

Financial Statements of

HALIBURTON HIGHLANDS LAND TRUST

December 31, 2017

TABLE OF CONTENTS

	Page Number
INDEPENDENT AUDITORS' REPORT	
FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Changes in Net Assets	2
Statement of Operations	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 7





INDEPENDENT AUDITORS' REPORT

To the Members of Haliburton Highlands Land Trust

Report on the Financial Statements

We have audited the accompanying financial statements of Haliburton Highlands Land Trust which comprise the statement of financial position as at December 31, 2017, and the statements of changes in net assets, operations and cash flow 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, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 judgment, 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, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Haliburton Highlands Land Trust as at December 31, 2017 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Peter Shennett Professional Corporation

Chartered Professional Accountant, Authorized to practise public accounting by
Chartered Professional Accountants of Ontario
Orillia, Ontario
May 16, 2018

HALIBURTON HIGHLANDS LAND TRUST**STATEMENT OF FINANCIAL POSITION**

December 31, 2017

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	\$ 38,255	\$ 27,976
Short-term investments (note 3)	100,050	99,552
Accounts receivable	40,619	18,766
HST receivable	8,746	6,164
Prepaid expenditures	9,946	733
	<u>197,616</u>	<u>153,191</u>
ENDOWED INVESTMENTS (note 3)		
Norah's Island	58,945	58,769
Dahl Forest	60,245	59,235
	<u>119,190</u>	<u>118,004</u>
PROTECTED LANDS (note 4)		
	<u>904,000</u>	<u>904,000</u>
	<u>\$ 1,220,806</u>	<u>\$ 1,175,195</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 32,824	\$ 11,591
Deferred revenue (note 5)	15,199	16,889
	<u>48,023</u>	<u>28,480</u>
NET ASSETS		
Invested in protected lands	904,000	904,000
Norah's Island Endowment Fund	58,945	58,769
Dahl Forest Endowment Fund	60,246	59,235
Don and Lorraine Smith Stewardship Fund	70,000	55,000
Unrestricted	79,592	69,711
	<u>1,172,783</u>	<u>1,146,715</u>
	<u>\$ 1,220,806</u>	<u>\$ 1,175,195</u>

See accompanying notes to the financial statements



HALIBURTON HIGHLANDS LAND TRUST
STATEMENT OF CHANGES IN NET ASSETS
Year ended December 31, 2017

	Unrestricted	Don and Lorraine Smith Stewardship Fund	Norah's Island Endowment Fund	Dahl Forest Endowment Fund	Invested in Land assets	Total 2017	2016
Opening balance	\$ 69,711	\$ 55,000	\$ 58,769	\$ 59,235	\$ 904,000	\$ 1,146,715	\$ 1,139,043
Net Income	26,122	-	374	(428)	-	26,068	7,672
Transfers (note 6)	(16,241)	15,000	(198)	1,439	-	-	-
Closing balance	\$ 79,592	\$ 70,000	\$ 58,945	\$ 60,246	\$ 904,000	\$ 1,172,783	\$ 1,146,715

See accompanying notes to the financial statements



HALIBURTON HIGHLANDS LAND TRUST**STATEMENT OF OPERATIONS**

Year ended December 31, 2017

	2017	2016
REVENUE		
Ontario Species at Risk grant (note 7)	\$ 70,515	\$ 56,367
Ontario Trillium Foundation grant (note 5)	11,928	46,539
Canada 150	18,651	-
Canada Summer Jobs	-	11,202
Other grants	9,955	5,613
Donations	15,070	4,710
Memberships	3,119	5,170
Interest (note 3)	2,493	2,594
Golf tournament	12,105	19,391
Wild About Nature Gala	12,191	11,254
Other programs	2,232	1,880
	158,259	164,720
EXPENDITURES		
Ontario Species at Risk (note 7)	52,513	46,090
Ontario Trillium Foundation	5,916	44,421
Canada 150	9,141	-
Other grants	7,035	982
Staff costs	22,185	27,905
Property expenditures	1,891	5,770
Office	8,682	2,885
Insurance	3,255	3,202
Office Rent	3,243	3,434
Professional fees	2,676	2,676
Memberships	2,035	2,262
Telephone	1,645	2,312
Advertising and promotion	1,171	767
Bank charges and interest	755	731
Golf tournament	5,539	9,394
Wild About Nature Gala	4,509	4,217
	132,191	157,048
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	\$ 26,068	\$ 7,672

See accompanying notes to the financial statements



HALIBURTON HIGHLANDS LAND TRUST
STATEMENT OF CASH FLOW
Year Ended December 31, 2017

	2017	2016
CASH PROVIDED FROM (USED FOR) OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 26,068	\$ 7,672
 Cash provided from (invested in) non-cash working capital items		
Short-term investments	(498)	(593)
Accounts receivable	(21,853)	(15,955)
HST receivable	(2,582)	1,031
Prepaid expenditures	(9,213)	(52)
Accounts payable and accrued liabilities	21,233	9,091
Deferred revenue	(1,690)	(6,804)
	(14,603)	(13,282)
NET CASH FROM OPERATIONS	11,465	(5,610)
 CASH PROVIDED FROM (USED FOR) INVESTING ACTIVITIES		
Additions to endowed investments	(1,186)	(6,319)
 INCREASE IN CASH DURING THE YEAR	10,279	(11,929)
CASH - beginning of year	27,976	39,905
CASH - end of year	\$ 38,255	\$ 27,976

See accompanying notes to the financial statements



1. NATURE OF THE ORGANIZATION

Haliburton Highlands Land Trust was incorporated under the Canada Corporations Act on March 23, 2005 as a not-for-profit organization and is a registered charity under the Income Tax Act of Canada, and accordingly is not subject to income taxes.

Haliburton Highlands Land Trust's mandate is to acquire, hold, manage, preserve and enhance lands and waters of natural, environmental and/or aesthetic value for conservation purposes. Haliburton Highlands Land Trust also aims to foster responsible attitudes towards protecting natural and cultural sites.

Haliburton Highlands Land Trust is a volunteer driven, community-based operation and a member of the Ontario Land Trust Alliance.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

a) Revenue recognition

Haliburton Highlands Land Trust uses the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received. Restricted contributions and grant revenue is recognized when earned, as related expenditures are incurred. Unearned revenue is deferred until earned. Endowment contributions are recognized as a direct increase in endowment fund balances.

b) Expenditures

Expenditures are reported using the accrual basis of accounting under which they are recognized in the fiscal year to which they relate.

c) Tangible capital assets and protected lands

Tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair market value at the date of the contribution. Land gifted to the Trust for a donation receipt for the tax purposes of a donor is subject to extensive valuation, and carried at that valuation amount. For those donations of lands certified through the federal Ecological Gifts program, the Canadian Income Tax Act prohibits the transfer of such assets to an entity which is not a 'qualified donee' except with the approval of Environment Canada.

d) Fund accounting

The Don and Lorraine Smith Stewardship Fund provides for the maintenance and upkeep of the Smith Forest property plus other properties acquired by the Land Trust such as the Barry Wetland, and also assists in furthering the goals of the Land Trust.

The Unrestricted Fund accounts for the organization's general operations. This fund reports unrestricted resources and restricted operating grants. The majority of this fund was generously donated by Don and Lorraine Smith.

The Norah's Island Endowment Fund was established with the purpose of providing Haliburton Highlands Land Trust with a stable and ongoing funding stream with the intention of providing for the expenditures of the Norah's Island area.

The Dahl Forest Endowment Fund was established with the purpose of providing Haliburton Highlands Land Trust with a stable and ongoing funding stream with the intention of providing for the expenditures of the Dahl Forest area.



2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

e) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires the corporation to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from the corporation's best estimates as additional information becomes available in the future.

f) Contributed services

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair market value, contributed services are not recognized in the financial statements.

3. INVESTMENTS

Endowed investments consist of various GICs with maturities ranging from February 6, 2018 to November 23, 2019. Interest rates range from 1.46% to 2.30%.

Short-term investments consists of a cashable GIC which matures on December 14, 2018.

4. PROTECTED LANDS

Protected lands consist of the following:

	2017	2016
Barry Wetland	\$ 46,000	\$ 46,000
Dahl Forest	438,000	438,000
Norah's Island	350,000	350,000
Smith Forest	70,000	70,000
	\$ 904,000	\$ 904,000

5. DEFERRED REVENUE

Deferred revenue relates to grants received for projects or purposes not yet completed. Amounts received in excess of expenditures incurred creates current balances

	Opening	Received	2017 Recognized	Balance	2016
Ontario Trillium Foundation	\$ 11,929	\$ -	\$ 11,929	\$ -	\$ 11,929
TD Friends of the Environment	4,960	4,650	4,960	4,650	4,960
Canada 150	-	29,200	18,651	10,549	-
	\$ 16,889	\$ 33,850	\$ 35,540	\$ 15,199	\$ 16,889



HALIBURTON HIGHLANDS LAND TRUST

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

6. INTERFUND TRANSFERS

During the year, the Trust transferred \$1,439 (2016 - \$5,099) to the Dahl Forest Endowment Fund from the Unrestricted Fund in the form of excess fund expenses paid.

At the end of the year, the trust transferred \$15,000 from the Unrestricted Fund to the Don and Lorraine Smith Stewardship Fund for future property costs.

At the end of the year, the Trust transferred \$198 (2016 - \$336) from the revenue of the Norah's Island Endowment Fund to the Unrestricted Fund to contribute to the general operating expenses incurred as per the endowment agreement.

7. ONTARIO SPECIES AT RISK

Haliburton Highlands Land Trust entered into an agreement with the Ministry of Natural Resources and Forestry to receive funding from the Ontario Species at Risk Stewardship Fund. This funding relates to an ongoing project aimed at reducing bat mortality.

8. COMMITMENTS

Haliburton Highlands Land Trust has a rental agreement for \$265 monthly plus HST, expiring on January 31, 2020.

9. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Liquidity risk

Liquidity risk is the risk that the organization will not be able to meet its obligations associated with financial liabilities. Cash flow from operations is budgeted to cover the organization's cash requirements. Cash from investments is available to cover any cash shortfalls.

Credit risk

The credit risk is limited to the value of accounts receivable on the balance sheet.

Interest rate risk

The organization has exposure to interest rate risk. Investments are invested in interest bearing instruments and the amount of interest income will fluctuate with interest rates. Interest income is not a significant source of revenue.

Foreign exchange risk

The organization has no exposure to foreign exchange risk.

10. COMPARITIVE FIGURES

Certain 2016 comparative figures have been reclassified to conform with the financial statement presentation adopted in 2017.

