

Financial Statements of:

Habitat Acquisition Trust

**For the year ended
October 31, 2016
(Unaudited)**

Susan Ryan, CPA, CA
2760 Burdick Avenue, Victoria BC, V8R 3L9
Tel. 250 516 6231
Email: susan.ryan@shaw.ca

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, 2016, 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
December 28, 2016
Victoria, British Columbia

Habitat Acquisition Trust
Statement of Financial Position
As at October 31, 2016

	General Fund		Land Acquisition and Management		Matson Fund		D. Andrew Fund		Gaming Fund	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
ASSETS										
Current Assets										
Cash	\$ 296,833	\$ 396,378	\$ 91,860	\$ 91,617	\$ 1,000	\$ 4,044	\$ 13,990	\$ 13,844	\$ 937	\$ 422
Accounts Receivable	5,863	2,834	-	-	-	-	-	-	-	-
Interest Receivable	-	-	706	657	-	-	-	-	-	-
Due from Government Agencies	1,072	1,510	-	-	-	-	-	-	-	-
Interfund Receivable	4,283	5,892	-	-	-	-	-	-	-	-
Victoria Car Share Membership	250	500	-	-	-	-	-	-	-	-
Prepays	274	550	-	-	-	-	-	-	-	-
	308,575	407,664	92,566	92,274	1,000	4,044	13,990	13,844	937	422
Real estate Properties	475,000	475,000	-	-	-	-	-	-	-	-
	\$ 783,575	\$ 882,664	\$ 92,566	\$ 92,274	\$ 1,000	\$ 4,044	\$ 13,990	\$ 13,844	\$ 937	\$ 422

LIABILITIES & EQUITY

Current Liabilities										
Salaries and Benefits Payable	\$13,350	\$14,210	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Due to Government Agencies	2,122	118	-	-	-	-	-	-	-	-
Accounts Payable	7,713	39,625	-	-	-	-	-	-	-	-
Interfund Payable	-	-	4,283	5,892	-	-	-	-	-	-
	23,184	53,954	4,283	5,892	-	-	-	-	-	-
Deferred Contributions (note 6)	146,004	176,227	-	-	-	-	-	-	937	-
Net Assets										
Restricted	-	-	-	-	1,000	4,044	13,990	13,844	-	422
Unrestricted	614,386	652,484	88,284	86,382	-	-	-	-	-	-
	614,386	652,484	88,284	86,382	1,000	4,044	13,990	13,844	-	422
	\$783,575	\$882,664	\$92,566	\$92,274	\$1,000	\$4,044	\$13,990	\$13,844	\$937	\$422

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

Habitat Acquisition Trust
Statement of Operations and Changes in Fund Balances
For the year ended October 31, 2016

	<u>General Fund</u>		<u>Land Acquisition and Management</u>		<u>Matson Fund</u>		<u>D. Andrew Fund</u>		<u>Gaming Fund</u>	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
REVENUES										
Donations and Gifts	\$81,571	\$122,558	\$250	\$400	\$0	\$0	\$0	\$0	\$0	\$0
Foundations & Charities	\$63,817	\$70,724	500	-	-	-	-	-	-	-
Fundraising	\$7,030	\$8,436	-	-	-	-	-	-	-	-
Gaming	57,486	59,705	-	-	-	-	-	-	(422)	(1,705)
Government Grants	181,704	199,965	-	-	-	-	-	-	-	-
Interest	3,519	3,566	1,152	1,642	43	49	146	168	-	-
Membership Fees	2,285	2,610	-	-	-	-	-	-	-	-
Other (net)	3,106	4,733	-	-	-	-	-	-	-	-
	\$400,519	\$472,297	\$1,902	2,042	43	49	146	168	(422)	(1,705)
EXPENSES										
Advertising	5,494	2,988	-	-	-	-	-	-	-	-
Bank Charges	1,034	998	-	-	-	-	-	-	-	-
Donations	44,454	-	-	-	-	-	-	-	-	-
Dues	780	864	-	-	-	-	-	-	-	-
Education	2,598	638	-	-	-	-	-	-	-	-
Fundraising	4,742	7,895	-	-	-	-	-	-	-	-
Insurance	1,276	1,250	-	-	-	-	-	-	-	-
Land Acquisition & Management	3,031	27	-	-	-	-	-	-	-	-
Office	25,907	33,764	-	-	-	-	-	-	-	-
Professional Fees	3,131	2,746	-	-	-	-	-	-	-	-
Projects	15,162	15,808	-	-	-	-	-	-	-	-
Travel	8,894	10,535	-	-	-	-	-	-	-	-
Wages and Contracts	322,114	337,781	-	-	3,087	-	-	-	-	-
	438,617	415,293	-	-	3,087	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(38,098)	57,004	1,902	2,042	(3,044)	49	146	168	(422)	(1,705)
NET ASSETS										
Beginning of the year	\$652,484	595,480	86,382	84,341	4,044	3,995	13,844	13,676	422	2,127
Balance, end of the year	\$614,386	\$652,484	\$88,284	\$86,382	\$1,000	\$4,044	\$13,990	\$13,844	\$0	\$422

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

Habitat Acquisition Trust
Statement of Cash Flows
For the year ended October 31, 2016

	<u>Land Acquisition and Management</u>				<u>D. Andrew Fund</u>		<u>Gaming Fund</u>	
	<u>General Fund</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES								
Excess (deficiency) of revenues over expenses	(38,098)	57,004	1,902	2,042	(3,044)	146	168	(422)
Increase (decrease) in non-cash working capital								
Accounts Receivable	(3,029)	(1,318)	-	-	-	-	-	-
Interest Receivable	-	-	(50)	846	-	-	-	-
Due from Government Agencies	438	(257)	-	-	-	-	-	-
Prepays	276	700	-	-	-	-	-	-
Interfund Receivable	1,609	2,592	-	-	-	-	-	-
Membership Victoria Car Share	250	(500)	-	-	-	-	-	-
Interfund Payable	(861)	1,969	-	-	-	-	-	-
Accounts Payable	(31,913)	22,525	-	-	-	-	-	-
Interfund Payable	-	-	(1,609)	(2,592)	-	-	-	-
Due to Government	2,004	118	-	-	-	-	-	-
Deferred Contributions	(30,223)	35,078	-	-	-	-	-	938
	(61,448)	60,908	(1,659)	(1,746)	-	-	-	938
Investment Activities								
Acquisition of Real Estate	-	-	-	-	-	-	-	-
Cash increase for period	(99,545)	117,912	243	295	(3,044)	146	168	516
Cash at beginning of period	396,378	278,466	91,617	91,323	4,044	13,844	13,676	2,127
Cash at end of period	\$ 296,833	\$ 396,378	\$ 91,860	\$ 91,617	\$ 1,000	\$ 13,990	\$ 13,844	\$ 422

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, 2016

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.

The Land Acquisition Fund was established for the acquisition of covenants and fee-simple land titles, which results in natural areas that are legally, permanently protected.

Applications are made to the BC Gaming Commission to provide funding for HAT's Good Neighbours program and Covenants program. The Gaming Fund is restricted to expenditures related 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.

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 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

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, 2016 and October 31, 2015 are reported as follows:

	2016	2015
Market Value	\$	\$
Acquisition Trust Endowment	248,802	191,514
Matson Lands Endowment	116,554	110,276
Distribution		
Acquisition Trust Endowment	7,376	6,804
Matson Lands Endowment	4,250	3,926

Note 6. 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:

	2016 \$	2015 \$
	<u> </u>	<u> </u>
Beginning balance	\$176,227	\$141,149
Add: amount received related to subsequent years	109,432	117,194
Less: amount recognized as revenue in the year	<u>(139,655)</u>	<u>(82,106)</u>
Ending balance	\$146,004	\$176,227

Components of deferred revenue at year end:

	2016 \$	2015 \$
	<u> </u>	<u> </u>
Bat & Amphibian Program:		
Foundation & Charity Grants	\$593	\$2,880
Charitable Donations	12,749	5,000
Federal Government Grants	0	23,935
Covenant Program:		
Foundation & Charity Grants	7,340	4,804
Charitable Donations	5,131	0
Municipal Grants	521	1,980
Endowment Program:		
Charitable Donations	160	6,830
Good Neighbours Program:		
Foundation & Charity Grants	8,000	0
Federal Government Grants	7,775	3,797
Greenspots Program:		
Federal Government Grants	4,191	3,748
Species of Concern Program:		
Charitable Donations	24,982	33,042
Federal Government Grants	70,087	60,424
Mary Lake Program:		
Foundation & Charity Grants	0	2,888
Charitable Donations	0	23,067
Other Revenue	0	35
Matson Program:		
Foundation & Charity Grants	4,475	2,366
Goldstream Chums Program:		
Foundation & Charity Grants	0	1,431
Ending balance	\$146,004	\$176,227