



HABITAT
CONSERVATION TRUST
FOUNDATION

AUDITED FINANCIAL STATEMENTS
March 31st, 2026



Baker Tilly Victoria Ltd
Chartered Professional
Accountants
T: 250.386.0500
www.btvic.com

Uptown:
3551 Uptown Blvd
Unit 219
Victoria, BC
V8Z 0B9

Westshore:
967 Langford Pkwy
Suite 218
Victoria, BC
V9B 0A5

Sidney:
9764 Fifth St
Unit 7
Sidney, BC
V8L 2X2

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Habitat Conservation Trust Foundation

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Habitat Conservation Trust Foundation (the "Foundation") and the Habitat Conservation Trust (the "Trust"), which comprise the consolidated statement of financial position as at March 31, 2026, and the consolidated statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Foundation as at March 31, 2026, and results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

Basis for Qualified Opinion

The following matter requires us to qualify our opinion on these consolidated financial statements:

- The assets, liabilities, fund balances, revenues and expenses of the Foundation have been consolidated with the accounts of 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.



Baker Tilly Victoria Ltd
Chartered Professional
Accountants
T: 250.386.0500
www.btvic.com

Uptown:
3551 Uptown Blvd
Unit 219
Victoria, BC
V8Z 0B9

Westshore:
967 Langford Pkwy
Suite 218
Victoria, BC
V9B 0A5

Sidney:
9764 Fifth St
Unit 7
Sidney, BC
V8L 2X2

INDEPENDENT AUDITORS' REPORT (continued)

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Foundation and Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation and/or Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the consolidated financial reporting process.



Baker Tilly Victoria Ltd
Chartered Professional
Accountants
T: 250.386.0500
www.btvic.com

Uptown:
3551 Uptown Blvd
Unit 219
Victoria, BC
V8Z 0B9

Westshore:
967 Langford Pkwy
Suite 218
Victoria, BC
V9B 0A5

Sidney:
9764 Fifth St
Unit 7
Sidney, BC
V8L 2X2

INDEPENDENT AUDITORS' REPORT (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Baker Tilly Victoria Ltd
Chartered Professional
Accountants
T: 250.386.0500
www.btvic.com

Uptown:
3551 Uptown Blvd
Unit 219
Victoria, BC
V8Z 0B9

Westshore:
967 Langford Pkwy
Suite 218
Victoria, BC
V9B 0A5

Sidney:
9764 Fifth St
Unit 7
Sidney, BC
V8L 2X2

INDEPENDENT AUDITORS' REPORT (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we hereby confirm that the accounting principles applied for the year ended March 31, 2026, have been applied on a consistent basis with those of the preceding year.

Baker Tilly Victoria Ltd.

CHARTERED PROFESSIONAL ACCOUNTANTS

Victoria, B.C.

September 8, 2026

Habitat Conservation Trust Foundation

Statement of Management Responsibility

Management, in accordance with Canadian accounting standards for not-for-profit organizations, has prepared the consolidated financial statements of the *Habitat Conservation Trust Foundation*. Subject to the qualifications identified in the attached Independent Auditor's Report, these statements present fairly the financial position of the organization as at March 31, 2026 and results of its operations for the year ended March 31, 2026.

Management is responsible for the preparation, integrity and objectivity of the consolidated 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 consolidated financial statements.

Baker Tilly Victoria Ltd. has performed an independent audit of the financial statements. The attached Independent Auditor's Report outlines the scope of their work on the financial statements of the *Habitat Conservation Trust Foundation*.



Dan Buffett
Chief Executive Officer, HCTF



Katelynn Schriener
Chief Financial Officer, HCTF

Victoria, British Columbia
September 25, 2026

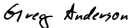
HABITAT CONSERVATION TRUST FOUNDATION
Consolidated Statement of Financial Position
March 31, 2026

	2026	2025
	(\$)	(\$)
ASSETS		
CURRENT		
Cash and short term investments (note 4)	52,060,830	50,701,750
Accounts receivable	3,939,067	1,077,052
Prepaid expenses	28,928	33,444
	56,028,825	51,812,246
OTHER ASSETS		
Inventory - educational publications	115,200	129,720
Tangible capital assets (note 5)	35,331	46,280
	56,179,356	51,988,246
LIABILITIES AND FUND BALANCES		
CURRENT		
Accounts payable and accrued liabilities	3,711,729	4,246,998
Leave liability	122,549	111,086
Deferred contributions (note 6)	21,112,852	18,395,013
	24,947,130	22,753,097
FUND BALANCES (note 7 and schedule 1)	31,232,226	29,235,149
	56,179,356	51,988,246

Commitments (note 12)

On behalf of the Board

DocuSigned by:



A07A3D5D281B451...

DocuSigned by:



5879BE328ED8429...

HABITAT CONSERVATION TRUST FOUNDATION
Consolidated Statement of Operations
For the Year Ended March 31, 2026

	2026	2025
	(\$)	(\$)
REVENUE (note 8)		
Surcharge revenue	7,149,596	6,750,358
Sales of educational material and educational contributions	12,510	14,842
General donations	15,785	9,515
Land management	136,853	202,089
Investment income (note 4)	3,635,386	3,768,693
Restricted contributions	2,840,394	2,796,419
Special Permits Auction	-	276,229
	<u>13,790,524</u>	<u>13,818,145</u>
EXPENSES		
Project expenses (schedule 1)	9,282,232	9,850,250
Administration (note 9)	2,511,215	2,356,482
	<u>11,793,447</u>	<u>12,206,732</u>
EXCESS / (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>1,997,077</u>	<u>1,611,413</u>
FUND BALANCES, BEGINNING	<u>29,235,149</u>	<u>27,623,736</u>
FUND BALANCES, ENDING	<u>31,232,226</u>	<u>29,235,149</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, 2026

	2026	2025
	(\$)	(\$)
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	1,997,077	1,611,413
Items not affecting cash:		
Amortization	24,577	19,796
Investment realized (gains) losses	1,718,894	943,639
Investment unrealized (gains) losses	(3,870,414)	(3,020,621)
	<u>(129,866)</u>	<u>(445,773)</u>
Changes in non-cash working capital:		
Accounts receivable	(2,862,015)	(251,335)
Prepaid expenses	4,516	(15,027)
Accounts payable and accrued liabilities	(535,269)	351,519
Leave liability	11,463	26,560
Deferred contributions - restricted general	2,717,839	(1,522,586)
	<u>(663,466)</u>	<u>(1,410,869)</u>
Cash from operating activities	<u>(793,332)</u>	<u>(1,856,642)</u>
INVESTING ACTIVITIES		
Decrease (increase) in publications inventory (net)	14,520	(11,951)
Additions to tangible capital assets (net)	(13,628)	(36,319)
Proceeds from the disposition of investments	1,467,598	860,036
Purchase of investments	(2,058,535)	(1,240,001)
Cash from investing activities	<u>(590,045)</u>	<u>(428,235)</u>
DECREASE IN CASH	(1,383,377)	(2,284,877)
CASH - Beginning of year	9,175,736	11,460,613
CASH - End of year	<u>7,792,359</u>	<u>9,175,736</u>
CASH AND SHORT TERM INVESTMENTS COMPRISED OF:		
Cash	7,792,359	9,175,736
Short term investments	44,268,471	41,526,014
	<u>52,060,830</u>	<u>50,701,750</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, 2026
(\$)

	Surcharge Account						External Agency Account	Special Programs Account	Total
	<i>Operating Fund</i>	<i>Sturgeon Fund</i>	<i>Quality Waters (River Guardian)</i>	<i>Education Fund (Wild BC)</i>	<i>Conservation Land Management Account</i>	<i>Public Conservation Assistance Fund</i>			
Revenue									
Surcharge revenue	6,308,074	364,869	383,013	-	-	-	-	93,640	7,149,596
Sales of educational material and educational contributions	-	-	-	12,510	-	-	-	-	12,510
General donations	15,785	-	-	-	-	-	-	-	15,785
Land management	-	-	-	-	136,853	-	-	-	136,853
Investment income	682,577	-	-	-	1,961,533	153,696	783,888	53,692	3,635,386
Restricted contributions	97,400	6,989	-	-	-	4,000	2,705,581	26,424	2,840,394
Special permits auction	-	-	-	-	-	-	-	-	-
Total Revenue	7,103,836	371,858	383,013	12,510	2,098,386	157,696	3,489,469	173,756	13,790,524
Expenses									
Project expenses									
Fisheries	2,400,525	326,179	277,022	-	-	-	247,099	7,428	3,258,253
Wildlife	1,561,173	-	-	-	670,091	-	1,870,154	552,672	4,654,090
Information / Education / Stewardship	541,701	-	-	335,488	-	137,847	324,629	34,600	1,374,265
Land acquisitions	20,000	-	-	-	-	-	-	-	20,000
Court award bad debt expense	(24,376)	-	-	-	-	-	-	-	(24,376)
Total Project Expenses	4,499,023	326,179	277,022	335,488	670,091	137,847	2,441,882	594,700	9,282,232
Administration	1,927,609	27,365	30,667	-	184,260	12,307	319,889	9,118	2,511,215
Total Expenses	6,426,632	353,544	307,689	335,488	854,351	150,154	2,761,771	603,818	11,793,447
Excess / (Deficiency) of revenues over expenses	677,204	18,314	75,324	(322,978)	1,244,035	7,542	727,698	(430,062)	1,997,077
Fund balances, beginning	5,490,997	429,413	326,451	290,650	8,585,002	631,611	2,652,131	1,828,894	20,235,149
Interfund transfers (note 15)	(423,097)	-	-	365,250	-	87,847	(20,000)	(10,000)	-
Fund balances, ending *	5,745,104	447,727	401,775	332,922	9,829,037	727,000	3,359,829	1,388,832	22,232,226
Endowments (note 7)	-	-	-	-	9,000,000	-	-	-	9,000,000
Fund balances including endowments	5,745,104	447,727	401,775	332,922	18,829,037	727,000	3,359,829	1,388,832	31,232,226

* 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.

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 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 and all other revenue sources 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.

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 accrues the surcharge revenue and recognizes them as unrestricted revenues in the month based on the collection and reports provided by the government.

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. At the balance sheet date, this allowance totalled \$258,619 (2025 - \$282,995).

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. Payment holdbacks are recorded and tracked as future year commitments when prescribed conditions have not been met by March 31st. Holdbacks range from 10% to 30% depending on the program.

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

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

f. Publication Inventory

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

g. Financial Instruments

HCTF initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated and exchanged in related party transactions are initially measured at cost, with the exception of investments in equity instruments quoted in an active market, which are measured at fair value.

HCTF subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments quoted in an active market, which are

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Consolidated Financial Statements

measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost using the straight-line method include cash and short term investments and accounts receivable.

Financial liabilities measured at amortized cost using the straight-line method include accounts payable and accrued liabilities.

Transaction costs related to financial instruments subsequently measured at fair value or to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, the transaction costs are then recognized in income over the life of the instrument using the straight-line method.

For financial assets measured at cost or amortized cost, HCTF determines whether there are indications of possible impairment. When there are, and HCTF determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

h. Use of Estimates

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

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Consolidated Financial Statements

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. During the year, short term investments were managed by Genus Capital Management.

	2026 (\$)	2025 (\$)
Cash	7,792,359	9,175,736
Short Term Investments		
Equities	18,307,699	15,803,685
Fixed Income (including liquid investments)	25,960,769	25,722,327
Total Cash and Short Term Investments	52,060,830	50,701,750

Investment income is comprised of interest income of \$1,113,773 (2025 - \$1,413,245), dividend income of \$314,299 (2025 - \$278,466), other investment income of \$0 (2025 - \$0) and a valuation gain of \$2,151,519 comprised of a \$1,718,894 realized loss and \$3,870,413 unrealized gain (2025 gain of \$2,076,982 comprised of a \$943,639 realized loss and \$3,020,621 unrealized gain). Related investment management fees were paid in the amount of \$223,884 (2025 - \$211,533).

5. Tangible Capital Assets

	Cost (\$)	Accumulated Amortization (\$)	Net Book Value 2026 (\$)	Net Book Value 2025 (\$)
Office Furniture and Equipment	87,924	84,109	3,815	6,531
Computer Hardware	212,077	180,560	31,516	39,748
Computer Software	123,514	123,514	0	0
Leasehold Improvements	9,795	9,795	0	0
	433,309	397,978	35,331	46,279

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Consolidated Financial Statements

6. Deferred Contributions

Deferred contributions relating to projects are as follows:

	2026 (\$)	2025 (\$)
Balance – Beginning of year	18,395,012	19,917,599
Summary of deferred contributions during the year		
Set up as deferred	5,558,234	1,273,832
Recognized as revenue	(2,840,393)	(2,796,419)
Balance – end of year	21,112,851	18,395,012

Deferred contributions are comprised of court awards \$240,192 (2025 - \$302,712), PCAF \$1,000,000 (2025 - \$1,000,000), CLMA \$3,500,000 (2025 - \$3,500,000), and other external agency contributions \$16,372,659 (2025 - \$13,592,300). In 2026, HCTF received several external agency contributions – including two contributions of \$1,000,000 each from the provincial Ministry of Water, Land, and Resource Stewardship for Forest Habitat Restoration and for Water Infrastructure (Wetland) Management. There was also a contribution of \$1,275,181 from the provincial Ministry of Water, Land, and Resource Stewardship for Raptors in the Fraser Valley Lowlands.

The PCAF and CLMA restricted contributions totalling \$4.5 million do not have time restrictions and are currently invested to fund programs in a manner similar to endowments.

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.

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Consolidated 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.
- vi. **Special Permits Auction** – HCTF is the recipient of revenue derived from the auction of one wild sheep hunting license per year.

9. Administration Expenses

HCTF incurred the following administration expenses:

	2026 (\$)	2025 (\$)
Amortization	24,577	19,796
Audit (Financial)	18,621	19,096
Board Compensation	45,638	43,525
Communications	30,926	32,218
Insurance	18,190	17,926
Investment / Banking Fees	224,822	213,002
Legal Services	0	689
Office and Miscellaneous	198,044	177,984
Office Space – Rent	154,913	149,606
Professional Services	314,599	271,404
Repairs and Maintenance	8,552	9,855
Salaries and Benefits	1,423,477	1,341,454
Training	6,186	8,171
Travel	42,671	51,755
Total Administration Expenses	2,511,215	2,356,481

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Consolidated Financial Statements

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 Genus Capital Management 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 net investment income of \$3,635,386 in 2026 compared to net investment income of \$3,768,693 in 2025.

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 53% of HCTF's total revenue during the 2026 fiscal year (2025 – 50%).

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.

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Consolidated Financial Statements

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
	(\$)	(\$)	(\$)	(\$)
2027	2,311,473	1,606,328	141,454	4,059,255
2028	-	-	141,454	141,454
2029	-	-	58,939	59,939

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

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, 2026 is 9.85% of the pensionable salary.

HCTF expenses contributions to the plan in the year in which payments are made. Contributions to the plan by HCTF during fiscal 2026 totaled \$125,961 (2025 - \$126,789).

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 2026 estimated allowance:

Discount rate:	3.9%
General staff retention rate:	53%
Rate of compensation increase:	2%

HABITAT CONSERVATION TRUST FOUNDATION

Notes to Consolidated Financial Statements

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 \$50,895 (2025 - \$45,786).

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 1.44% (2025 – 1.58%) of the employees' salaries. Contributions to the plan by HCTF during fiscal 2026 totalled \$18,219 (2025 – \$17,782).

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 ten directors in this fiscal year was \$45,638
- b. Remuneration over \$75,000 was paid to nine employees for a total of \$926,939.

15. Interfund Transfers

During the year ended March 31, 2026, HCTF made four interfund transfers:

Transferred From	Transferred To	Amount	Purpose
Operating Fund	Education Fund	335,250	To support projects/programs
Operating Fund	Public Conservation Assistance Fund	87,847	To support projects/programs
Caribou Fund	Education Fund	20,000	To support scholarships
Special Permits Fund	Education Fund	10,000	To support scholarships