

Financial Statements of:

Habitat Acquisition Trust

For the year ended
October 31, 2017
(Unaudited)

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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, 2017, 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 (ASNFPPO).



Susan Ryan, CPA, CA
Chartered Accountant
January 18, 2017
Victoria, British Columbia

Habitat Acquisition Trust
Statement of Operations and Changes in Fund Balances
For the year ended October 31, 2017

	<u>General Fund</u>		<u>Land Acquisition</u>		<u>Matson Fund</u>		<u>D. Andrew Fund</u>		<u>Gaming Fund</u>	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REVENUES										
Contract Revenue	\$10,401	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Donations and Gifts	90,028	81,571	400	250	-	-	-	-	-	-
Event Tickets	6,927	-	-	-	-	-	-	-	-	-
Foundations & Charities	100,224	\$63,817	-	500	-	-	-	-	-	-
Fundraising	\$6,697	\$7,030	-	-	-	-	-	-	-	-
Gaming	55,150	57,486	-	-	-	-	-	-	(149)	-
Government Grants	210,419	181,704	-	-	-	-	-	-	-	(422)
Interest	3,899	3,519	1,200	1,151	9	43	171	146	-	-
Membership Fees	6,541	2,285	-	-	-	-	-	-	-	-
Sale of Goods	5,464	836	-	-	-	-	-	-	-	-
Other (net)	1,574	2,270	-	-	-	-	-	-	-	-
	497,325	400,519	1,600	1,901	9	43	171	147	(149)	(422)
EXPENSES										
Advertising	\$4,201	\$5,494	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bank Charges	1,137	1,034	-	-	-	-	-	-	-	-
Donations	1,497	44,454	25,000	-	-	-	-	-	-	-
Dues	1,421	780	-	-	-	-	-	-	-	-
Education	2,780	2,598	-	-	-	-	-	-	-	-
Fundraising	3,043	4,742	-	-	-	-	-	-	-	-
Insurance	1,165	1,276	-	-	-	-	-	-	-	-
Land Acquisition & Management	2,331	3,031	-	-	-	-	-	-	-	-
Office	28,546	25,907	-	-	-	-	-	-	-	-
Professional Fees	3,155	3,131	-	-	-	-	-	-	-	-
Projects	46,108	15,162	-	-	-	-	-	-	-	-
Travel	10,248	8,894	-	-	-	-	-	-	-	-
Wages and Contracts	393,119	322,114	-	-	1,009	3,087	-	-	-	-
	498,751	438,617	25,000	-	1,009	3,087	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(1,426)	(38,098)	(23,400)	1,901	(1,000)	(3,044)	171	147	(149)	(422)
NET ASSETS										
Beginning of the year	\$576,288	614,386	88,284	86,383	1,000	4,044	13,991	13,844	1,704	2,127
Balance, end of the year	\$574,862	\$576,288	\$64,884	\$88,284	-\$0	\$1,000	\$14,162	\$13,991	1,555	\$1,704

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

Habitat Acquisition Trust
Statement of Financial Position
As at October 31, 2017

	General Fund		Land Acquisition		Matson Fund		D. Andrew Fund		Gaming Fund	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
ASSETS										
Current Assets										
Cash	\$ 307,952	\$ 296,833	\$ 64,162	\$ 91,860	\$ 0	\$ 1,000	\$ 14,161	\$ 13,990	\$ 788	\$ 937
Accounts Receivable	1,964	5,863	-	-	-	-	-	-	-	-
Interest Receivable	-	-	721	706	-	-	-	-	-	-
Due from Government Agencies	2,297	1,072	-	-	-	-	-	-	-	-
Inventory	2,773	-	-	-	-	-	-	-	-	-
Interfund Receivable	-	4,282	-	-	-	-	-	-	-	-
Victoria Car Share Membership	250	250	-	-	-	-	-	-	-	-
Prepays	1,078	274	-	-	-	-	-	-	-	-
	316,314	308,574	64,884	92,566	-	1,000	14,161	13,990	788	937
Real estate Properties	475,000	475,000	-	-	-	-	-	-	-	-
	\$ 791,314	\$ 783,574	\$ 64,884	\$ 92,566	\$ -	\$ 1,000	\$ 14,161	\$ 13,990	\$ 788	\$ 937
LIABILITIES & EQUITY										
Current Liabilities										
Salaries and Benefits Payable	\$16,508	\$13,350	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Due to Government Agencies	127	2,122	-	-	-	-	-	-	-	-
Accounts Payable	20,840	7,713	-	-	-	-	-	-	-	-
Interfund Payable	-	-	-	4,282	-	-	-	-	-	-
	37,475	\$23,185	-	4,282	-	-	-	-	-	-
Deferred Contributions (note 6)	140,879	146,004	-	-	-	-	-	-	788	937
Net Assets										
Restricted	-	-	-	-	-	1,000	14,162	13,991	-	-
Unrestricted	612,960	614,386	64,884	88,284	-	-	-	-	-	-
	612,960	614,386	64,884	88,284	-	1,000	14,162	13,991	-	-
	\$791,314	\$783,575	\$64,884	\$92,566	\$ -	\$1,000	\$14,162	\$13,991	\$788	\$937

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, 2017

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

The basis of presentation of these financials statements is the Canadian accounting standards for not for profit organizations.

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, 2017 are reported as follows:

	2017	2016
Market Value	\$	\$
Acquisition Trust Endowment	261,875	248,802
Matson Lands Endowment	121,076	116,554
Distribution		
Acquisition Trust Endowment	8,076	7,376
Matson Lands Endowment	44,74	4,250

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:

	2017 \$	2016 \$
Beginning balance	\$146,004	\$176,227
Add: amount received related to subsequent years	110,303	109,432
Less: amount recognized as revenue in the year	<u>(115,428)</u>	<u>(139,655)</u>
Ending balance	\$140,879	\$146,004

Components of deferred revenue at year end:

	2017 \$	2016 \$
Habitat Management Program:		
Foundation & Charity Grants	\$21,254	\$7,011
Municipal Grants	0	521
Land Protection Program:		
Foundation & Charity Grants	7,981	4,804
Charitable Donations	3,240	5,291
Good Neighbours Program:		
Foundation & Charity Grants	1,500	8,000
Federal Government Grants	7,396	7,775
Greenspots Program		
Federal Government Grants	644	4,191
Species of Concern Program:		
Foundation Grants	0	593
Charitable Donations	30,576	37,730
Federal Government Grants	68,288	70,087
Ending balance	\$140,879	\$146,004