

Habitat Conservation Trust Foundation
Financial Statements
March 31, 2018





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INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Habitat Conservation Trust Foundation and the Habitat Conservation Trust, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statement of operations, consolidated statement of cash flows and consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 auditors' 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 auditors consider 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.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The following matters require us to qualify our opinion on these consolidated financial statements:

- The assets, liabilities, fund balances, revenues and expenses of the Habitat Conservation Trust Foundation (the "Foundation") have been consolidated with the accounts of the Habitat Conservation Trust (the "Trust") for which the Foundation acts as trustee. The fund balances presented on the Consolidated Statement of Financial Position are entirely the fund balances of the Trust. This presentation is a departure from Canadian accounting standards for not-for-profit organizations as the Foundation is not the beneficial owner of the fund balances of the Trust which should instead be presented as a trust liability in the consolidated financial statements.



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INDEPENDENT AUDITORS' REPORT (continued)

Certain revenues and deferred contributions could not be verified as the Foundation is not able to accurately confirm the amounts earned or owing. Consequently, our audit of the Foundation's income and deferred contributions from these sources was limited to a review of the amounts recorded in the financial statements, and, where appropriate, through confirmation with the government agency responsible for accounting for those amounts. The predecessor auditor's opinion on the financial statements for the year ended March 31, 2017 was modified because of the possible effects of a similar limitation in scope.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Habitat Conservation Trust Foundation as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

The financial statements of Habitat Conservation Trust Foundation for the year ended March 31, 2017 were audited by another auditor who expressed a qualified opinion on those financial statements on September 30, 2017 for the reasons described in the Basis for Qualified Opinion paragraph.

Report on Other Legal and Regulatory Requirements

In accordance with the Societies Act of British Columbia, we hereby confirm that the accounting principles applied for the year ended March 31, 2018 have been applied on a consistent basis with those of the preceding year, except for the reclassification of endowment balances as deferred contributions, the effect of which is described in the notes to the consolidated financial statements.

Collins Barrow Victoria Ltd.

CHARTERED PROFESSIONAL ACCOUNTANTS

Victoria, B.C.
September 26, 2018



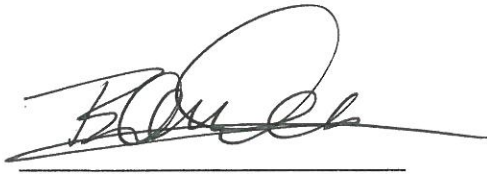
Habitat Conservation Trust Foundation

Statement of Management Responsibility

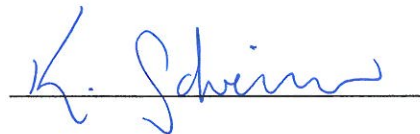
Management, in accordance with Canadian accounting standards for not-for-profit organizations, has prepared the financial statements of the *Habitat Conservation Trust Foundation*. Subject to the qualifications identified in the attached Auditor's Report, these statements present fairly the financial position of the organization as at March 31, 2018 and results of its operations for the year ended March 31, 2018.

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.

Collins Barrow has performed an independent audit of the financial statements. The attached Auditor's Report outlines the scope of their work on the financial statements of the *Habitat Conservation Trust Foundation*.



Brian Springinotic
Chief Executive Officer, HCTF



Katelynn Schrinier
Chief Financial Officer, HCTF


Victoria, British Columbia
September 26, 2018

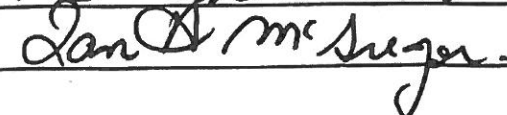
HABITAT CONSERVATION TRUST FOUNDATION
Consolidated Statement of Financial Position
March 31, 2018

	2018	2017
	(\$)	(\$)
ASSETS		
CURRENT		
Cash and short term investments (note 4)	31,547,660	29,881,295
Accounts receivable	3,629,963	1,298,072
Prepaid expenses	6,495	9,081
	<u>35,184,118</u>	<u>31,188,448</u>
OTHER ASSETS		
Inventory - educational publications	133,319	164,104
Tangible capital assets (note 5)	30,050	31,942
	<u>35,347,487</u>	<u>31,384,494</u>
LIABILITIES AND FUND BALANCES		
CURRENT		
Accounts payable and accrued liabilities	2,832,274	2,438,485
Leave liability	71,639	68,589
	<u>2,903,913</u>	<u>2,507,074</u>
DEFERRED CONTRIBUTIONS (note 6)		
Long-term restricted	4,500,000	4,500,000
Other restricted	5,927,117	2,695,021
	<u>10,427,117</u>	<u>7,195,021</u>
	<u>13,331,030</u>	<u>9,702,095</u>
FUND BALANCES (note 7 and schedule 1)	<u>22,016,457</u>	<u>21,682,399</u>
	<u>35,347,487</u>	<u>31,384,494</u>

Commitments (note 12)

On behalf of the Board

 Director

 Director

HABITAT CONSERVATION TRUST FOUNDATION
Consolidated Statement of Operations
For the Year Ended March 31, 2018

	2018	2017
	(\$)	(\$)
REVENUE (note 8)		
Surcharge revenue	6,397,394	6,592,388
Sales of educational material and educational contributions	29,514	45,905
General donations	1,651	892
Land management	90,660	92,780
Investment income	587,824	1,664,361
Restricted contributions	572,859	327,105
Special Permits Auction	234,853	239,476
Other income	6,688	-
	<u>7,921,443</u>	<u>8,962,907</u>
EXPENSES		
Project expenses (schedule 1)	7,291,819	6,584,369
Administration (note 9)	1,316,078	1,151,899
	<u>8,607,897</u>	<u>7,736,268</u>
EXCESS / (DEFICIENCY) OF REVENUE OVER EXPENSES - BEFORE EXTRAORDINARY ITEM	(686,454)	1,226,639
Extraordinary item (note 15)	1,020,512	212,919
EXCESS / (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>334,058</u>	<u>1,439,558</u>
FUND BALANCES, BEGINNING	<u>21,682,399</u>	<u>20,242,841</u>
FUND BALANCES, ENDING	<u>22,016,457</u>	<u>21,682,399</u>

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

HABITAT CONSERVATION TRUST FOUNDATION
Consolidated Statement of Cash Flows
For the Year Ended March 31, 2018

	2018	2017
	(\$)	(\$)
OPERATING ACTIVITIES		
Excess of revenue over expenses	334,058	1,439,558
Items not affecting cash:		
Amortization	14,054	24,254
	<u>348,112</u>	<u>1,463,812</u>
Changes in non-cash working capital:		
Accounts receivable	(2,331,891)	177,595
Prepaid expenses	2,586	20,011
Accounts payable and accrued liabilities	393,789	355,683
Leave liability	3,050	(17,612)
Deferred contributions - restricted general	2,988,321	867,133
Deferred contributions - court awards	243,775	133,854
	<u>1,299,630</u>	<u>1,536,664</u>
Cash from operating activities	<u>1,647,742</u>	<u>3,000,476</u>
INVESTING ACTIVITIES		
Decrease in publications inventory (net)	30,785	25,686
Additions to tangible capital assets (net)	(12,162)	(21,658)
Cash from investing activities	<u>18,623</u>	<u>4,028</u>
INCREASE IN CASH	1,666,365	3,004,504
CASH - Beginning of year	29,881,295	26,876,791
CASH - End of year	<u>31,547,660</u>	<u>29,881,295</u>
COMPRISED OF:		
Cash	10,509,731	8,594,778
Short term investments	21,037,929	21,286,517
	<u>31,547,660</u>	<u>29,881,295</u>

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

HABITAT CONSERVATION TRUST FOUNDATION
Schedule 1 - Consolidated Statement of operations and changes in fund balances
For the year ended March 31, 2018
(\$)

	Surcharge Account						External Agency Account	Special Programs Account	Total
	Operating Fund	Grizzly Bear Conservation Strategy	Sturgeon Fund	Quality Waters (River Guardian)	Education Fund (Wild BC)	Conservation Land Management Account	Public Conservation Assistance Fund		
Revenue									
Surcharge revenue	5,393,972	261,949	320,066	407,067	-	-	-	14,340	6,397,394
Sales of educational material and educational contributions	-	-	-	-	29,514	-	-	-	29,514
General donations	1,651	-	-	-	-	-	-	-	1,651
Land management	-	-	-	-	-	90,660	-	-	90,660
Investment income	140,191	-	-	-	-	390,214	28,692	15,794	587,824
Restricted contributions	176,525	2,500	5,000	-	10,000	-	-	378,834	572,859
Special permits auction	-	-	-	-	-	-	-	-	234,853
Other income	-	-	-	-	-	-	-	6,688	6,688
Total Revenue	5,712,339	264,449	325,066	407,067	39,514	480,874	28,692	268,814	7,921,443
Expenses									
Project expenses									
Fisheries	2,096,791	-	321,373	183,831	-	-	-	12,150	2,620,270
Wildlife	1,452,168	301,237	-	-	-	774,565	-	102,912	2,973,339
Information / Education / Stewardship	457,435	-	-	-	443,605	-	141,310	-	1,053,750
Land acquisitions	638,785	-	-	-	-	-	-	-	638,785
Court award bad debt expense	5,675	-	-	-	-	-	-	-	5,675
Total Project Expenses	4,650,854	301,237	321,373	183,831	443,605	774,565	141,310	115,062	7,291,819
Administration	1,081,850	19,646	24,005	20,353	-	136,104	8,475	6,793	1,316,078
Total Expenses	5,732,704	320,883	345,378	204,184	443,605	910,669	149,785	121,855	8,607,897
Excess / (Deficiency) of revenues over expenses - before extraordinary item	(20,365)	(56,434)	(20,312)	202,883	(404,091)	(429,795)	(121,093)	146,959	(686,454)
Extraordinary item (note 15)	1,020,512	-	-	-	-	-	-	-	1,020,512
Excess / (Deficiency) of revenues over expenses	1,000,147	(56,434)	(20,312)	202,883	(404,091)	(429,795)	(121,093)	146,959	334,058
Fund balances, beginning	4,732,484	312,685	297,328	700,632	190,164	5,088,141	355,336	999,819	12,682,399
Interfund transfers	(474,397)	-	-	-	381,737	-	92,660	-	-
Fund balances, ending *	5,258,234	256,251	277,016	903,515	167,810	4,658,346	326,903	1,146,778	13,016,457
Endowments	-	-	-	-	-	9,000,000	-	-	9,000,000
Fund balances including endowments	5,258,234	256,251	277,016	903,515	167,810	13,658,346	326,903	1,146,778	22,016,457

* 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 Consolidated Financial Statements

1. Purpose of the Organization

The Habitat Conservation Trust Foundation (HCTF) is a Society, incorporated under the *BC 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 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 3(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.

HCTF transitioned to the new BC Societies Act in July 2018.

2. Basis of Presentation

The consolidated financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

These consolidated financial statements include the assets, liabilities, fund balances, revenues and expenses of the HCTF and the HCT. All significant transactions and balances between the HCTF and HCT have been eliminated upon consolidation. All fund balances are solely those of the HCT. The only expenses of the HCTF are incurred in carrying out the administration of the HCT, which are offset by reimbursements from the HCT. Therefore the HCTF does not have an ending fund balance.

3. Significant Accounting Policies

These consolidated 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.

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Consolidated Financial Statements

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.

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.

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Consolidated Financial Statements

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 31st.

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.

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Consolidated Financial Statements

g. Financial Instruments

HCTF's financial instruments include short-term investments, accounts receivable and accounts payable and accrued liabilities. HCTF initially measures its financial assets and liabilities at fair value. 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 excess of revenues over expenses.

HCTF has classified all of its financial instruments as held-for-trading and accordingly they are presented on the consolidated statement of financial position at fair value. Changes in fair value are recognized in excess of revenues over expenses of the current period on the consolidated statement of operations.

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.

4. 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 cash and short term investments.

	2018 (\$)	2017 (\$)
Toronto Dominion Bank		
Cash	10,509,731	8,594,778
Short Term Investments		
Equities	9,124,945	9,589,597
Fixed Income (including liquid investments)	11,912,984	11,696,920
Total Cash and Short Term Investments	31,547,660	29,881,295

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Consolidated Financial Statements

5. Tangible Capital Assets

	Cost (\$)	Accumulated Amortization (\$)	Net Book Value 2018 (\$)	Net Book Value 2017 (\$)
Office Furniture and Equipment	62,025	55,470	6,555	8,810
Computer Hardware	52,330	46,005	6,325	8,077
Computer Software	106,658	89,488	17,170	15,055
	<u>221,013</u>	<u>190,963</u>	<u>30,050</u>	<u>31,942</u>

6. Deferred Contributions

Deferred contributions relating to projects are as follows:

	2018 (\$)	2017 (\$)
Balance – Beginning of year	7,195,021	6,194,034
Summary of deferred contributions during the year		
Set up as deferred	3,804,955	1,324,092
Recognized as revenue	(572,859)	(323,105)
Balance – end of year	<u>10,427,117</u>	<u>7,195,021</u>

Deferred contributions are comprised of court awards \$1,436,827 (2017 - \$1,193,051), and other external agency contributions \$4,490,290 (2017 - \$1,501,970). In 2018, HCTF received two large external agency contributions - \$1,108,860 from the Forest Enhancement Society of BC, and \$2,000,000 from the Ministry of Forests, Lands, Natural Resource Operations and Rural Development.

This year, certain past contributions totaling \$4.5 million received by the HCTF have been reclassified and presented as long-term restricted contributions on the consolidated statement of financial position, as these contributions are not required to be maintained permanently or held in perpetuity as an endowment. The comparative figures have been reclassified to be consistent with the presentation adopted in the current year.

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Consolidated Financial Statements

7. Fund Balances

HCTF holds and administers a restricted endowment of \$9 million, of which the investment income is 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.

8. 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 Consolidated Financial Statements

9. Administration Expenses

HCTF incurred the following administration expenses:

	2018 (\$)	2017 (\$)
Amortization	11,671	21,964
Audit (Financial)	20,875	16,650
Board Compensation	18,000	17,250
Communications	31,039	25,764
Insurance	12,357	11,845
Investment / Banking Fees	82,935	79,558
Legal Services	5,203	6,438
Office and Miscellaneous	96,473	92,548
Office Space – Rent	103,840	93,289
Professional Services	168,534	120,654
Repairs and Maintenance	7,827	6,040
Salaries and Benefits	684,762	599,701
Training	3,326	5,001
Travel	69,236	55,197
Total Administration Expenses	1,316,078	1,151,899

Total administration expenses include those the HCTF incurred while acting as trustee for the HCT.

10. 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 \$587,824 in 2018 compared to \$1,664,361 in 2017.

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Consolidated 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 3(c).

11. 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 82% of HCTF's total revenue during the 2018 fiscal year (2017 – 75%).

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.

12. Future Year Commitments

HCTF has commitments as follows:

	Project carry- overs including holdbacks	Project carry- overs from deferred contributions	Office space lease	Total Commitments
	(\$)	(\$)	(\$)	(\$)
2019	1,850,828	711,952	119,264	2,682,044
2020	-	-	128,093	128,093
2021	-	-	128,093	128,093
2022	-	-	135,992	135,992
2023	-	-	135,992	135,992
Thereafter	-	-	692,905	692,905
	1,850,828	711,952	1,340,339	3,903,119

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 Consolidated Financial Statements

13. Employee Future Benefits

Pension Plan

HCTF provides its employees access to 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, 2018 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 2018 are \$55,900 (2017 - \$55,300).

HCTF expenses contributions to the plan in the year in which payments are made. Contributions to the plan by HCTF during fiscal 2018 totaled \$62,657 (2017 - \$53,454).

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 2018 estimated allowance:

Discount rate:	2.6%
General staff retention rate:	67%
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 \$40,796 (2017 - \$44,354).

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 0.41% (2017 - 0.81%) of the employees' salaries. Contributions to the plan by HCTF during fiscal 2018 totalled \$2,254 (2017 - \$3,681).

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Consolidated Financial Statements

14. Remuneration of Directors, Employees and Contractors

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

- a. Total remuneration paid by HCTF to eight directors in this fiscal year was \$18,000.
- b. Remuneration over \$75,000 was paid to three employees, as follows:

Position	Remuneration
Chief Executive Officer	\$125,178
Chief Financial Officer	\$96,732
Manager of Education Program	\$78,075

15. Extraordinary Item

During the year, under the provisions of the *Wildlife Act*, HCTF received a retroactive payment of \$1,020,512 from the Ministry of Forests, Lands, Natural Resource Operations and Rural Development (FLNRORD) for land management revenue earned on Crown lands since 1996 under the *Land Act*.

No further retroactive payments are anticipated.

16. Comparative Financial Statements

Certain comparative figures have been reclassified to be consistent with the presentation adopted in the current year.