

**Financial Statements of:**

**Habitat Acquisition Trust**

**For the year ended  
October 31, 2018  
(Unaudited)**

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## REVIEW ENGAGEMENT REPORT

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To the Board Members of Habitat Acquisition Trust

I have reviewed the statement of financial position of Habitat Acquisition Trust as at October 31, 2018, 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 January  
21, 2019 Victoria,  
British Columbia

Habitat Acquisition Trust  
Statement of Financial Position  
As at October 31, 2018

ASSETS	General Fund		Land Acquisition		Matson Fund		D. Andrew Fund		Gaming Fund	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>Current Assets</b>										
Cash	\$197,830	\$307,952	\$65,390	\$64,163	\$0	\$0	\$14,415	\$14,161	\$0	\$788
Accounts Receivable	48,153	1,964	-	721	-	-	-	-	-	-
Interest Receivable	-	-	443	-	-	-	-	-	-	-
Due from Government Agencies	2,339	2,297	-	-	-	-	-	-	-	-
Inventory	5,234	2,773	-	-	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	-	-	-	-	-
Victoria Car Share Membership	250	250	-	-	-	-	-	-	-	-
Prepays	3,770	1,078	-	-	-	-	-	-	-	-
	<u>\$257,576</u>	<u>316,314</u>	<u>65,833</u>	<u>64,884</u>	<u>-</u>	<u>0</u>	<u>14,415</u>	<u>14,161</u>	<u>0</u>	<u>788</u>
Real Estate Properties	475,000	475,000	-	-	-	-	-	-	-	-
	<u>\$732,576</u>	<u>\$791,314</u>	<u>\$65,833</u>	<u>\$64,884</u>	<u>\$0</u>	<u>\$0</u>	<u>\$14,415</u>	<u>\$14,161</u>	<u>\$0</u>	<u>\$788</u>
<b>LIABILITIES &amp; EQUITY</b>										
<b>Current Liabilities</b>										
Salaries and Benefits Payable	\$9,316	\$16,508	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Due to Government Agencies	7,677	127	-	-	-	-	-	-	-	-
Accounts Payable	27,281	20,840	-	-	-	-	-	-	-	-
Interfund Payable	-	-	-	-	-	-	-	-	-	-
	<u>44,274</u>	<u>37,475</u>	<u>0</u>	<u>0</u>	<u>-</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Contributions (note 7)	81,288	140,879	-	-	-	-	-	-	-	788
<b>Net Assets</b>										
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	607,014	612,960	65,833	64,884	-	-	14,415	14,161	-	-
	<u>607,014</u>	<u>612,960</u>	<u>65,833</u>	<u>64,884</u>	<u>0</u>	<u>0</u>	<u>14,415</u>	<u>14,161</u>	<u>0</u>	<u>0</u>
	<u>\$732,576</u>	<u>\$791,314</u>	<u>\$65,833</u>	<u>\$64,884</u>	<u>\$0</u>	<u>\$0</u>	<u>\$14,415</u>	<u>\$14,161</u>	<u>\$0</u>	<u>\$788</u>

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

Habitat Acquisition Trust  
Statement of Operations and Changes in Fund Balance  
For the year ended October 31, 2018

	<u>General Fund</u>		<u>Land Acquisition</u>		<u>Matson Fund</u>		<u>D. Andrew Fund</u>		<u>Gaming Fund</u>	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>REVENUES</b>										
Contract Revenue	\$19,784	\$10,401	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Donations & Gifts	114,569	90,028	-	400	-	-	-	-	-	-
Event Tickets	-	6,927	-	-	-	-	-	-	-	-
Foundations & Charities	132,305	100,224	-	-	-	-	-	-	-	-
Fundraising	4,956	6,697	-	-	-	-	-	-	-	-
Gaming	55,788	55,150	-	-	-	-	-	-	-	(149)
Government Grants	194,698	210,419	-	-	-	-	-	-	-	-
Interest	5,260	3,899	949	1,200	-	9	254	171	-	-
Membership Fees	3,616	6,541	-	-	-	-	-	-	-	-
Sale of Goods	3,033	5,464	-	-	-	-	-	-	-	-
Other (net)	-	1,574	-	-	-	-	-	-	-	-
	<b>\$534,009</b>	<b>\$497,325</b>	<b>\$949</b>	<b>\$1,600</b>	<b>\$0</b>	<b>\$9</b>	<b>\$254</b>	<b>\$171</b>	<b>\$0</b>	<b>(\$149)</b>
<b>EXPENSES</b>										
Advertising	\$913	\$4,201	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bank Charges	1,051	1,137	-	-	-	-	-	-	-	-
Donations	21,635	1,497	-	25,000	-	-	-	-	-	-
Dues	1,318	1,421	-	-	-	-	-	-	-	-
Education	2,876	2,780	-	-	-	-	-	-	-	-
Fundraising	3,293	3,043	-	-	-	-	-	-	-	-
Insurance	994	1,165	-	-	-	-	-	-	-	-
Land Acquisition & Management	13,510	2,331	-	-	-	-	-	-	-	-
Office (note 6)	37,053	28,546	-	-	-	-	-	-	-	-
Professional Fees	3,236	3,155	-	-	-	-	-	-	-	-
Projects	27,604	46,108	-	-	-	-	-	-	-	-
Travel	9,405	10,248	-	-	-	-	-	-	-	-
Wages & Contracts	417,067	393,119	-	-	-	1,009	-	-	-	-
	<b>539,955</b>	<b>498,751</b>	<b>0</b>	<b>25,000</b>	<b>0</b>	<b>1,009</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EXCESS (DEFICIENCY) OF</b>										
<b>REVENUE OVER EXPENSES</b>	<b>(\$5,946)</b>	<b>(\$1,426)</b>	<b>\$949</b>	<b>(\$23,400)</b>	<b>\$0</b>	<b>(\$1,000)</b>	<b>\$254</b>	<b>\$171</b>	<b>\$0</b>	<b>(\$149)</b>
<b>NET ASSETS</b>										
Beginning of the year	\$574,862	576,288	\$64,884	88,284	\$0	1,000	\$14,161	13,990	\$0	937
<b>Balance end of the year</b>	<b>\$568,916</b>	<b>\$574,862</b>	<b>\$65,833</b>	<b>\$64,884</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,415</b>	<b>\$14,161</b>	<b>\$0</b>	<b>\$788</b>

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Habitat Acquisition Trust  
Statement of Cash Flows  
For the year ended October 31, 2018

	<u>General Fund</u>		<u>Land Acquisition</u>		<u>Matson Fund</u>		<u>D. Andrew Fund</u>		<u>Gaming Fund</u>	
	2018	2,017	2018	2017	2018	2017	2018	2017	2018	2017
<b>Excess (deficiency) of revenues over expenses</b>										
<b>Increase (decrease) in non-cash working capital</b>	<b>(\$5,946)</b>	<b>(\$1,426)</b>	<b>\$949</b>	<b>(\$23,400)</b>	<b>\$0</b>	<b>(\$1,000)</b>	<b>\$254</b>	<b>\$171</b>	<b>\$0</b>	<b>(\$149)</b>
Accounts Receivable	(46,189)	3,899	721	-	-	-	-	-	-	-
Interest Receivable	-	-	443	-	-	-	-	-	-	-
Due from Government Agencies	(42)	(1,225)	-	-	-	-	-	-	-	-
Inventory	(2,461)	(2,773)	-	-	-	-	-	-	-	-
Interfund Receivable	-	4,282	-	(15)	-	-	-	-	-	-
Victoria Car Share Membership	-	-	-	-	-	-	-	-	-	-
Prepays	(2,692)	(804)	-	-	-	-	-	-	-	-
Salaries and Benefits Payable	(7,192)	3,158	-	-	-	-	-	-	-	-
Due to Government Agencies	7,550	(1,995)	-	-	-	-	-	-	-	-
Accounts Payable	6,441	13,127	-	-	-	-	-	-	-	-
Interfund Payable	-	-	-	(4,282)	-	-	-	-	-	-
Deferred Contributions	(59,591)	(5,125)	-	-	-	-	-	-	(788)	-
	<b>(104,176)</b>	<b>12,544</b>	<b>278</b>	<b>(4,297)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(788)</b>	<b>0</b>
Investment Activities										
Acquisition of Real Estate	0	0	0	0	0	0	0	0	0	0
<b>Cash Increase for the period</b>	<b>(110,122)</b>	<b>11,118</b>	<b>1,227</b>	<b>(27,697)</b>	<b>0</b>	<b>(1,000)</b>	<b>254</b>	<b>171</b>	<b>(788)</b>	<b>(149)</b>
<b>Cash at beginning of period</b>	<b>307,952</b>	<b>296,834</b>	<b>64,163</b>	<b>91,860</b>	<b>-</b>	<b>1,000</b>	<b>14,161</b>	<b>13,990</b>	<b>788</b>	<b>937</b>
<b>Cash at end of period</b>	<b>\$197,830</b>	<b>\$307,952</b>	<b>\$65,390</b>	<b>\$64,163</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,415</b>	<b>\$14,161</b>	<b>\$0</b>	<b>\$788</b>

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Habitat Acquisition Trust  
Notes to the Financial Statements  
For the year ended October 31, 2018

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 financial 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. Revenue and expenditures of Gaming Funds are recorded in the General Fund, however the Gaming revenue 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, 2017 and October 31, 2018 are reported as follows:

<b>Market Value</b>	<b>2018</b>	<b>2017</b>
	\$	\$
Acquisition Trust Endowment	291,347	261,875
Matson Lands Endowment	123,918	121,076
<b>Distribution</b>		
Acquisition Trust Endowment	9,003	8,076
Matson Lands Endowment	4,662	4,474

Note 6: Commitments

Included in office expenses is the HAT's operating lease commitment. HAT entered into a five-year operating lease in November 2018. Under the terms of the lease, HAT may renew the lease, in writing, 180 days prior to the expiration of the term, if HAT is not then in default of its obligations under the lease. The annual calendar year lease payment commitments are as follows:

2019: \$13,648  
 2020: \$13,861  
 2021: \$14,075  
 2022: \$14,288  
 2023: \$14,501

Note 7: 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:

	2018 \$	2017 \$
Beginning balance	\$140,869	\$146,004
Add: amount received related to subsequent years	52,646	110,303
Less: amount recognized as revenue in the year	(112,237)	(115,428)
Ending balance	\$81,288	\$140,879
	2018 \$	2017 \$
Components of deferred revenue at year end:		
<b>Habitat Management Program:</b>		
Foundation & Charity Grants	\$16,498	\$21,254
Municipal Grants	962	0
<b>Land Protection Program</b>		
Foundation & Charity Grants	0	7,981
Charitable Donations	5360	3,240
<b>Good Neighbours Program:</b>		
Foundation & Charity Grants	0	1,500
Federal Government Grants	17,841	7,396
<b>Greenspots Program</b>		
Federal Government Grants	0	644
<b>Species of Concern Program:</b>		
Foundation Grants	8,100	0
Charitable Donations	32,526	30,576
Federal Government Grants	0	68,288
<b>Ending balance</b>	<b>\$81,288</b>	<b>\$140,879</b>