

Financial Statements of:

Habitat Acquisition Trust

**For the year ended
October 31, 2011**

REVIEW ENGAGEMENT REPORT

To The Directors of
Habitat Acquisition Trust

I have reviewed the statement of financial position of Habitat Acquisition Trust as at October 31, 2011 and the statement of operations and changes in fund balances, and the statement of cash flow for the year then ended.

My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures, and discussion related to information supplied to me by management.

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 statement are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Rodney Munro
Chartered Accountant

November 25, 2011
Victoria, British Columbia

Habitat Acquisition Trust
Statement of Financial Position
As at October 31, 2011

	General Fund		Land Acquisition Fund		Matson Fund		D. Andrew Fund	
	2011	2010	2011	2010	2011	2010	2011	2010
ASSETS								
Current Assets								
Cash	176,604	183,385	45,722	45,109	3,837	3,870	13,134	11,478
Accounts Receivable	10,550	-	-	-	-	-	-	-
GST Receivable	3,577	2,924	-	-	-	-	-	-
Interfund Receivable	4,600	(1,500)	-	200	-	-	-	1,500
Prepays	1,243	1,100	-	-	-	-	-	-
	<u>196,574</u>	<u>187,409</u>	<u>45,722</u>	<u>45,309</u>	<u>3,837</u>	<u>3,870</u>	<u>13,134</u>	<u>12,978</u>
Realestate Properties	<u>475,000</u>	<u>475,000</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>	<u>-</u>	<u>-</u>
	671,574	662,409	45,722	45,309	3,847	3,880	13,134	12,978
LIABILITIES & EQUITY								
Current Liabilities								
Accounts Payable	3,254	10,301	-	-	-	-	-	-
Interfun Payable	-	-	4,600	-	-	200	-	-
	<u>3,254</u>	<u>11,801</u>	<u>4,600</u>	<u>-</u>	<u>-</u>	<u>200</u>	<u>-</u>	<u>-</u>
Deferred Contributions	110,566	64,795						
Net Assets								
Restricted	-	-	-	-	3,847	3,680	13,134	12,978
Unrestricted	557,754	585,813	41,122	45,309	-	-	-	-
	<u>557,754</u>	<u>585,813</u>	<u>41,122</u>	<u>45,309</u>	<u>3,847</u>	<u>3,680</u>	<u>13,134</u>	<u>12,978</u>
	671,574	662,409	45,722	45,309	3,847	3,880	13,134	12,978

Prepared Without Audit

Habitat Acquisition Trust
Statement of Operations and Changes in Fund Balances
For the year ended October 31, 2011

	<u>General Fund</u>		<u>Land Acquisition Fund</u>		<u>Matson Fund</u>		<u>D. Andrew Fund</u>	
	2011	2010	2011	2010	2011	2010	2011	2010
REVENUES								
Donations and Gifts	\$162,135	\$672,920	\$ 200	\$ 200	\$ -	\$ -	\$ -	\$ 1,500
Gaming	43,000	39,447	-	-	-	-	-	-
Grants	97,416	124,640	-	-	-	-	-	-
Membership Fees	2,800	1,925	-	-	-	-	-	-
Other (net)	7,132	11,958	-	-	115	-	-	-
Interest	2,734	978	613	336	52	29	156	85
	<u>315,216</u>	<u>851,867</u>	<u>813</u>	<u>536</u>	<u>167</u>	<u>29</u>	<u>156</u>	<u>1,585</u>
EXPENSES								
Advertising	5,522	4,108	-	-	-	-	-	-
Bank Charges	942	640	-	-	-	-	-	-
Dues	370	452	-	-	-	-	-	-
Education	2,507	245	-	-	-	-	-	-
Insurance	1,250	1,459	-	-	-	-	-	-
Land Acquisition	245	324	-	-	-	-	-	-
Office	30,298	30,605	-	-	-	-	-	-
Professional Fees	2,833	9,321	-	-	-	-	-	-
Projects	102,099	100,500	-	-	-	-	-	-
Travel	3,074	6,025	-	-	-	-	-	-
Wages and Contracts	154,136	150,579	-	-	-	-	-	-
Donations	40,000	2,328	5,000	-	-	-	-	-
	<u>343,276</u>	<u>306,586</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(28,059)	545,282	(4,187)	536	167	29	156	1,585
NET ASSETS								
Beginning of the year	585,813	40,531	45,309	44,773	3,680	3,651	12,978	11,393
Balance, end of the year	<u>\$557,754</u>	<u>\$585,813</u>	<u>\$41,122</u>	<u>\$ 45,309</u>	<u>\$3,847</u>	<u>\$3,680</u>	<u>\$13,134</u>	<u>\$12,978</u>

Prepared Without Audit

Habitat Acquisition Trust
Statement of Cash Flows
For the year ended October 31, 2011

	<u>General Fund</u>		<u>Land Acquisition Fund</u>		<u>Matson Fund</u>		<u>D. Andrew Fund</u>	
	2011	2010	2011	2010	2011	2010	2011	2010
OPERATING ACTIVITIES								
Excess (deficiency) of revenues over expenses	(28,059)	\$ 545,282	(4,187)	\$ 536	167	\$ 29	156	\$ 1,585
Increase (decrease) in non-cash working capital								
Accounts Receivable	(10,550)	6,038	200	-	-	-	-	-
GST Receivable	(654)	(1,374)	-	-	-	-	-	-
Prepays	143	(1,063)	-	-	-	-	-	-
Payable to Funds	(6,385)	14,062	4,400	-	-	-	1,585	-
Accounts Payable	(7,047)	277	-	-	-	-	-	-
Deferred Contributions	45,771	(40,082)	-	-	-	-	-	-
	21,279	(22,142)	4,600	-	-	-	1,585	-
Investment Activities								
Acquisition of Real Estate	-	(475,000)	-	-	-	-	-	-
	-	(475,000)						
Cash increase for period	(6,781)	48,140	413	536	167	29	1,741	1,585
Cash at beginning of period	183,385	135,245	45,309	44,773	3,670	3,641	11,393	11,393
Cash at end of period	176,604	\$ 183,385	45,722	\$ 45,309	3,837	\$ 3,670	13,134	\$ 12,978

Prepared Without Audit

Habitat Acquisition Trust
Notes to the Financial Statements
For the year ended October 31, 2011

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.

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Habitat Acquisition Trust
Notes to the Financial Statements
For the year ended October 31, 2011

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

Habitat Acquisition Trust (HAT) 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 HAT transferred cash to the Victoria Foundation. The Victoria Foundation makes distributions back to HAT 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, 2011 are reported as follows:

	2011	2010
Market Value		
Endowment Fund	142,759	104,273
Matson Fund	84,525	87,575
Distribution		
Endowment Fund	1,520	1,520
Matson Fund	2,590	2,590

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Habitat Acquisition Trust
Notes to the Financial Statements
For the year ended October 31, 2011

Note 6: Donation

During the year HAT endowed \$40,000 to the Victoria Foundation. These funds will be held in perpetuity for the benefit of HAT.

Note 7: Real Estate Donation

In a previous year, one individual donated their personal residence to HAT in return for a tax receipt and the life long right to live at the property. At the time of the donation, the fair value of the property was estimated to be \$475,000. The value advantage to the donor was estimated to be \$106,700. HAT issued a tax receipt to the donor in the amount of \$368,300. The values used in these related transactions were provided by an independant accredited appraiser and an independant actuarial firm.