

Financial Statements of:

Habitat Acquisition Trust

For the year ended

October 31, 2013

Susan Ryan, CA
2760 Burdick Avenue
Victoria, BC
V8R 3L9
tel: 250 516-6231
fax: 250 598-3818
email: susan.ryan@telus.net

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, 2013, 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 association.

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 (ASNFPPO).

As required by the Society Act of British Columbia, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.



Susan Ryan, CA
Chartered Accountant
January 4, 2013
Victoria, British Columbia

**Habitat Acquisition Trust
Statement of Financial Position
As at October 31, 2013**

	General Fund		Land Acquisition Fund		Matson Fund		D. Andrew Fund		Gaming Fund	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
ASSETS										
Current Assets										
Cash	\$274,265	\$275,861	\$ 90,999	\$ 88,612	\$ 3,942	\$ 3,889	\$ 13,493	\$ 13,312	\$ 71	\$ 84
Accounts Receivable	-	3,030	995	114	-	-	-	-	-	-
Interest Receivable	-	-	-	771	-	-	-	-	-	-
Due from Government Agencies	2,296	7,191	-	-	-	-	-	-	-	54
Interfund Receivable	-	-	-	-	-	-	-	-	-	-
Prepays	126	5,936	-	-	-	-	-	-	-	-
	<u>276,688</u>	<u>292,018</u>	<u>91,995</u>	<u>89,497</u>	<u>3,942</u>	<u>3,889</u>	<u>13,493</u>	<u>13,312</u>	<u>71</u>	<u>138</u>
Real estate Properties	<u>475,000</u>	<u>475,000</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	\$751,688	\$767,018	\$ 91,995	\$ 89,497	\$ 3,952	\$ 3,899	\$ 13,493	\$ 13,312	\$ 71	\$ 138
LIABILITIES & EQUITY										
Current Liabilities										
Salaries and Benefits Payable	\$11,514	\$8,630	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Due to Government Agencies	-	159	-	-	-	-	-	-	-	-
Accounts Payable	25,654	24,955	-	-	-	-	-	-	-	-
Interfund Payable	-	114	-	-	-	-	-	-	-	-
	<u>37,168</u>	<u>33,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Contributions	142,625	172,283	-	-	-	-	-	-	-	-
Net Assets										
Restricted	-	-	-	-	3,952	3,899	13,493	13,312	71	138
Unrestricted (Note 6)	571,895	560,877	91,995	89,497	-	-	-	-	-	-
	<u>571,895</u>	<u>560,877</u>	<u>91,995</u>	<u>89,497</u>	<u>3,952</u>	<u>3,899</u>	<u>13,493</u>	<u>13,312</u>	<u>71</u>	<u>138</u>
	\$751,688	\$767,018	\$ 91,995	\$ 89,497	\$ 3,952	\$ 3,899	\$ 13,493	\$ 13,312	\$ 71	\$ 138

Prepared Without Audit

Habitat Acquisition Trust
Statement of Operations and Changes in Fund Balances
For the year ended October 31, 2013

	<u>General Fund</u>		<u>Land Acquisition Fund</u>		<u>Matson Fund</u>		<u>D. Andrew Fund</u>		<u>Gaming Fund</u>	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
REVENUES										
Donations and Gifts	\$209,471	\$366,761	\$ 1,000	\$ 50,325	\$0	\$0	\$0	\$0	\$0	\$0
Grants	133,834	153,922	-	-	-	-	-	-	-	-
Gaming	59,445	58,076	-	-	-	-	-	-	-	-
Fundraising	16,299								35	877
Membership Fees	1,900	2,260	-	-	-	-	-	-	-	-
Interest	4,016	3,467	1,498	1,261	53	52	181	178	-	53
Other	1,773	3,566	-	-	-	-	-	-	-	-
	426,737	588,052	2,498	51,586	53	52	181	178	35	930
EXPENSES										
Advertising	6,629	4,575	-	-	-	-	-	-	-	-
Bank Charges	1,031	803	-	-	-	-	-	-	67	-
Dues	735	635	-	-	-	-	-	-	-	-
Education	671	1,074	-	-	-	-	-	-	-	-
Insurance	1,250	1,300	-	-	-	-	-	-	-	-
Office	32,210	29,155	-	-	-	-	-	-	-	-
Professional Fees	2,717	2,310	-	-	-	-	-	-	-	-
Covenants Expensed	-	240,000	-	-	-	-	-	-	-	-
Projects	14,776	115,322	-	-	-	-	-	-	35	877
Travel	5,932	5,907	-	-	-	-	-	-	-	-
Wages and Contracts	344,556	183,848	-	3,211	-	-	-	-	-	-
Donations	3,352	-	-	-	-	-	-	-	-	-
Other	1,860									
	415,719	584,929	-	3,211	-	-	-	-	102	877
EXCESS (DEFICIENCY) OF										
REVENUES OVER EXPENSES	11,018	3,123	2,498	48,375	53	52	181	178	(67)	53
NET ASSETS										
Beginning of the year	560,877	557,754	89,497	41,122	3,899	3,847	13,312	13,134	138	85
Balance, end of the year	\$571,895	\$560,877	\$ 91,995	\$ 89,497	\$ 3,952	\$ 3,899	\$ 13,493	\$ 13,312	\$ 71	\$ 138

Prepared Without Audit

**Habitat Acquisition Trust
Statement of Cash Flows
For the year ended October 31, 2013**

	<u>General Fund</u>		<u>Land Acquisition Fund</u>		<u>Matson Fund</u>		<u>D. Andrew Fund</u>		<u>Gaming Fund</u>	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
OPERATING ACTIVITIES										
Excess (deficiency) of revenues										
over expenses	\$11,018	\$3,123	\$2,498	\$48,375	\$53	\$52	\$181	\$178	(\$67)	\$53
Increase (decrease) in non-cash										
working capital										
Accounts Receivable	3,030	7,520	(882)	(114)	-	-	-	-	-	-
Interest Receivable	-	-	771	(771)	-	-	-	-	-	-
Due from Government Agencies	4,895	(3,614)	-	-	-	-	-	-	-	-
Prepays	5,810	(4,693)	-	-	-	-	-	-	-	-
Interfund (Payable) Receivable	(114)	4,714	-	(4,600)	-	-	-	-	-	-
Salaries and Benefits Payable	2,885	8,630	-	-	-	-	-	-	-	-
Accounts Payable	698	21,701	-	-	-	-	-	-	-	-
Due to Government Agencies	(159)	159	-	-	-	-	-	-	-	54
Deferred Contributions	(29,659)	61,717	-	-	-	-	-	-	-	-
	(12,613)	96,134	(111)	(5,485)	-	-	-	-	-	54
Investment Activities										
Acquisition of Real estate	-	-	-	-	-	-	-	-	-	-
Cash increase for period	(1,596)	99,257	2,387	42,890	53	52	181	178	(67)	107
Cash at beginning of period	275,861	176,604	88,612	45,722	3,889	3,837	13,312	13,134	138	31
Cash at end of period	\$274,265	\$275,861	\$ 90,999	\$ 88,612	\$ 3,942	\$ 3,889	\$ 13,493	\$ 13,312	\$ 71	\$ 138

Prepared Without Audit

Habitat Acquisition Trust
Notes to the Financial Statements
For the year ended October 31, 2013

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

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.

The Endowment Fund reports resources contributed for endowment. Investment income earned on resources can be transferred to the General Fund.

The Matson Fund reports donations and disbursement related to the Matson land. 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 at the option of HAT, which is the original nominal recorded amount. When the property was acquired, it had a declared market value of \$1,060,000.

The D. Andrew Fund was established to retain donations to be used for a structure at Goldstream Park.

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 asset 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

Prepared Without Audit

Habitat Acquisition Trust
Notes to the Financial Statements
For the year ended October 31, 2013

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 Initiative is not exposed to significant interests 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

In 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, 2013 are reported as follows:

	2013	2012
Market Value	\$	\$
Endowment Fund	172,097	157,183
Matson Fund	99,299	90,739
Distribution		
Endowment Fund	6,285	5,055
Matson Fund	3,678	3,564

Habitat Acquisition Trust
Notes to the Financial Statements
For the year ended October 31, 2013

Note 6: Covenants

In the 2011 year, tax receipts were issued in the amount of \$135,000 representing the fair value in covenants under section 210 of the *Land Title Act*. As HAT had no beneficial ownership of this property, the amount was not recorded in 2011. The comparative balances, if the transaction had been reported are as follows:

	2013	2012	2011
	\$	\$	\$
Revenue			
Donations and Gifts	210,916	126,761	162,135
Covenant	-	240,000	135,000
Total Donations and Gifts	<u>210,916</u>	<u>366,761</u>	<u>297,135</u>
Expenses			
Covenants Expensed	-	240,000	135,000

There is no effect on "EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES" or cash flow.