>	<u>221,597</u>

The accompanying notes are an integral part of these financial statements

**Habitat Acquisition Trust**  
**Notes to Financial Statements**  
**Year Ended October 31, 2023**

---

**1. Purpose of the Society**

Habitat Acquisition Trust (the "Society") is a not-for-profit organization of British Columbia. As a registered charity the Society is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The Society's principal purpose is to conserve natural environments by preserving habitats and promoting stewardship.

**2. Significant accounting policies**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The Society's significant accounting policies are as follows:

Fund accounting

Habitat Acquisition Trust follows the deferral method of accounting for contributions.

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

The Land Protection Fund provides funding for land protection projects.

The Doug Andrew Memorial Fund is a fund for the allocation of donations received by the Society in memory of Doug Andrew, a naturalist at Goldstream Provincial Park. Donations received have been restricted for the purpose of improving the interpretative programs at Goldstream.

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 recognition

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.

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.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis.

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.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a weighted average cost basis.

*(continues)*

**Habitat Acquisition Trust**  
**Notes to Financial Statements**  
**Year Ended October 31, 2023**

---

**2. Significant accounting policies (continued)**

Contributed services

Volunteers contributed an indeterminable number of hours in the year to assist the Society in carrying out its conservation activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost unless management has elected to carry the instruments at fair value, and tested for impairment at each reporting date. The Society has not elected to carry any such financial instruments at fair value. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

The Society's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities.

**3. Cash**

Cash includes restricted gaming funds of \$7,508 (2022: \$24).

**4. Property and equipment**

	2023		2022	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Sidney House	475,000	-	475,000	-
Highlands Land	390,000	-	390,000	-
Computer equipment	7,734	5,211	7,734	2,127
Equipment	2,525	249	-	-
	875,259	5,460	872,734	2,127
Net book value	869,799		870,607	

Sidney House: In 2009, a house in Sidney, BC was donated to the Society, subject to a Life Estate in favour of the donor. The appraised value of the house at the time of the donation was \$475,000, which remains the book value of this asset. The asset is not amortized.

Highlands Land: The Society purchased approximately 20 hectares of land in the Highlands in 2020, which was appraised at \$390,000. The agreed-upon purchase price was \$100,000, which the Society paid for with a grant from the Land Trust Conservation Fund, administered by Wildlife Habitat Canada. The appraised market value of the land was \$390,000, therefore the Society issued a split receipt for \$290,000. The asset is not amortized.

**5. Endowment fund investments**

Matson Endowment Fund is used for expenses related to the Society's managed Matson Conservation Area in Esquimalt. Funds are managed by the Victoria Foundation and disbursed as the income is available.

(continues)



**Habitat Acquisition Trust**  
**Notes to Financial Statements**  
**Year Ended October 31, 2023**

---

**5. Endowment fund investments (continued)**

2023	2022
\$	\$

---

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 the Society 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.

The Society's endowment fund is managed by the Victoria Foundation, and 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, 2023 and October 31, 2022 are reported as follows:

	2023	2022
	\$	\$
<b>Market Value</b>		
Acquisition Trust Endowment	409,141	355,826
Matson Lands Endowment	127,550	121,620
<b>Distribution</b>		
Acquisition Trust Endowment	17,471	15,292
Matson Lands Endowment	6,397	5,948

**6. Deferred contributions**

Deferred contributions represent unspent resources 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:

	2023	2022
	\$	\$
Beginning balance	130,186	809,584
Add: amount received related to subsequent years	323,025	130,186
Less: amount recognized as revenue in the year	(114,225)	(809,584)
Ending balance	<u>338,986</u>	<u>130,186</u>

*(continues)*

**Habitat Acquisition Trust**  
**Notes to Financial Statements**  
**Year Ended October 31, 2023**

---

**6. Deferred contributions (continued)**

Components of deferred revenue at year end:

<u>Development Program:</u>		
Foundation & charity grants	-	6,418
<u>Habitat Management Program:</u>		
Foundation & charity grants	14,800	4,747
Federal government grants	12,973	21,515
Charitable donations	6,000	-
<u>Land Protection Program:</u>		
Foundation & charity grants	82,374	-
Charitable donations	26,559	14,439
Non-tax receipted gifts	-	-
Government grants	95,000	10,000
<u>Good Neighbours Program:</u>		
Foundation & charity grants	228	10,000
Government grants	93,050	61,317
Charitable donations	-	1,750
<u>Greenspots Program:</u>		
Foundation & charity grants	-	-
<u>Species of Concern Program:</u>		
Foundation & charity grants	8,002	-
Ending balance	<u>338,986</u>	<u>130,186</u>

**7. Commitment**

Included in office expenses is the Society's operating lease commitment. The Society entered into a four-year operating lease in September 2023. Under the terms of the lease, the Society may renew the lease, in writing, 180 days prior to the expiration of the term, if the Society is not then in default of its obligations under the lease. In 2024 the annual calendar year lease payment commitment is \$41,991.

**8. Financial risks and concentration of risks**

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of October 31, 2023.

**Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society's main credit risks relate to its accounts receivable.

**Liquidity risk**

Liquidity risk is the risk that the Society will encounter difficulty in meeting the obligations associated with its financial liabilities. The Society is exposed to this risk mainly in respect of its government remittances, accounts payables and accrued liabilities.

**Currency risk**

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Society does not face significant currency risk exposure.

(continues)

**Habitat Acquisition Trust**  
**Notes to Financial Statements**  
**Year Ended October 31, 2023**

---

**8. Financial risks and concentration of risks (*continued*)**

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Society is exposed to interest rate risk on its term deposits.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

**9. Comparative figures**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**10. Remuneration of employees**

As required by the Societies Act of British Columbia, the Society must disclose remuneration paid to directors, employees and contractors whose remuneration was at least \$75,000 for the fiscal year.

During the year there were no directors, employees or contractors who met this criteria.