

Financial Statements of

**SWAN LAKE CHRISTMAS
HILL NATURE SANCTUARY
SOCIETY**

Year ended December 31, 2008
(Unaudited)



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REVIEW ENGAGEMENT REPORT

To the Members of Swan Lake Christmas Hill Nature Sanctuary Society

We have reviewed the statement of financial position of the Swan Lake Christmas Hill Nature Sanctuary Society as at December 31, 2008 and the statements of operations and changes in fund balances for the year then ended. Our 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 us by the Society.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Victoria, Canada

March 31, 2009

SWAN LAKE CHRISTMAS HILL NATURE SANCTUARY SOCIETY

Statement of Financial Position

December 31, 2008, with comparative figures for 2007
(Unaudited)

	Operating Fund	Capital Fund	Special Purpose Fund	2008 Total	2007 Total
Assets					
Cash and term deposits:					
Unrestricted	\$ 93,912	\$ -	\$ 45,269	\$ 139,181	\$ 157,016
Restricted - Public gaming funds	20,460	-	-	20,460	18,058
Accounts receivable	7,067	-	-	7,067	2,094
Prepaid expenses and deposits	3,392	-	-	3,392	1,248
Gift shop inventory	997	-	-	997	-
Capital assets (note 2)	-	123,905	-	123,905	132,892
	\$ 125,828	\$ 123,905	\$ 45,269	\$ 295,002	\$ 311,308
Liabilities					
Accounts payable and accrued liabilities	\$ 12,143	\$ -	\$ -	\$ 12,143	\$ 4,726
Deferred revenue:					
Public gaming funds	20,369	-	-	20,369	18,116
Community Tourism program grant	7,748	-	-	7,748	11,877
Horbaty Trail project	5,138	-	-	5,138	-
Birds and butterflies	2,440	-	-	2,440	-
Victoria Natural History Society project	-	-	-	-	1,893
Enviropod grant	-	-	-	-	5,000
	47,838	-	-	47,838	41,612
Fund Balances					
Invested in capital assets	-	123,905	-	123,905	132,892
Unrestricted	77,990	-	45,269	123,259	136,804
	77,990	123,905	45,269	247,164	269,696
	\$ 125,828	\$ 123,905	\$ 45,269	\$ 295,002	\$ 311,308

See accompanying notes to unaudited financial statements.

Approved by the Board:

_____ Director

_____ Director

SWAN LAKE CHRISTMAS HILL NATURE SANTUARY SOCIETY

Statement of Operations

Year ended December 31, 2008, with comparative figures for 2007
(Unaudited)

	Restricted Funds			2008 Total	2007 Total
	Operating Fund	Capital Fund	Special Purpose Fund		
Revenues:					
The Corporation of the District of Saanich	\$ 268,086	\$ -	\$ -	\$ 268,086	\$ 251,828
Victoria Natural History Society	5,893	-	-	5,893	4,217
Public gaming funds	18,501	-	-	18,501	2,900
Other grants	13,050	-	-	13,050	27,808
Society memberships	20,337	-	-	20,337	13,752
Donations	12,624	-	-	12,624	8,182
Facility rental	2,339	-	-	2,339	1,068
Native plant sales	37,917	-	-	37,917	37,201
Gift shop and grain sales	5,006	-	-	5,006	3,774
Interest	5,380	-	-	5,380	9,300
Property rent	24,519	-	-	24,519	26,325
School programs	27,142	-	-	27,142	29,097
Public programs	21,943	-	-	21,943	9,655
	462,737	-	-	462,737	425,107
Expenses:					
Site salaries	59,305	-	-	59,305	46,795
Site materials and services	32,415	-	-	32,415	11,565
Program salaries	84,817	-	-	84,817	79,789
School and public contracts	15,104	-	-	15,104	10,367
Program materials and services	8,880	-	-	8,880	11,917
Native plant sales	20,855	-	-	20,855	20,499
Rental property expenses	19,044	-	-	19,044	2,553
Other events	8,178	-	-	8,178	4,811
Administrative salaries and wages	139,645	-	-	139,645	143,869
Janitorial and security	16,631	-	-	16,631	13,038
Administrative materials and services	50,483	-	-	50,483	40,626
Amortization	-	29,912	-	29,912	43,672
	455,357	29,912	-	485,269	429,501
Excess (deficiency) of revenues over expenses	\$ 7,380	\$ (29,912)	\$ -	\$ (22,532)	\$ (4,396)

See accompanying notes to unaudited financial statements.

SWAN LAKE CHRISTMAS HILL NATURE SANCTUARY SOCIETY

Statement of Changes in Fund Balances

Year ended December 31, 2008, with comparative figures for 2007
(Unaudited)

	Operating Fund	Capital Fund	Special Purpose Fund	2008 Total	2007 Total
Fund balance, beginning of year	\$ 92,285	\$ 132,892	\$ 44,519	\$ 269,696	\$ 274,092
Excess (deficiency) of revenues over expenses	7,380	(29,912)	-	(22,532)	(4,396)
Interfund transfers re:					
Capital assets acquired from Operating Fund	(20,925)	20,925	-	-	-
Transfer of interest to Special Purpose Fund	(750)	-	750	-	-
Fund balance, end of year	\$ 77,990	\$ 123,905	\$ 45,269	\$ 247,164	\$ 269,696

See accompanying notes to unaudited financial statements.

SWAN LAKE CHRISTMAS HILL NATURE SANCTUARY SOCIETY

Notes to Financial Statements

Year ended December 31, 2008
(Unaudited)

The Swan Lake Christmas Hill Nature Sanctuary Society (the "Society") is incorporated under the Society Act (British Columbia). Its principal activity is the operation of the Nature House and wildlife sanctuary at Swan Lake on land owned by The Corporation of the District of Saanich. The Society operates on this land under an operating agreement with The Corporation of the District of Saanich. The Society is a charitable organization under the Income Tax Act and as such is exempt from income taxes and able to issue donation receipts for income tax purposes.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

(a) Fund accounting:

The Society follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the Society's program delivery and administrative activities. This Fund reports unrestricted resources and restricted operating grants.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Society's capital assets.

The Special Purpose Fund reports resources contributed for special projects.

(b) Capital assets:

Capital assets are stated at cost and are amortized over their estimated useful lives.

Amortization is provided on all capital assets on the straight-line method using annual rates of 10%, with the exception of the Nature House building which is amortized at 5% and computer software and hardware, which are amortized at 20%. No amortization is taken during construction of a major project.

When a capital asset no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

(c) Revenue recognition:

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to operations are recognized as revenue of the Operating Fund in the year in which the related expense is incurred. All other restricted contributions are recognized as revenue of the appropriate fund.

SWAN LAKE CHRISTMAS HILL NATURE SANCTUARY SOCIETY

Notes to Financial Statements

Year ended December 31, 2008
(Unaudited)

1. Significant accounting policies (continued):

(d) Financial instruments:

Cash and term deposits are classified as held for trading and carried at fair value with changes in fair value recognized in income. Accounts receivable and accounts payable and accrued liabilities are all initially recorded at fair value and then carried at amortized cost thereafter.

The Society complies with CICA Handbook 3861, "Financial Instruments – Disclosure and Presentation", for the presentation and disclosure of financial instruments and non-financial derivatives.

(e) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

2. Capital assets:

			2008	2007
	Cost	Accumulated amortization	Net	Net
Nature House	\$ 303,369	\$ 298,808	\$ 4,561	\$ 760
Building improvements - caretakers' residences	15,870	15,507	363	423
Displays	186,728	184,193	2,535	3,224
Computer hardware and software	29,266	28,277	989	1,965
Furniture and equipment	131,575	106,103	25,472	15,721
Trucks	10,887	7,580	3,307	3,969
Boardwalks	384,418	369,368	15,050	18,826
Trails and trail signs	229,054	165,849	63,205	75,362
Teaching shelter	27,633	24,921	2,712	5,424
Native plant garden	47,909	43,976	3,933	4,766
Tree planting	33,124	33,124	-	230
Fencing	8,085	6,307	1,778	2,222
	\$ 1,407,918	\$ 1,284,013	\$ 123,905	\$ 132,892

Capital assets include 2008 acquisitions totaling \$20,925 (2007 - \$28,829).

SWAN LAKE CHRISTMAS HILL NATURE SANCTUARY SOCIETY

Notes to Financial Statements

Year ended December 31, 2008
(Unaudited)

3. Donated labour:

Volunteers from the community work to improve the Swan Lake Christmas Hill Nature Sanctuary. In 2008 the Society estimated that volunteers provided a total of 6,486 hours of donated labour. The value of this labour, although not recorded in these financial statements, is equivalent to approximately \$141,330 using a median wage rate of \$21.79 per hour as published in Statistics Canada Labour Force Survey.

4. Statement of cash flows:

A statement of cash flows has not been prepared as the cash flows are readily apparent in the accompanying financial statements. The Society will be required to adopt CICA Handbook 1540, "Cash Flow Statements" effective January 1, 2009. A cash flow statement will be required for the fiscal year ending December 31, 2009, with comparative figures for December 31, 2008.

5. Financial instruments:

The carrying value of the Society's cash and term deposits, accounts receivable, and accounts payable and accrued liabilities approximate their fair value due to the relatively short period of time to maturity of the instruments.

It is management's opinion that the Society is not exposed to significant interest, currency or credit risk arising from these financial instruments.