

**Habitat Conservation Trust Foundation**  
**Financial Statements**  
**March 31, 2017**



**Alex G. Mackie, CPA**  
**3421 Robson Place**  
**Victoria, BC**  
**V9C 0J2**

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## **INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors of the Habitat Conservation Trust Foundation:**

### ***Report on the Financial Statements***

I have audited the accompanying financial statements of the Habitat Conservation Trust Foundation, which comprise the Statement of Financial Position as at March 31, 2017, and the Statement of Operations, Statement of Cash Flows, and Statement of Operations and Changes in Fund Balances for the year then ended, and a summary of significant accounting policies and other explanatory information.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-For-Profit Organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate, subject to the limitations described in the following paragraph, to provide a basis for my modified audit opinion.

### ***Basis for Qualified Opinion***

The following matters require me to qualify my opinion on these financial statements:

- Certain revenues and deferred revenues of the Habitat Conservation Trust Foundation could not be verified as the organization does not have the information available to enable it to confirm the amounts earned or owing. Consequently, my audit of the organization's income and deferred revenue from these sources was limited to a review of the revenue recorded in the books, and, where appropriate, through confirmation with the government agency responsible for accounting for that revenue.
- As is the case in many organizations of this kind, the Habitat Conservation Trust Foundation obtains some of its income in the form of gifts in cash, in-kind or through voluntary labour or contributed services, which, by their nature, cannot form the subject of a detailed audit.

### ***Qualified Opinion***

In my opinion, except for the effects of adjustments, if any, that might have been determined to be necessary had I been able to carry out the audit procedures necessary to confirm the matters referred to in the preceding paragraph, these financial statements present fairly in all material respects the Statement of Financial Position as at March 31, 2017, and the Statements of Operations, Fund Balances and Cash Flows of the Habitat Conservation Trust Foundation for the year ended March 31, 2017 in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

### ***Report on Other Legal and Regulatory Matters***

In accordance with the BC Societies Act, I hereby confirm that the accounting principles applied for the year ended March 31, 2017 have been applied on a consistent basis with those of the preceding year, except for a modification of the application of the deferral method of accounting for contributions, the effect of which is described in Notes 5 and 6 to the Financial Statements.



Alex G. Mackie, CPA  
CHARTERED PROFESSIONAL ACCOUNTANT

Victoria, British Columbia  
September 30, 2017

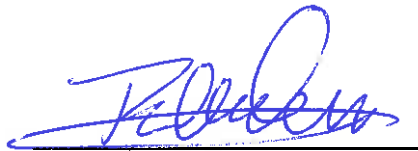
# Habitat Conservation Trust Foundation

## Statement of Management Responsibility

Management, in accordance with Canadian accounting standards for not-for-profit organizations, has prepared the financial statements of the *Habitat Conservation Trust Foundation*. Subject to the qualifications identified in the attached Auditor's Report, these statements present fairly the financial position of the organization as at March 31, 2017 and results of its operations for the year ended March 31, 2017.

Management is responsible for the preparation, integrity and objectivity of the financial statements. Systems of internal control are developed and maintained by management to provide reasonable assurance that transactions are properly authorized, assets are safeguarded, and financial records are properly maintained to provide a reliable basis for preparation of the financial statements.

Alex G. Mackie, CPA, has performed an independent review of the financial statements. The attached Auditor's Report outlines the scope of his work on the financial statements of the *Habitat Conservation Trust Foundation*.



Brian Springinotic  
Chief Executive Officer, HCTF



Katelynn Schriner  
Acting Chief Financial Officer,  
HCTF

Victoria, British Columbia  
September 27, 2017





**HABITAT CONSERVATION TRUST FOUNDATION**  
**Statement of Financial Position**  
**March 31, 2017**

	2017	2016
	(\$)	(\$)
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and short term investments (note 3)	29,881,295	26,876,791
Accounts receivable	1,298,072	1,475,667
Prepaid expenses	9,081	29,092
	<u>31,188,448</u>	<u>28,381,550</u>
<b>OTHER ASSETS</b>		
Inventory - educational publications	164,104	189,790
Tangible capital assets (note 4)	31,942	34,538
	<u>31,384,494</u>	<u>28,605,878</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	2,438,485	2,082,802
Leave liability	68,589	86,201
	<u>2,507,074</u>	<u>2,169,003</u>
<b>DEFERRED CONTRIBUTIONS (note 5)</b>		
Other restricted	2,695,021	1,694,034
	<u>2,695,021</u>	<u>1,694,034</u>
	5,202,095	3,863,037
<b>FUND BALANCES (note 6 and schedule 1)</b>	<u>26,182,399</u>	<u>24,742,841</u>
	<u>31,384,494</u>	<u>28,605,878</u>

Commitments (note 11)

On behalf of the Board

  
 \_\_\_\_\_ Chair

  
 \_\_\_\_\_ Director

The accompanying notes are an integral part of these financial statements.

**HABITAT CONSERVATION TRUST FOUNDATION**  
**Statement of Operations**  
**For the Year Ended March 31, 2017**

	2017	2016
	(\$)	(\$)
REVENUE (note 7)		
Surcharge revenue	6,592,388	6,435,513
Sales of educational material and educational contributions	45,905	31,233
General donations	892	25,137
Land management	92,780	87,163
Investment income	1,664,361	136,398
Restricted contributions	327,105	370,559
Special Permits Auction	239,476	181,042
	<u>8,962,907</u>	<u>7,267,045</u>
EXPENSES		
Project expenses (schedule 1)	6,584,369	6,745,315
Administration (note 8)	1,151,899	1,079,581
	<u>7,736,268</u>	<u>7,824,896</u>
EXCESS / (DEFICIENCY) OF REVENUE OVER EXPENSES - BEFORE EXTRAORDINARY ITEM	1,226,639	(557,851)
Extraordinary item (note 14)	212,919	-
EXCESS / (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>1,439,558</u>	<u>(557,851)</u>
FUND BALANCES, BEGINNING	<u>24,742,841</u>	<u>25,300,692</u>
FUND BALANCES, ENDING	<u>26,182,399</u>	<u>24,742,841</u>

The accompanying notes are an integral part of these financial statements.

**HABITAT CONSERVATION TRUST FOUNDATION**  
**Statement of Cash Flows**  
**For the Year Ended March 31, 2017**

	2017	2016
	(\$)	(\$)
<b>OPERATING ACTIVITIES</b>		
Excess / (deficiency) of revenue over expenses	1,439,558	(557,851)
Items not affecting cash:		
Amortization	24,254	22,297
	<u>1,463,812</u>	<u>(535,554)</u>
Changes in non-cash working capital:		
Accounts receivable	177,595	(709,646)
Prepaid expenses	20,011	(24,138)
Accounts payable	355,683	418,372
Leave liability	(17,612)	(289)
Deferred contributions - restricted general	867,133	424,716
Deferred contributions - court awards	133,854	202,995
	<u>1,536,664</u>	<u>312,010</u>
Cash from / (used in) operating activities	<u>3,000,476</u>	<u>(223,544)</u>
<b>INVESTING ACTIVITIES</b>		
Decrease / (increase) in publications inventory (net)	25,686	(31,284)
Additions to tangible capital assets (net)	(21,658)	(16,874)
Cash from / (used in) investing activities	<u>4,028</u>	<u>(48,158)</u>
<b>INCREASE / (DECREASE) IN CASH</b>	<b>3,004,504</b>	<b>(271,702)</b>
CASH - Beginning of year	<u>26,876,791</u>	<u>27,148,493</u>
CASH - End of year	<u>29,881,295</u>	<u>26,876,791</u>
<b>COMPRISED OF:</b>		
Cash	8,594,778	7,405,858
Short term investments	21,286,517	19,470,933
	<u>29,881,295</u>	<u>26,876,791</u>

The accompanying notes are an integral part of these financial statements.



**HABITAT CONSERVATION TRUST FOUNDATION**  
**Schedule 1 - Statement of operations and changes in fund balances**  
**For the year ended March 31, 2017**  
**(\$)**

	Surcharge Account						External Agency Account	Special Programs Account	Total
	Operating Fund	Grizzly Bear Conservation Strategy	Sturgeon Fund	Quality Wetlands (River Gnarffins)	Education Fund (Wild BC)	Conservation Land Management Account			
<b>Revenue</b>									
Surcharge revenue	5,621,561	251,712	288,920	408,517	-	-	21,678	6,592,388	
Sales of educational material and educational contributions	-	-	-	-	45,905	-	-	45,905	
General donations	892	-	-	-	-	-	-	892	
Land Management	-	-	-	-	92,780	-	-	92,780	
Investment income	243,789	-	-	-	1,306,016	100,028	9,604	1,664,361	
Restricted contributions	233,413	8,000	-	-	-	-	85,692	327,105	
Special Permits Auction	-	-	-	-	-	-	239,476	239,476	
<b>Total revenue</b>	<b>6,099,655</b>	<b>259,712</b>	<b>288,920</b>	<b>408,517</b>	<b>45,905</b>	<b>1,398,796</b>	<b>270,758</b>	<b>8,962,907</b>	
<b>Expenses</b>									
Project expenses									
Fisheries	1,599,495	-	398,996	445,688	-	-	8,658	2,452,837	
Wildlife	1,471,025	150,205	-	-	-	568,862	193,420	2,460,606	
Information / Education / Stewardship	373,836	-	-	409,465	-	-	9,244	923,868	
Land Acquisitions	632,383	-	-	-	-	-	100,000	732,383	
Court Award Bad Debt Expense	14,675	-	-	-	-	-	-	14,675	
Sub-total project expenses	4,091,414	150,205	398,996	445,688	409,465	568,862	311,322	6,584,369	
Administration	982,020	18,878	21,669	20,426	-	135,783	6,469	1,151,899	
<b>Total expenses</b>	<b>5,023,434</b>	<b>169,083</b>	<b>420,665</b>	<b>466,114</b>	<b>409,465</b>	<b>704,645</b>	<b>317,791</b>	<b>7,736,268</b>	
Excess / (Deficiency) of revenues over expenses - before extraordinary item	1,076,221	90,629	(131,745)	(57,597)	(363,560)	694,151	(47,033)	1,226,639	
Extraordinary item (note 14)	212,919	-	-	-	-	-	-	212,919	
Excess / (Deficiency) of revenues over expenses	1,289,140	90,629	(131,745)	(57,597)	(363,560)	694,151	(47,033)	1,439,558	
Fund balances, beginning	3,891,927	222,056	429,073	758,229	187,337	4,393,990	886	11,242,841	
Interfund transfers	(448,583)	-	-	-	366,387	-	-	-	
Fund balances, ending *	4,732,484	312,685	297,328	700,632	190,164	5,088,141	999,819	12,682,399	
Endowments	-	-	-	-	-	12,500,000	-	13,500,000	
Fund balances including endowments	4,732,484	312,685	297,328	700,632	190,164	17,588,141	999,819	26,182,399	

\* Fund balances consist of cash and non-cash items.

The accompanying notes are an integral part of these financial statements.

# HABITAT CONSERVATION TRUST FOUNDATION

## Notes to Financial Statements

### 1. Purpose of the Organization

The Habitat Conservation Trust Foundation (HCTF) is a Society, incorporated under the *Society Act* in April, 2007. Its purpose is to act as trustee of the Habitat Conservation Trust (HCT), an entity established under amendments to the *Wildlife Act* in 2007 to replace the former Habitat Conservation Trust Fund, established by legislation in 1996. HCTF does not have assets, liabilities, equity, revenue or expenses other than those of the HCT. HCTF is registered as a not-for-profit organization for income tax purposes.

Consistent with the trust purposes set out in the *Wildlife Act*, HCTF implements a wide range of projects to benefit fish and wildlife populations and their habitats. Project proposals can be submitted by all levels of government, conservation organizations, private industry and members of the general public.

HCTF operates using a fund accounting model which is discussed in detail under note 2(a).

Three restricted special accounts are consolidated in the organization's audited financial statements. The three funds are as follows: i) Special Permits Enhancement Fund; ii) the Highland Valley Enhancement Fund; and iii) the Arrow Lake Logging Trust.

### 2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) using the following significant accounting policies:

#### a. Fund accounting

HCTF operations are divided into three parent funds: i) Surcharge Account; ii) External Agency Account; and iii) Special Programs Account.

##### i) Surcharge Account

Within the Surcharge Account, there are several individual funds. Revenue and expenses related to general program delivery and administrative activities are reported in the Operating Fund. Revenues and expenses related to the Grizzly Bear Conservation Strategy, the Sturgeon Fund, the Quality Waters program, Education Fund (Wild BC), the Conservation Land Management Account (CLMA), and the Public Conservation Assistance Fund (PCAF) are reported in their own individual funds.

##### ii) External Agency Account

Most revenue and expenses related to contributions received from public and private sector conservation partners are reported under the External Agency Account. Funds received under this account generally carry restrictions on how they can be spent.

# HABITAT CONSERVATION TRUST FOUNDATION

## Notes to Financial Statements

### iii) Special Programs Account

The Special Programs Account is comprised of several long-term initiatives that are primarily funded from external sources. The revenue and expenses related to the Special Permits Enhancement Fund, the Highland Valley Enhancement Fund, and the Arrow Lake Logging Trust are consolidated under this account.

The activities carried out under the Special Programs Account are restricted to uses that are consistent with the governing documents that establish the individual initiatives.

### iv) Administration Fees Charged to Restricted Accounts

For certain restricted funds under management, HCTF charges an administration fee to offset some of the costs associated with administering these funds.

## b. Revenue Recognition

HCTF follows the deferral method of accounting for contributions. Restricted contributions, including all court awards, are set-up as deferred revenue and only recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

## c. Accounts Receivable

Included in the accounts receivable are overdue court ordered payments relating to environmental prosecutions. HCTF considers it unlikely that it will collect on certain court ordered payments. To reflect this uncertainty, HCTF has established an allowance for doubtful accounts of 100% of all court ordered receivables that have not been received within two years of the due date, and 50% of those unpaid between one and two years past the due date.

## d. Expense Recognition

HCTF recognizes expenses using the accrual basis of accounting except for payments of conditional grants under which funds are charged to operating expenses when prescribed conditions have been met.

Most conditional grant agreements with project proponents include a holdback clause which is released upon receiving a final report. Project proponents generally have up to six months after the end of their agreement to complete final reporting. Payment holdbacks are recorded and tracked as future year commitments when prescribed conditions have not been met by March 31<sup>st</sup>.

# HABITAT CONSERVATION TRUST FOUNDATION

## Notes to Financial Statements

### e. Tangible Capital Assets

Tangible capital assets purchased for the purpose of administering the affairs of HCTF are recorded at cost and amortized on a straight-line basis using the following rates:

Computer hardware and software	3 years
Office furniture and equipment	5 years
Leasehold improvements	Lesser of 5 years or remaining lease term

Assets costing less than \$1,000 are expensed in the year of acquisition.

Tangible capital assets purchased by project proponents are charged to operating expense in the year the expenditures are made.

### f. Publication Inventory

Publications are valued at the lower of cost and net realizable value.

### g. Financial Instruments

HCTF's financial instruments include short-term investments, accounts receivable, and accounts payable. Under standards released by the Chartered Professional Accountants of Canada, all financial instruments must be recognized at fair value upon initial acquisition. Management is also required to classify all financial instruments as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities. Transaction costs are expensed as incurred for all financial instruments. Financial assets and financial liabilities classified as held-for-trading are measured at fair value with changes in those fair values recognized in net income.

HCTF has classified all of its financial instruments as held-for-trading and accordingly they are presented on the balance sheet at fair value. Changes in fair value are recognized in net income of the current period as required by the standard.

### h. Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts and disclosure of assets and liabilities at the date of the financial statements. Specific accounts subject to estimates include allowance for doubtful accounts receivable, inventory valuations, amortization rates, accrued liabilities, and leave liability. Actual results could differ from these estimates.

## HABITAT CONSERVATION TRUST FOUNDATION

### Notes to Financial Statements

#### 3. Cash and Short Term Investments

During the year, HCTF utilized the banking services of Toronto Dominion Bank and its wholly owned subsidiaries for the management of its cash and short term investments.

	2017 (\$)	2016 (\$)
Toronto Dominion Bank		
Cash	8,594,778	7,405,858
Short Term Investments		
Equities	9,589,597	8,752,959
Fixed Income (including liquid investments)	11,696,920	10,717,974
Total Cash and Short Term Investments	29,881,295	26,876,791

#### 4. Tangible Capital Assets

	Cost (\$)	Accumulated Amortization (\$)	Net Book Value 2017 (\$)	Net Book Value 2016 (\$)
Office Furniture and Equipment	62,025	53,215	8,810	2,163
Computer Hardware	49,597	41,520	8,077	13,212
Computer Software	97,230	82,175	15,055	19,163
Leasehold Improvements	6,048	6,048	-	-
	214,900	182,958	31,942	34,538

# HABITAT CONSERVATION TRUST FOUNDATION

## Notes to Financial Statements

### 5. Deferred Contributions

Deferred contributions relating to projects are as follows:

	2017 (\$)	2016 (\$)
Balance – Beginning of year	1,694,034	1,066,323
Summary of deferred contributions during the year		
Set up as deferred	1,324,092	992,650
Recognized as revenue	(323,105)	(364,939)
Balance – end of year	2,695,021	1,694,034

During the fiscal year ending March 31, 2017, HCTF modified its presentation of endowments to more fully comply with the deferral method. This has resulted in the removal of endowments, in the amount of \$13.5 million, from deferred contributions with a corresponding amount included in the respective fund balances equity. Notwithstanding, the total amounts relating to each fund to which the endowments relate remain the same.

Deferred contributions are comprised of court awards \$1,193,051 (2016 - \$1,059,197), and other external agency contributions \$1,501,970 (2016 - \$634,837). In 2017, HCTF received two large external agency contributions - \$482,400 from the Forest Enhancement Society of BC, and \$450,000 from the Ministry of Environment.

### 6. Fund Balances

Fund balances consist of surpluses that have accumulated over time and endowments that HCTF has received from various sources.

Specifically, HCTF holds and administers a separate restricted endowment of \$9 million to be used for operating and management costs on conservation lands. The investment income earned on \$6 million is to be used for activities on lands jointly managed by the Nature Trust and the Province of BC. The investment income earned on \$3 million is to be used for activities on lands managed by other land conservation groups.

In addition to these endowments, certain contributions received by HCTF do not have time restrictions. Included in the fund balances are two long-term restricted contributions totalling \$4.5 million that the Board has decided to treat in a manner similar to endowments.

# HABITAT CONSERVATION TRUST FOUNDATION

## Notes to Financial Statements

During the fiscal year ending March 31, 2017, HCTF modified its presentation of endowments to more fully comply with the deferral method. This has resulted in the removal of endowments, in the amount of \$13.5 million, from deferred contribution with a corresponding amount included in the respective fund balances. Notwithstanding, the total amounts relating to each fund, to which the endowments relate, remain the same. Comparative numbers for fiscal 2016 have been restated in the same manner as described above.

### 7. Revenue

- i. **Surcharge revenue** - The majority of HCTF's revenue arises from surcharges placed on hunting, angling, trapping and guide outfitting licences sold in British Columbia. Under the provisions of the *Wildlife Act*, these surcharges are assessed and collected by government acting as agent of HCTF. HCTF relies on the government to provide reporting on surcharge sales and to forward this revenue on a set schedule.

Changes in government accounting policies or application thereof in respect to surcharge revenue can result in a material impact on HCTF's financial statements.

- ii. **Sales of educational material and educational contributions** – HCTF sells educational resources including publications and workshop services. It also receives contributions from partners for education-based initiatives.
- iii. **Donations** – HCTF receives a small number of direct cash donations each year. Cash donations are recorded as revenue when received.
- iv. **Land management fees** – Under the provisions of the *Wildlife Act*, HCTF receives revenue derived from land owned or leased by the Crown and administered by the provincial government for the benefit of fish and wildlife. Examples of such revenue include grazing fees for cattle, and movie production fees for land rental. HCTF relies on the government to collect and report on land management fees and to forward this revenue on a set schedule.
- v. **Restricted contributions** – From time to time, conservation partners provide HCTF contributions to undertake specific fish, wildlife, stewardship or habitat projects. The amount of contributions varies each year. In addition, British Columbia courts occasionally direct a person or organization to pay remedial, rehabilitative or other monetary compensation to HCTF for different types of environmental reparations.

# HABITAT CONSERVATION TRUST FOUNDATION

## Notes to Financial Statements

### 8. Administration Expenses

HCTF incurred the following administration expenses:

	2017	2016
	(\$)	(\$)
Amortization	21,964	22,129
Audit (Financial)	16,650	13,525
Board Compensation	17,250	18,350
Communications	25,764	14,742
Insurance	11,845	11,644
Investment / Banking Fees	79,558	77,340
Legal Services	6,438	1,314
Office and Miscellaneous	92,548	86,521
Office Space – Rent	93,289	82,666
Professional Services	120,654	102,308
Repairs and Maintenance	6,040	7,020
Salaries and Benefits	599,701	587,328
Training	5,001	3,266
Travel	55,197	51,428
Total Administration Expenses	1,151,899	1,079,581

### 9. Management of Risks Arising From Financial Instruments

HCTF's financial instruments are exposed to varying degrees of interest rate risk, market risk, and credit risk due to their nature and the volatility inherent in the marketplace for financial instruments. HCTF employs strategies to manage the risks as follows:

#### *Interest rate risk*

HCTF carries a significant portion of its funds in cash invested with Toronto Dominion Bank. By their nature, these funds provide guaranteed interest income.

#### *Market risk*

Market changes are managed under a moderately conservative risk profile. HCTF has engaged the services of TD Waterhouse, Private Client Services to manage the portfolio of assets it holds in short-term investments. Short-term fluctuations in the value of this portfolio are to be expected as demonstrated by investment income being \$1,664,361 in 2017 compared to \$136,398 in 2016).



# HABITAT CONSERVATION TRUST FOUNDATION

## Notes to Financial Statements

### *Credit risk*

Substantially all of HCTF's accounts receivable are due from the Province of British Columbia and relate to amounts payable under the provisions of the *Wildlife Act*. Management regards the potential for non-payment of these accounts as highly unlikely.

Other accounts receivable are due from individuals and organizations that have been ordered by British Columbia courts to pay amounts to HCTF under various creative sentencing provisions contained in legislative enactments. Provision has been made for those accounts to allow for potential uncollectible amounts - see Note 2(c).

### 10. Financial Dependence

Under the provisions of the *Wildlife Act*, HCTF is the designated trustee of the Habitat Conservation Trust (HCT). The HCT is the designated recipient of revenues arising from two primary sources: surcharges on licences and permits issued in the Province of British Columbia for hunting, angling, trapping and guide outfitting; and lands administered by the Minister of Forests, Lands, Natural Resource Operations and Rural Development for the benefit of fish or wildlife. Together, these revenues accounted for 75% of HCTF's total revenue during the 2017 fiscal year (2016 – 90%).

These revenue streams would only be discontinued by amending legislation to alter payments into the HCT. Management considers it unlikely that such amendments will be made in the foreseeable future.

### 11. Future Year Commitments

HCTF has commitments as follows:

	Project carry- overs including holdbacks	Project carry- overs from deferred contributions	Office space lease	Total Commitments
	(\$)	(\$)	(\$)	(\$)
2018	2,098,909	422,911	97,250	2,619,070
2019	-	-	109,500	109,500
2020	-	-	110,500	110,500
2021	-	-	111,500	111,500
2022	-	-	111,500	111,500
Thereafter	-	-	334,500	334,500
	<u>2,120,365</u>	<u>422,911</u>	<u>874,750</u>	<u>3,418,026</u>

Note that commitment amounts do not account for future plans to internally restrict funds or re-allocate funds through inter-fund transfers.

# HABITAT CONSERVATION TRUST FOUNDATION

## Notes to Financial Statements

### 12. Employee Future Benefits

#### Pension Plan

HCTF has a defined benefit plan providing pension and other retirement benefits to its employees. HCTF and its employees contribute to the BC Public Service Pension Plan in accordance with the *Public Sector Pension Plans Act*. The act established the British Columbia Pension Corporation (BCPC), which administers the BC Public Service Pension Plan, including payment of pension benefits to employees to whom the act applies. The BCPC operates on a not-for-profit basis under the provisions of the *Public Sector Pension Plans Act*, and administers many large pension plans in British Columbia.

The employer contribution rate to the Public Service Pension Plan at March 31, 2017 is 9.43% of the pensionable salary up to the year's maximum pensionable earnings and 10.93% on pensionable salary in excess of the year's maximum pensionable earnings. The year's maximum pensionable earnings for calendar year 2017 are 55,300 (2016 - \$54,900).

HCTF expenses contributions to the plan in the year in which payments are made. Contributions to the plan by HCTF during fiscal 2017 totaled \$53,454 (2016 - \$53,744).

#### Supplemental retirement benefit

As provided for under the collective agreement and terms of employment, all HCTF employees that work for the required number of years are also eligible for a pre-retirement allowance benefit. HCTF has established a retirement allowance to cover the potential payout of this benefit, and adjusts the balance in the account each year to reflect the years of service, the age of the employees, present value calculations and various statistical considerations. The following assumptions were used in calculating the 2017 estimated allowance:

Discount rate:	2.55%
General staff retention rate:	85%
Rate of compensation increase:	2%

As any potential differences in the calculation of the allowance fund balance are not considered material, no actuarial assessment has been undertaken to this point.

The retirement allowance at the end of year was \$44,354 (2016 - \$57,318). Due to the retirement of a long-term employee in fiscal 2017, the retirement allowance was credited by \$12,964 (2016 - expense of \$2,552).

#### Long term disability

HCTF contributes to a long-term disability multi-employer plan which provides disability income benefits after employment, but before retirement.

HCTF expenses contributions to the plan in the year in which payments are made. The contribution rate is 0.81% (2016 - 0.10%) of the employees' salaries. Contributions to the plan by HCTF during fiscal 2017 totalled \$3,681 (2016 - \$458).

# HABITAT CONSERVATION TRUST FOUNDATION

## Notes to Financial Statements

### 13. Remuneration of Directors, Employees and Contractors

The following information has been prepared in accordance with section 36 of the updated Societies Act of BC, which came into effect on November 28, 2016.

- a. Total remuneration paid by HCTF to seven directors in this fiscal year was \$17,250.
- b. Remuneration over \$75,000 was paid to three employees, as follows:

<b>Position</b>	<b>Remuneration</b>
Chief Executive Officer	\$108,899
Chief Financial Officer	\$89,378
Manager of Education Program	\$76,712

### 14. Extraordinary Item

During the year, under the provisions of the *Wildlife Act*, HCTF received a retroactive payment of \$212,919 from the Ministry of Forests, Lands, Natural Resource Operations and Rural Development (FLNRORD) for land management revenue earned on Crown lands since 1996 under various legislation.

FLNRORD continues to investigate potential retroactive revenue from 1996 owing to HCTF under the *Land Act* and will make such payment once the amount has been ascertained. This amount is currently estimated to be less than \$1 million.