

Financial Statements of:

Habitat Acquisition Trust

**For the year ended
October 31, 2012**

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, 2012, 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 (ASNFPO).

Another public accountant reported on the comparative figures.

Susan Ryan, CA
Chartered Accountant
January 18, 2013
Victoria, British Columbia

Habitat Acquisition Trust
Statement of Financial Position
As at October 31, 2012

	General Fund		Land Acquisition Fund		Matson Fund		D. Andrew Fund	
	2012	2011	2012	2011	2012	2011	2012	2011
ASSETS								
Current Assets								
Cash	\$ 275,861	\$176,604	\$ 88,612	\$45,722	\$ 3,889	\$ 3,837	\$ 13,312	\$ 13,134
Accounts Receivable	3,030	10,550	114	-	-	-	-	-
Interest Receivable	-	-	771	-	-	-	-	-
HST/GST Receivable	7,191	3,577	-	-	-	-	-	-
Interfund Receivable	-	4,600	-	-	-	-	-	-
Prepays	5,936	1,243	-	-	-	-	-	-
	292,018	196,574	89,497	45,722	3,889	3,837	13,312	13,134
Real estate Properties	475,000	475,000	-	-	10	10	-	-
	\$ 767,018	\$671,574	\$ 89,497	\$45,722	\$ 3,899	\$ 3,847	\$ 13,312	\$ 13,134
LIABILITIES & EQUITY								
Current Liabilities								
Salaries and Benefits Payable	\$8,630	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Due to Government Agencies	159	-	-	-	-	-	-	-
Accounts Payable	24,955	3,254	-	-	-	-	-	-
Interfund Payable	114	-	-	4,600	-	-	-	-
	33,857	3,254	-	4,600	-	-	-	-
Deferred Contributions	172,283	110,566	-	-	-	-	-	-
Net Assets								
Restricted	-	-	-	-	3,899	3,847	13,312	13,134
Unrestricted (Note 6)	560,877	557,754	89,497	41,122	-	-	-	-
	560,877	557,754	89,497	41,122	3,899	3,847	13,312	13,134
	\$ 767,018	\$671,574	\$ 89,497	\$45,722	\$ 3,899	\$ 3,847	\$ 13,312	\$ 13,134

Prepared Without Audit

Habitat Acquisition Trust
Statement of Operations and Changes in Fund Balances
For the year ended October 31, 2012

	<u>General Fund</u>		<u>Land Acquisition Fund</u>		<u>Matson Fund</u>		<u>D. Andrew Fund</u>	
	2012	2011	2012	2011	2012	2011	2012	2011
REVENUES								
Donations and Gifts	\$366,761	\$162,135	\$ 50,325	\$200	\$0	\$0	\$0	\$0
Gaming	58,076	43,000	-	-	-	-	-	-
Grants	153,922	97,416	-	-	-	-	-	-
Membership Fees	2,260	2,800	-	-	-	-	-	-
Other (net)	3,566	7,132	-	-	-	115	-	-
Interest	3,467	2,734	1,261	613	52	52	178	156
	588,052	315,217	51,586	813	52	167	178	156
EXPENSES								
Advertising	4,575	5,522	-	-	-	-	-	-
Bank Charges	803	942	-	-	-	-	-	-
Dues	635	370	-	-	-	-	-	-
Education	1,074	2,507	-	-	-	-	-	-
Insurance	1,300	1,250	-	-	-	-	-	-
Land Acquisition	-	245	-	-	-	-	-	-
Office	29,155	30,298	-	-	-	-	-	-
Professional Fees	2,310	2,833	-	-	-	-	-	-
Covenants Expensed	240,000	-	-	-	-	-	-	-
Projects	115,322	102,099	-	-	-	-	-	-
Travel	5,907	3,074	-	-	-	-	-	-
Wages and Contracts	183,848	154,136	3,211	-	-	-	-	-
Donations	-	40,000	-	5,000	-	-	-	-
	584,929	343,276	3,211	5,000	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	3,123	(28,059)	48,375	(4,187)	52	167	178	156
NET ASSETS								
Beginning of the year	557,754	585,813	41,122	45,309	3,847	3,680	13,134	12,978
Balance, end of the year	\$ 560,877	\$557,754	\$ 89,497	\$41,122	\$ 3,899	\$3,847	\$ 13,312	\$13,134

Prepared Without Audit

Habitat Acquisition Trust
Statement of Cash Flows
For the year ended October 31, 2012

	<u>General Fund</u>		<u>Land Acquisition Fund</u>		<u>Matson Fund</u>		<u>D. Andrew Fund</u>	
	2012	2011	2012	2011	2012	2011	2012	2011
OPERATING ACTIVITIES								
Excess (deficiency) of revenues over expenses	3,123	(\$28,059)	\$48,375	(\$4,187)	\$52	\$167	\$178	\$156
Increase (decrease) in non-cash working capital								
Accounts Receivable	7,520	(10,550)	(114)	200	-	-	-	-
Interest Receivable		-	(771)	-	-	-	-	-
GST Receivable	(3,614)	(654)	-	-	-	-	-	-
Prepays	(4,693)	143	-	-	-	-	-	-
Interfund Receivable	4,714	(6,385)	(4,600)	4,400	-	-	-	1,585
Salaries and Benefits Payable	8,630	-	-	-	-	-	-	-
Accounts Payable	21,701	(7,047)	-	-	-	-	-	-
Due to Government Agencies	159							
Deferred Contributions	61,717	45,771	-	-	-	-	-	-
	96,134	21,278	(5,485)	4,600	-	-	-	1,585
Investment Activities								
Acquisition of Real estate			-	-	-	-	-	-
Cash increase for period	99,257	(6,781)	42,890	413	52	167	178	1,741
Cash at beginning of period	176,604	183,385	45,722	45,309	3,837	3,670	13,134	11,393
Cash at end of period	\$ 275,861	\$ 176,604	\$ 88,612	\$ 45,722	\$ 3,889	\$ 3,837	\$ 13,312	\$ 13,134

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Prepared Without Audit

Habitat Acquisition Trust
Notes to the Financial Statements
For the year ended October 31, 2012

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.

Endowments are managed by the Victoria foundation. Distributions from the Victoria Foundation are recorded as revenue when received or receivable.

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

Habitat Acquisition Trust
Notes to the Financial Statements
For the year ended October 31, 2012

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 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, 2012 are reported as follows:

	2012	2011
Market Value	\$	\$
Endowment Fund	157,183	142,759
Matson Fund	90,739	84,525
Distribution		
Endowment Fund	5,055	1,520
Matson Fund	3,564	2,590

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Habitat Acquisition Trust
Notes to the Financial Statements
For the year ended October 31, 2012

Note 6: COVENANTS

In the previous 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:

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

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