

**Habitat Conservation Trust Foundation**  
**Financial Statements**  
**March 31, 2014**



# 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, 2014 and results of its operations for the year ended March 31, 2014.

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, Chartered Accountant, 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



Aaron Bremner  
Chief Financial Officer, HCTF

Victoria, British Columbia  
September 24, 2014

**Alex G. Mackie, CPA, CA**  
**1981 Ridgeview Rise**  
**Victoria, BC**  
**V9B 6J1**

## **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, 2014, 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.
- 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.

### ***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, 2014, and the Statements of Operations, Fund Balances and Cash Flows of the Habitat Conservation Trust Foundation for the year ended March 31, 2014 in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.



Alex G. Mackie  
CPA, CHARTERED ACCOUNTANT


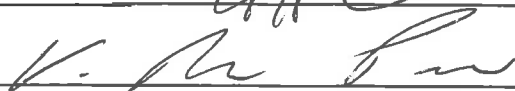
Victoria, British Columbia  
September 27, 2014

**HABITAT CONSERVATION TRUST FOUNDATION**  
**Statement of Financial Position**  
**March 31, 2014**

	2014	2013 (note 12)
	(\$)	(\$)
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and short term investments (note 3)	25,295,028	26,254,476
Accounts receivable	635,805	750,207
Prepaid expenses	12,262	6,988
	<u>25,943,095</u>	<u>27,011,671</u>
<b>OTHER ASSETS</b>		
Inventory - educational publications	149,799	162,655
Capital assets (note 4)	55,132	32,152
	<u>26,148,026</u>	<u>27,206,478</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	1,419,400	2,500,921
Leave liability	79,839	71,777
	<u>1,499,239</u>	<u>2,572,698</u>
<b>DEFERRED CONTRIBUTIONS (note 5)</b>		
Long-term restricted	13,500,000	13,500,000
Other restricted	1,180,176	1,563,627
	<u>14,680,176</u>	<u>15,063,627</u>
	16,179,415	17,636,325
<b>FUND BALANCES (schedule 1)</b>	<u>9,968,611</u>	<u>9,570,153</u>
	<u>26,148,026</u>	<u>27,206,478</u>

Commitments (note 10)

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, 2014**

	<b>2014</b>	<b>2013</b>
		<b>(note 12)</b>
	<b>(\$)</b>	<b>(\$)</b>
REVENUE (note 6)		
Surcharge revenue	6,117,179	5,959,783
Sales of educational material and educational contributions	25,741	23,178
General donations	3,630	2,938
Land management	255,134	152,812
Investment income	1,616,949	1,350,812
Restricted contributions	596,601	358,353
Special Permits Auction	122,003	236,438
	<u>8,737,237</u>	<u>8,084,314</u>
EXPENSES		
Project expenses (schedule 1)	7,317,892	7,538,416
Administration (note 7)	1,020,887	966,756
	<u>8,338,779</u>	<u>8,505,172</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	398,458	(420,858)
FUND BALANCES, BEGINNING	<u>9,570,153</u>	<u>9,991,011</u>
FUND BALANCES, ENDING	<u>9,968,611</u>	<u>9,570,153</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, 2014**

	2014	2013 (note 12)
	(\$)	(\$)
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	398,458	(420,858)
Items not affecting cash:		
Amortization	13,670	14,039
	412,128	(406,819)
Changes in non-cash working capital:		
Accounts receivable	114,402	(394,319)
Prepaid expenses	(5,274)	(1,540)
Accounts payable	(1,081,521)	583,842
Leave liability	8,062	8,758
Deferred contributions - restricted general	(48,050)	(63,000)
Deferred contributions - court awards	(335,401)	125,596
	(1,347,782)	259,337
Cash from / (used in) operating activities	(935,654)	(147,482)
INVESTING ACTIVITIES		
Reductions in publications inventory (net)	12,856	21,166
Additions to capital assets (net)	(36,650)	(16,164)
Cash from / (used in) investing activities	(23,794)	5,002
DECREASE IN CASH	(959,448)	(142,480)
CASH - Beginning of year	26,254,476	26,396,956
CASH - End of year	25,295,028	26,254,476
COMPRISED OF:		
Cash	7,924,950	10,363,983
Short term investments	17,370,078	15,890,493
	25,295,028	26,254,476

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, 2014**

(\$)

	Surcharge Account							External Agency Account	Special Programs Account	Total
	Operating Fund	Grizzly Bear Conservation Strategy	Sturgeon Fund	Quality Waters (River Guardian)	Wild BC	Conservation Land Management Account	Public Conservation Assistance Fund			
<b>Revenue</b>										
Surcharge revenue	5,256,360	229,344	248,181	362,864	-	-	-	-	20,430	6,117,179
Sales of educational material and educational contributions:										
General donations	-	-	-	-	25,741	-	-	-	-	25,741
Land Management	2,530	-	-	-	-	1,100	-	-	-	3,630
Investment income	-	-	-	-	-	255,134	-	-	-	255,134
Restricted contributions	99,495	-	-	-	-	1,393,365	109,367	-	14,722	1,616,949
Special Permits Auction	537,751	-	8,500	-	-	-	-	48,050	2,300	596,601
	-	-	-	-	-	-	-	-	122,003	122,003
<b>Total revenue</b>	<b>5,896,136</b>	<b>229,344</b>	<b>256,681</b>	<b>362,864</b>	<b>25,741</b>	<b>1,649,599</b>	<b>109,367</b>	<b>48,050</b>	<b>159,455</b>	<b>8,737,237</b>
<b>Expenses</b>										
Project expenses										
Fisheries	2,447,475	-	207,847	171,483	-	-	-	-	9,966	2,836,771
Wildlife	1,437,960	211,141	-	-	-	667,573	-	63,421	114,877	2,494,972
Information / Education / Stewardship	386,461	-	-	-	350,349	-	128,837	10,000	-	875,647
Land Acquisitions	1,053,775	-	-	-	-	-	-	-	6,750	1,060,525
Court Award Bad Debt Expense	49,977	-	-	-	-	-	-	-	-	49,977
Sub-total project expenses	5,375,648	211,141	207,847	171,483	350,349	667,573	128,837	73,421	131,593	7,317,892
Administration	941,162	5,831	2,438	-	-	61,378	5,818	-	4,260	1,020,887
<b>Total expenses</b>	<b>6,316,810</b>	<b>216,972</b>	<b>210,285</b>	<b>171,483</b>	<b>350,349</b>	<b>728,951</b>	<b>134,655</b>	<b>73,421</b>	<b>135,853</b>	<b>8,338,779</b>
Excess / (Deficiency) of revenues over expenses	(420,674)	12,372	46,396	191,381	(324,608)	920,648	(25,288)	(25,371)	23,602	398,458
Fund balances, beginning	4,060,095	190,887	565,766	643,596	166,516	2,586,277	197,172	46,498	1,113,346	9,570,153
Interfund transfers	(840,631)	-	(41,452)	-	332,694	539,346	98,000	-	(87,957)	-
Fund balances, ending *	2,798,790	203,259	570,710	834,977	174,602	4,046,271	269,884	21,127	1,048,991	9,968,611
Long-term restricted contributions	-	-	-	-	-	12,500,000	1,000,000	-	-	13,500,000
Fund balances including long-term restricted contributions	2,798,790	203,259	570,710	834,977	174,602	16,546,271	1,269,884	21,127	1,048,991	23,468,611

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

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

DRAFT V2 - August 13, 2014

# HABITAT CONSERVATION TRUST FOUNDATION

## Notes to Financial Statements

March 31, 2014

### 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.

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.

Effective April 1, 2013, the Board of Directors approved changes to the Surcharge Account. Within the Surcharge Account, the Conservation Land Management Account fund (CLMA) replaced the Conservation Land Operation Account fund (CLOA). In addition, as part of this change, land management revenue has been transferred to CLMA, including historical accumulated balances and current year transactions.

# **HABITAT CONSERVATION TRUST FOUNDATION**

## **Notes to Financial Statements**

March 31, 2014

### **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.

## **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

March 31, 2014

### e. Capital Assets

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.

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 Canadian Institute of Chartered Accountants, 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. Actual results could differ from these estimates.

# HABITAT CONSERVATION TRUST FOUNDATION

## Notes to Financial Statements

March 31, 2014

### 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.

	2014 (\$)	2013 (\$)
Toronto Dominion Bank		
Cash	7,924,950	10,363,983
Short Term Investments		
Equities	10,434,934	8,966,261
Fixed Income (including liquid investments)	6,935,144	6,924,232
Total Cash and Short Term Investments	25,295,028	26,254,476

### 4. Capital Assets

	Cost (\$)	Accumulated Amortization (\$)	Net Book Value 2014 (\$)	Net Book Value 2013 (\$)
Office Furniture and Equipment	52,844	40,398	12,446	20,384
Computer Hardware	82,679	48,150	34,529	881
Computer Software	75,769	67,612	8,157	10,307
Leasehold Improvements	6,048	6,048	-	580
	217,340	162,208	55,132	32,152

# HABITAT CONSERVATION TRUST FOUNDATION

## Notes to Financial Statements

March 31, 2014

### 5. Deferred Contributions

Deferred contributions relating to projects are as follows:

	2014 (\$)	2013 (\$)
Balance – Beginning of year	15,063,627	15,001,031
Summary of deferred contributions during the year		
Set up as deferred	213,100	415,449
Recognized as revenue	(596,551)	(352,853)
Balance – end of year	14,680,176	15,063,627

Certain contributions received by HCTF do not have time restrictions. Included in the end of year balance are two long-term restricted contributions totalling \$4.5 million that the Board has decided to treat in a manner similar to endowments.

In addition to these long-term restricted contributions, 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.

The remaining balance is comprised of court awards \$890,788 (2013 - \$1,226,189), and other external agency contributions \$289,388 (2013 - \$337,438).

### 6. 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.
- 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.

# HABITAT CONSERVATION TRUST FOUNDATION

## Notes to Financial Statements

March 31, 2014

- 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.

### 7. Administration Expenses

HCTF incurred the following administration expenses:

	2014 (\$)	2013 (\$)
Amortization	13,670	12,427
Audit (Financial)	15,948	13,922
Board Compensation	20,950	21,200
Communications	12,371	14,961
Insurance	20,261	20,975
Investment / Banking Fees	66,765	65,791
Legal Services	315	4,659
Office and Miscellaneous	81,281	74,610
Office Space – Rent	77,541	79,819
Professional Services	113,050	84,647
Repairs and Maintenance	6,296	6,268
Salaries and Benefits	539,193	513,546
Training	2,129	1,550
Travel	51,117	52,381
Total HCTF Administration Expenses	1,020,887	966,756

# HABITAT CONSERVATION TRUST FOUNDATION

## Notes to Financial Statements

March 31, 2014

### 8. 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*

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, and market changes are managed under a moderately conservative risk profile.

#### *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).

# HABITAT CONSERVATION TRUST FOUNDATION

## Notes to Financial Statements

March 31, 2014

### 9. 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 and Natural Resource Operations for the benefit of fish or wildlife. Together, these revenues accounted for 73% of HCTF's total revenue during the 2013/14 fiscal year (2012/13 – 76%).

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.

### 10. Future Year Commitments

HCTF has commitments as follows:

	Project carry- overs including holdbacks	Project carry- overs from deferred contributions	Office space lease	Total Commitments
	(\$)	(\$)	(\$)	(\$)
2015	2,109,737	124,142	76,000	2,309,879
2016	-	-	82,000	82,000
2017	-	-	82,000	82,000
2018	-	-	82,000	82,000
2019	-	-	82,000	82,000
	2,109,737	124,142	404,000	2,637,879

Note, 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

March 31, 2014

### 11. 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, 2014 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 2014 are \$52,500 (2013 - \$51,100).

HCTF expenses contributions to the plan in the year in which payments are made. Contributions to the plan by HCTF during 2013/14 totaled \$54,421 (2012/13 - \$46,863).

#### 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 2013/14 estimated allowance:

Discount rate:	2.85%
General staff attrition rate:	15%
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.

	2014 (\$)	2013 (\$)
Retirement Allowance – end of year	48,077	43,477

Total expense recognized during the year was \$4,600 (2012/13 – \$6,752).

# HABITAT CONSERVATION TRUST FOUNDATION

## Notes to Financial Statements

March 31, 2014

### 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 0.59% (2012/13 – 0.91%) of the employees' salaries. Contributions to the plan by HCTF during 2013/14 totalled \$3,140 (2012/13 – \$4,336).

### **12. Comparative Figures**

Certain figures for the fiscal year ended March 31, 2013 have been adjusted to reflect the presentation of the current year financial statements.