

Habitat Conservation Trust Foundation
Financial Statements
March 31, 2013



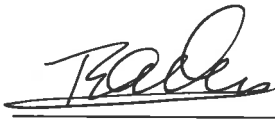
Habitat Conservation Trust Foundation

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, 2013 and results of its operations for the year ended March 31, 2013.

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 21, 2013

Alex G. Mackie, C.A.
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, 2013, 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 qualified 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, 2013, and the Statements of Operations, Fund Balances and Cash Flows of the Habitat Conservation Trust Foundation for the year ended March 31, 2013 in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.



Alex G. Mackie
CHARTERED ACCOUNTANT

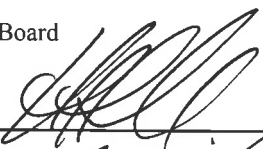
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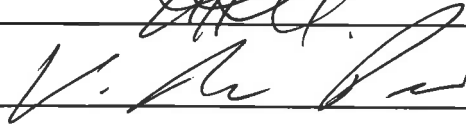
HABITAT CONSERVATION TRUST FOUNDATION
Statement of Financial Position
March 31, 2013

	2013	2012	April 1,
		(note 14)	2011
	(\$)	(\$)	(note 14)
			(\$)
ASSETS			
CURRENT			
Cash and short term investments (note 4)	26,254,476	26,396,956	25,493,010
Accounts receivable	750,207	355,888	528,265
Prepaid expenses	6,988	5,448	9,903
	27,011,671	26,758,292	26,031,178
OTHER ASSETS			
Inventory - educational publications	162,655	183,821	188,863
Capital assets (note 5)	32,152	30,027	50,257
	27,206,478	26,972,140	26,270,298
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Accounts payable	2,500,921	1,917,079	1,840,007
Leave liability	71,777	63,019	47,666
	2,572,698	1,980,098	1,887,673
DEFERRED CONTRIBUTIONS (note 6)			
Long-term restricted	13,500,000	13,500,000	13,500,000
Other restricted	1,563,627	1,501,031	1,072,654
	15,063,627	15,001,031	14,572,654
	17,636,325	16,981,129	16,460,327
FUND BALANCES ENDING (schedule 1)	9,570,153	9,991,011	9,809,971
	27,206,478	26,972,140	26,270,298

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, 2013

	2013	2012
		(note 14)
	(\$)	(\$)
REVENUE (note 7)		
Surcharge revenue	5,959,783	5,979,273
Sales of educational material and educational contributions	23,178	43,202
General donations	2,938	5,612
Land management	152,812	152,245
Investment income	1,350,812	434,017
Restricted contributions	358,353	253,084
Special Permits Auction	236,438	209,610
	<u>8,084,314</u>	<u>7,077,043</u>
EXPENSES		
Project expenses (schedule 1)	7,538,416	5,917,634
Administration (note 8)	966,756	978,369
	<u>8,505,172</u>	<u>6,896,003</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(420,858)	181,040
FUND BALANCES, BEGINNING	<u>9,991,011</u>	<u>9,809,971</u>
FUND BALANCES, ENDING	<u>9,570,153</u>	<u>9,991,011</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, 2013**

	2013	2012
		(note 14)
	(\$)	(\$)
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	(420,858)	181,040
Items not affecting cash:		
Amortization	14,039	26,655
	(406,819)	207,695
Changes in non-cash working capital:		
Accounts receivable	(394,319)	172,377
Prepaid expenses	(1,540)	4,455
Accounts payable	583,842	77,072
Leave liability	8,758	15,353
Deferred contributions - restricted general	(63,000)	186,750
Deferred contributions - court awards	125,596	241,627
	259,337	697,634
Cash from / (used in) operating activities	(147,482)	905,329
INVESTING ACTIVITIES		
Reductions in publications inventory (net)	21,166	5,042
Additions to capital assets (net)	(16,164)	(6,425)
Cash from / (used in) investing activities	5,002	(1,383)
INCREASE / (DECREASE) IN CASH	(142,480)	903,946
CASH - Beginning of year	26,396,956	25,493,010
CASH - End of year	26,254,476	26,396,956
COMPRISED OF:		
Cash	10,363,983	11,560,460
Short term investments	15,890,493	14,836,496
	26,254,476	26,396,956

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, 2013
(\$)

	Surcharge Account						External Agency Account	Special Programs Account	Total
	Operating Fund	Grizzly Bear Conservation Strategy	Surgeon Fund	Quality Waters (River Guardian)	Wild BC	Conservation Land Operations Account	Public Conservation Assistance Fund		
Revenue									
Surcharge revenue	5,153,836	230,998	225,309	332,960	-	-	-	16,680	5,959,783
Sales of educational material and educational contributions	-	-	-	-	23,178	-	-	-	23,178
General donations	2,938	-	-	-	-	-	-	-	2,938
Land Management	152,812	-	-	-	-	-	-	-	152,812
Investment income	120,268	-	-	-	-	1,133,744	85,672	11,128	1,350,812
Restricted contributions	222,353	1,500	11,000	-	5,500	-	-	118,000	358,353
Special Permits Auction	-	-	-	-	-	-	-	236,438	236,438
Total revenue	5,652,207	232,498	236,309	332,960	28,678	1,133,744	85,672	264,246	8,084,314
Expenses									
Project expenses									
Fisheries	2,535,559	-	104,372	280,970	-	-	-	23,805	2,944,706
Wildlife	1,494,678	246,149	-	-	-	553,530	-	51,632	2,453,989
Information / Education / Stewardship	558,726	-	-	-	308,933	-	112,002	-	989,661
Land Acquisitions	1,109,000	-	-	-	-	-	-	9,000	1,118,000
Court Award Bad Debt Expense	32,060	-	-	-	-	-	-	-	32,060
Sub-total project expenses	5,730,023	246,149	104,372	280,970	308,933	553,530	112,002	84,437	7,538,416
Administration	889,172	2,771	1,489	-	-	62,756	6,425	4,143	966,756
Total expenses	6,619,195	248,920	105,861	280,970	308,933	616,286	118,427	88,580	8,505,172
Excess / (Deficiency) of revenues over expenses	(966,988)	(16,422)	130,448	51,990	(280,255)	517,458	(32,755)	175,666	(420,858)
Fund balances, beginning	5,926,059	207,309	435,318	591,606	147,459	1,567,155	131,927	937,680	9,991,011
Interfund transfers	(898,976)	-	-	-	299,312	501,664	98,000	-	-
Fund balances, ending *	4,060,095	190,887	565,766	643,596	166,516	2,586,277	197,172	1,113,346	9,570,153
Long-term restricted contributions	-	-	-	-	-	12,500,000	1,000,000	-	13,500,000
Fund balances including long-term restricted contributions	4,060,095	190,887	565,766	643,596	166,516	15,086,277	1,197,172	1,113,346	23,070,153

* 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

March 31, 2013

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, Wild BC, the Conservation Land Operations Account (CLOA), and the Public Conservation Assistance Fund (PCAF) are reported in their own individual funds.

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Financial Statements

March 31, 2013

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 31st.

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Financial Statements

March 31, 2013

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.

The Foundation 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, 2013

3. First-time adoption of Canadian accounting standards for not-for-profit organizations

These financial statements are the first financial statements for which HCTF has applied Canadian accounting standards for not-for-profit organizations (ASNPO). The financial statements for the period ended March 31, 2013 were prepared in accordance with ASNPO. Comparative period information presented for the year ended March 31, 2012 was prepared in accordance with ASNPO and the provisions set out in Section 1501 First-time adoption.

The date of transition to ASNPO is April 1, 2011. HCTF's transition to ASNPO has had no material impacts upon transition to the opening net assets as at April 1, 2011 or the statements of financial position or the statement of cash flows for the year ended March 31, 2012.

As a result, the reconciliations and disclosures required by Section 1501 First-time adoption, for the net assets at the transition date, the comparative period net surplus and the cash flow statement have not been presented in these financial statement notes.

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 its cash and short term investments.

	2013	2012	April 1
	(\$)	(\$)	2011
			(\$)
Toronto Dominion Bank			
Cash	10,363,983	11,560,460	10,696,571
Equities	8,966,261	3,130,596	2,771,564
Fixed Income (including cash)	6,924,232	11,705,900	2,678,713
Sub-total	26,254,476	26,396,956	16,146,848
Van City Credit Union GICs	-	-	9,346,162
Total Cash and Short Term Investments	26,254,476	26,396,956	25,493,010

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Financial Statements

March 31, 2013

5. Capital Assets

	Cost (\$)	Accumulated Amortization (\$)	Net Book Value 2013 (\$)	Net Book Value 2012 (\$)	Net Book Value April 1, 2011 (\$)
Office Furniture and Equipment	52,844	32,460	20,384	24,767	27,659
Computer Hardware	48,678	47,797	881	-	7,937
Computer Software	73,119	62,812	10,307	2,866	10,453
Leasehold Improvements	6,048	5,468	580	2,394	4,208
	180,689	148,537	32,152	30,027	50,257

6. Deferred Contributions

Deferred contributions relating to projects are as follows:

	2013 (\$)	2012 (\$)	April 1 2011 (\$)
Balance – Beginning of year	15,001,031	14,572,654	14,671,831
Summary of deferred contributions during the year			
Set up as deferred	415,449	681,460	124,250
Recognized as revenue	(352,853)	(253,083)	(223,427)
Balance – end of year	15,063,627	15,001,031	14,572,654

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.

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Financial Statements

March 31, 2013

The remaining balance is comprised of court awards 1,226,189 (2012 - \$1,100,593), and other external agency contributions \$337,438 (2012 - \$400,438).

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 the 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.
- 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

March 31, 2013

8. Administration Expenses

HCTF incurred the following administration expenses:

	2013 (\$)	2012 (\$)
Amortization	12,427	25,034
Audit (Financial)	13,922	13,922
Board Compensation	21,200	24,250
Communications	14,961	18,591
Insurance	20,975	20,787
Investment / Banking Fees	65,791	34,348
Legal Services	4,659	7,606
Office and Miscellaneous	74,610	98,256
Office Space – Rent	79,819	79,819
Professional Services	84,647	108,838
Repairs and Maintenance	6,268	5,339
Salaries and Benefits	513,546	477,321
Training	1,550	2,087
Travel	52,381	62,171
Total HCTF Administration Expenses	966,756	978,369

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Financial Statements

March 31, 2013

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 and GICs invested with TD Waterhouse and Van City Credit Union. 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. HCTF also acquired GICs through Van City Credit Union and expects to hold these until maturity.

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 where collectability is considered unlikely - see Note 2(c).

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Financial Statements

March 31, 2013

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 and Natural Resource Operations for the benefit of fish or wildlife. Together, these revenues accounted for 76% of HCTF's total revenue during the 2012/13 fiscal year (2011/12 – 87%).

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
	(\$)	(\$)	(\$)	(\$)
2014	1,909,294	146,822	76,000	2,132,116
2015	-	-	76,000	76,000
2016	-	-	82,000	82,000
2017	-	-	82,000	82,000
2018	-	-	82,000	82,000
	1,909,294	146,822	398,000	2,454,116

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

12. Subsequent Events

Change to Fund Accounting Schedule#1 - Conservation Land Operations Account (CLOA)

For fiscal 2013/14, the Board of Directors has approved a change to the delivery model for Wildlife Operations and Maintenance projects which impacts the CLOA fund. Effective, April 1, 2013, a new fund will replace the CLOA fund, and certain transactions previously recorded under other funds will be merged into the new fund.

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Financial Statements

March 31, 2013

13. 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, 2013 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 2012 are \$50,100 (2013 - \$51,100).

HCTF expenses contributions to the plan in the year in which payments are made. Contributions to the plan by HCTF during 2012/13 totaled \$46,863 (2011/12 - \$39,976).

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 2012/13 estimated allowance:

Discount rate:	2.66%
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.

	2013 (\$)	2012 (\$)	April 1 2011 (\$)
Retirement Allowance – end of year	43,477	36,725	28,088

Total expense recognized during the year was \$6,752 (2011/12 – 8,637).

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Financial Statements

March 31, 2013

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 0.91% of the employees' salaries. Contributions to the plan by HCTF during 2012/13 totalled \$4,336 (2011/12 – \$8,015).

14. Comparative Figures

Certain figures for the fiscal year ended March 31, 2012 have been adjusted to reflect the presentation of the current year financial statements.