MANITOBA HABITAT CONSERVANCY

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

DECEMBER 31, 2025

MANITOBA HABITAT CONSERVANCY

DECEMBER 31, 2025

INDEX

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Manitoba Habitat Conservancy:

Opinion

We have audited the accompanying financial statements of Manitoba Habitat Conservancy (the "Organization"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets and cash flows for the period then ended, and the notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Manitoba Habitat Conservancy as at December 31, 2025, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization 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 opinion.

Other Information

Management is responsible for the other information. The other information comprises Manitoba Habitat Conservancy's annual report.

Our opinion on financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The annual report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements including the disclosures, and whether the 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.

Fort Group

Winnipeg, Manitoba
June 16, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS INC.

MANITOBA HABITAT CONSERVANCY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash	$ 30,422,021	23,602,608
Accounts receivable (Note 3)	9,151,449	10,363,337
Inventory	18,507	21,957
Prepaid expenses	88,218	114,469
	39,680,195	34,102,371
SHELTERBELT PROJECT FUNDS (Note 4)	2,241,666	2,590,771
GRANT FUNDS HELD IN TRUST (Note 5)	9,493,394	15,582,350
TANGIBLE CAPITAL ASSETS (Note 6)	48,770,953	45,483,685
PREPAID LAND USE RIGHTS (Note 7)	1,756,833	1,764,929
	$101,943,041	99,524,106
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	$ 2,789,182	4,282,926
Grants payable (Note 5)	22,544,107	21,295,265
	25,333,289	25,578,191
DEFERRED CONTRIBUTIONS - OPERATING (Note 9)	11,874,654	10,188,872
DEFERRED CONTRIBUTIONS - FUTURE CAPITAL (Note 9)	344,612	3,280,841
DEFERRED CONTRIBUTIONS AVAILABLE FOR GRANTING (Note 5)	11,084,299	11,171,244
	48,636,854	50,219,148
COMMITMENTS (Note 12)		
NET ASSETS		
Unrestricted	1,452,098	1,274,942
Internally restricted (Note 14)	3,083,136	2,546,331
Invested in tangible capital assets	48,770,953	45,483,685
	53,306,187	49,304,958
	$101,943,041	99,524,106

APPROVED BY THE BOARD:

Chair

Finance Committee Chair

MANITOBA HABITAT CONSERVANCY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2025

		2025	2024
REVENUE			
Conservation Trusts (Note 5)	$	12,114,088	14,292,118
Grants		3,093,558	3,788,426
The Agency Fund		997,544	1,009,438
Interest		755,673	121,149
Other		407,632	274,158
Land use		86,576	81,186
Mitigation		69,422	90,825
		17,524,493	19,657,300
EXPENSES			
Conservation Trusts (Schedule 1)		10,513,728	12,553,836
Administrative (Schedule 1)		4,694,087	5,230,118
Conservation Program (Schedule 1)		1,610,854	1,181,748
		16,818,669	18,965,702
EXCESS OF REVENUE OVER EXPENSES	$	705,824	691,598

MANITOBA HABITAT CONSERVANCY
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2025

	Unrestricted	Internally restricted	Invested in tangible capital assets	2025	2024
NET ASSETS, BEGINNING OF YEAR	$ 1,274,942	2,546,331	45,483,685	49,304,958	43,623,021
Excess (deficiency) of revenue over expense	770,465	-	(64,641)	705,824	691,598
Contributions for acquisition of land and land use rights	-	-	2,573,605	2,573,605	4,875,339
Donated land and land use rights (Note 2(g))	-	-	721,800	721,800	115,000
Purchase of tangible capital assets	(56,504)	-	56,504	-	-
Interfund transfer (Note 14)	(536,805)	536,805	-	-	-
NET ASSETS, END OF YEAR	$ 1,452,098	3,083,136	48,770,953	53,306,187	49,304,958

MANITOBA HABITAT CONSERVANCY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

	2025	2024
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses	$ 705,824	691,598
Add back (deduct) non-cash item(s):		
Amortization of tangible capital assets	64,641	13,153
Amortization of deferred capital contributions	(293,423)	(251,010)
	477,042	453,741
Change in non-cash working capital:		
Accounts receivable	1,211,888	4,270,649
Inventory	3,450	-
Prepaid expenses	26,251	15,258
Shelterbelt Project Funds	349,105	286,186
Grant funds held in trust	6,088,956	(3,943,822)
Prepaid land use rights	8,096	(163,861)
Accounts payable and accrued liabilities	(1,493,744)	1,853,023
Grants payable	1,248,842	4,527,774
Deferred contributions - operating	3,113,552	(183,841)
Deferred contributions - future capital	(4,070,576)	(4,501,768)
Deferred contributions - administration	-	(722,059)
Deferred contributions available for granting	(86,945)	(1,830,074)
	6,875,917	61,206
INVESTING ACTIVITIES		
Purchase of land and land use rights	(2,573,605)	(4,875,339)
Purchase of tangible capital assets	(56,504)	(486,678)
	(2,630,109)	(5,362,017)
FINANCING ACTIVITIES		
Contributions restricted for the acquisition of land and land use rights	2,573,605	4,875,339
CHANGE IN CASH	6,819,413	(425,472)
CASH, BEGINNING OF YEAR	23,602,608	24,028,080
CASH, END OF YEAR	$ 30,422,021	23,602,608

1. NATURE OF ORGANIZATION

The Manitoba Habitat Heritage Corporation o/a Manitoba Habitat Conservancy (hereinafter called the "Organization"), was established in 1986 as a Crown Corporation under The Manitoba Habitat Heritage Act. The Act establishing the Organization was repealed on February 1, 2021, and the Organization has been restructured as a non-profit without share capital. The purpose of the Organization is the conservation, restoration and enhancement of Manitoba fish and wildlife habitat and the associated fish and wildlife populations.

The Organization is a registered charitable organization under the Income Tax Act (Canada) and is therefore exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

An underlying assumption of the preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations is that the entity will continue for the foreseeable future and will be able to realize its assets and discharge liabilities in the normal course of operations.

The financial statements include the following significant accounting policies:

(a) Tangible Capital Assets

Purchased tangible capital assets are recorded at cost and donated tangible capital assets are recorded at fair market value at the date the asset is donated. Amortization is provided using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives.

Computer hardware	5 years
Computer software	3 years
Equipment	10 years
Furniture and fixtures	5 years
Leasehold improvements	10 years

(b) Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions, including grant and mitigation revenue, are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions, including other revenue, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Conservation Trust revenue is recognized when the related expenses have been incurred.

Land use revenue is amortized into revenue over the life of the agreement.

Restricted contributions relating to land and land use rights, which are not amortized, are accounted for as a direct increase to those invested in tangible capital assets when the land and land use rights are purchased.

The Agency Fund relating to the administration of the trusts is recognized as revenue in the period the service is provided.

Interest is recorded in the year in which it is earned.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial Instruments

Financial instruments held by the Organization include cash, accounts receivable, shelterbelt project funds, grant funds held in trust, accounts payable and accrued liabilities, and grants payable. The Organization initially measures its financial instruments at fair value and subsequently measures its financial instruments at amortized cost. Amortized cost is the amount at which the financial instrument is measured at initial recognition, less principal repayments, plus or minus the cumulative of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

(d) Accounting Estimates

The preparation of the 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 of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Estimates include amounts payable for services not yet billed at the time these financial statements were approved, allowance for doubtful accounts and the useful life of tangible capital assets. Actual results may differ from estimates.

(e) Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the year-end exchange rate. Revenue and expenses are translated using the average monthly rate. Foreign exchange gains and losses are recorded in the statement of operations.

(f) Contributed Services

The work of the Organization is dependent on the voluntary services of many board members. Because of the difficulty in compiling these hours, contributed services are not recognized in these financial statements.

(g) Donation Land and Land Use Rights

Donated land and land use rights are recorded in the financial statements at their fair market value, which is determined by a third-party appraisal. Donated land and land use rights are recorded as a direct increase to net assets as the land and land use rights are not amortized as they have an unlimited useful life.

(h) Inventory

Inventory consists of signage. Inventories are carried at the lower of cost and net realizable value, cost being determined on a first-in, first-out basis. During the year $3,450 (2024 - $nil) was recognized in the statement of operations.

3. ACCOUNTS RECEIVABLE

	2025	2024
Government of Canada	$ 7,325,829	8,841,090
U.S. Government	568,086	902,197
Fish and Wildlife Enhancement Fund (Note 13)	1,111,995	784,807
Other	428,770	555,101
	9,434,680	11,083,195
Allowance for doubtful accounts	(283,231)	(719,858)
	$ 9,151,449	10,363,337

4. SHELTERBELT PROJECT

In 2019, the Organization began the administration and delivery of the Shelterbelt program. The Shelterbelt program was previously included as part of the GROW Trust but was transferred out as a separate program during the prior fiscal year. The purpose of the Shelterbelt program is to supply, install, and maintain trees, shrubs, and mulch to create roadside eco-buffers with the intention of mitigating the frequent blowing snow conditions on the Trans Canada Highway.

	2025	2024
Balance, beginning of year	$ 2,590,771	2,876,957
Investment income received	36,029	68,660
Project expenses	(385,134)	(354,846)
Balance, end of year	$ 2,241,666	2,590,771

5. GRANT FUNDS HELD IN TRUST

In 2019, the Organization began administration and delivery of the Conservation Trust (CT) and GROW Trust (GT) programs (the "Trust"). The Trusts were initiated by two tripartite agreements between the Organization, the Province of Manitoba and The Winnipeg Foundation. The Province of Manitoba made contributions to The Winnipeg Foundation to establish two perpetual endowment funds: the Conservation Trust and the GROW Trust. In 2020, another tripartite agreement was signed between the same parties to establish the Wetlands GROW Trust (WGT) endowment.

The purpose of each Trust is achieved through a granting program administered by the Organization. Income earned on the Trust funds is calculated in accordance with The Winnipeg Foundation's spending policy and is disbursed by The Winnipeg Foundation. The annual available spending from the Trusts are used to fund grants to eligible third parties committed to delivering environmental conservation activities consistent with the Trusts' purposes. Under the agreement, and in addition to establishing the required administrative and oversight functions associated with the Trusts, the Organization has specific financial and program reporting responsibilities to both the Province of Manitoba and The Winnipeg Foundation. During the year, 23 grants were awarded from the Conservation Trust (2024 - 14), 14 grants were awarded from the GROW Trust (2024 - 13), and 9 grants were awarded from the Wetlands GROW Trust (2024 - 9).

The changes in the grant funds held at The Winnipeg Foundation for each Trust are as follows:

	CT	GT	WGT	2025	2024
Balance, beginning of year	$ 7,566,666	2,914,430	5,101,254	15,582,350	11,638,527
Contributions received	4,726,257	2,291,113	2,440,207	9,457,577	9,545,970
Investment income received	49,183	13,151	41,687	104,021	322,189
Funding transferred to the Organization	(7,597,957)	(2,919,002)	(5,133,595)	(15,650,554)	(5,924,336)
Balance, end of year	$ 4,744,149	2,299,692	2,449,553	9,493,394	15,582,350

5. GRANT FUNDS HELD IN TRUST (Continued)

The changes in the deferred contributions available for granting for each Trust are as follows:

	CT	GT	WGT	2025	2024
Available for granting, beginning of year	$ 5,396,147	2,531,402	3,243,695	11,171,244	13,001,318
Funds made available for granting	4,726,257	2,291,113	2,440,207	9,457,577	9,545,970
Grants refunded	137,360	590,153	137,672	865,185	388,863
Investment income - TWF	49,183	13,151	41,687	104,021	322,189
Investment income - RBC	-	-	-	-	466,740
Transfer between Trusts	(2,263,380)	3,137,831	(874,451)	-	-
Grants awarded	(2,842,292)	(5,669,236)	(2,002,200)	(10,513,728)	(11,803,764)
Contribution to Endowment fund	-	-	-	-	(750,072)
Available for granting, end of year	$ 5,203,275	2,894,414	2,986,610	11,084,299	11,171,244

The changes in grants payable for each Trust is as follows:

	CT	GT	WGT	2025	2024
Grants payable, beginning of year	$ 2,663,808	11,035,534	7,595,923	21,295,265	16,767,491
Grants awarded	2,842,292	5,669,236	2,002,200	10,513,728	11,803,764
Grants disbursed	(2,844,768)	(4,800,422)	(754,511)	(8,399,701)	(6,887,127)
Grants refunded	(137,360)	(590,153)	(137,672)	(865,185)	(388,863)
Grants payable, end of year	$ 2,523,972	11,314,195	8,705,940	22,544,107	21,295,265

The Winnipeg Foundation revenue recognized for the period consists of the following:

	CT	GT	WGT	2025	2024
Grants awarded	$ 2,842,292	5,669,236	2,002,200	10,513,728	11,803,764
MHC administration fees	800,180	400,090	400,090	1,600,360	1,738,282
Contribution to Endowment Fund	-	-	-	-	750,072
Total	$ 3,642,472	6,069,326	2,402,290	12,114,088	14,292,118

6. TANGIBLE CAPITAL ASSETS

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land and land use rights	$ 48,264,362	-	44,968,957	-
Computer hardware	163,268	148,309	163,268	143,878
Computer software	29,332	29,332	29,332	29,332
Equipment	174,258	147,949	169,028	141,124
Furniture and fixtures	37,643	32,242	37,643	29,960
Leasehold improvements	511,025	51,103	459,751	-
	49,179,888	408,935	45,827,979	344,294
Net book value	$ 48,770,953		45,483,685	

During the year, amortization of tangible capital assets expensed in the Statement of Operations was $64,641 (2024 - $13,153).

7. PREPAID LAND USE RIGHTS

Prepaid land-use rights are term agreements made with landowners to promote awareness, stewardship and retention of habitat. The amounts paid are amortized over the life of the agreements.

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land and land use rights	$ 3,119,858	1,363,025	2,834,890	1,069,961
Net book value	$ 1,756,833		1,764,929	

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Trade payable	$ 447,206	855,705
Land and land use rights payable	980,008	2,261,616
Fish and Wildlife Enhancement Fund (Note 13)	899,683	741,054
Salaries and vacation payable	418,574	300,879
GST payable	43,711	123,672
	$ 2,789,182	4,282,926

9. DEFERRED CONTRIBUTIONS

Operating

Deferred contributions - operating relates to restricted funding received that is related to expenses of future periods. Changes in the deferred contributions - operating are as follows:

	NAWMP	SHELTERBELT	2025	2024
Balance, beginning of year	$ 7,633,485	2,555,387	10,188,872	14,995,975
Revenue recognized in the year	(2,461,633)	(564,617)	(3,026,250)	(3,262,753)
Contributions received	6,103,773	-	6,103,773	3,010,252
Interest earned on funds	-	36,029	36,029	68,660
Transfers to deferred contributions - capital	(1,427,770)	-	(1,427,770)	(4,623,262)
Balance, end of year	$ 9,847,855	2,026,799	11,874,654	10,188,872

Future Capital

Deferred contributions - future capital relates to the future acquisition of land and land use rights. Changes in the deferred contributions - future capital are as follows:

	2025	2024
Balance, beginning of year	$ 3,280,841	3,410,357
Transfers from deferred contributions - operating	1,427,770	4,623,262
Purchases	(4,070,576)	(4,501,768)
Amortization of deferred contributions	(293,423)	(251,010)
Balance, end of year	$ 344,612	3,280,841

10. GROUP REGISTERED PENSION PLAN (RPP) EMPLOYEE BENEFITS

Under the terms of the Organization's RPP program, employee contributions to RPP's are matched by the Organization on a current basis. As a result, the Organization has no future pension benefit liability to employees. The plan is accounted for as a defined contribution plan. The amount paid by the Organization as of December 31, 2025, was $89,093 (2024 - $82,820). All funds contributed to the RPP are paid to and administered by Canada Life.

11. DEFERRED CONTRIBUTIONS - ADMINISTRATION

Deferred contributions - administration relates to restricted funding received from The Winnipeg Foundation to cover the costs incurred by the Organization on behalf of administering the Trusts.

Changes in the deferred contributions - administration are as follows:

	2025	2024
Balance, beginning of year	$ -	722,059
Contributions received	-	1,738,282
MHC administration fees	-	(1,738,282)
Revenue recognized	-	(722,059)
Balance, end of year	$ -	-

12. COMMITMENTS

Leases

The Organization has operating leases for three office locations and office equipment. The minimum annual lease payments for the next five fiscal years ending December 31 are as follows:

2026	$ 93,766
2027	82,624
2028	84,565
2029	86,991
2030	87,898
Thereafter	200,245
	$ 636,089

13. FISH AND WILDLIFE ENHANCEMENT FUND

On April 1, 2021, the Organization established an agreement with The Government of Manitoba ("Manitoba") to manage the grant-making responsibility under the Fish and Wildlife Enhancement Fund (FWEF). The agreement will continue until March 31, 2026. The FWEF was originally established on March 1, 2014. In 2020, there was a contribution of $20,000,000 provided to The Winnipeg Foundation where the funds still reside. The purpose of the FWEF is to support activities that enhance the sustainable use and management of legally harvestable fish and wildlife populations within Manitoba.

During the year, the Organization charged an administration fee of $218,128 (2024 - $113,545), which is recorded in other revenue on the Statement of Operations. As part of the agreement, the Organization acts as an administrator for Manitoba by collecting funds from The Winnipeg Foundation and paying grants to recipients, resulting in amounts recorded on the Organization's Statement of Financial Position.

14. INTERNALLY RESTRICTED FUND BALANCES FOR LAND MANAGEMENT AND LEGAL FUND

In 2011, the Organization established an internally restricted fund, funded by non-government revenue, to fund future cash outlays for legal fees required to defend its land and land-use rights interests, as well as future management costs associated with these lands and interests. The industry standard is to set aside 15% of historical asset acquisition costs for this purpose, which would be estimated to be $7,241,034 at December 31, 2025 (2024 - $6,746,723) for the Organization.

The changes in the internally restricted fund balances during the year are as follows:

	2025	2024
Balance, beginning of year	$ 2,546,331	1,879,923
Interfund transfer	536,805	666,408
	$ 3,083,136	2,546,331

15. TRUST ASSETS AND LIABILITIES FOR CRITICAL WILDLIFE HABITAT PROGRAM

The Organization provides support to the Wildlife Branch of Natural Resources and Indigenous Futures for the Critical Wildlife Habitat Program (CWHP).

The Organization holds the title to a portfolio of land and provides banking and financial services for CWHP funds held in trust. A management fee is allowed, under the agreement, to be charged by the Organization to the CWHP for these services. Disbursements from the funds held in trust are made at the direction of the Wildlife Branch. These amounts are not presented in the Statement of Financial Position of the Organization.

Trust assets held by the Organization on behalf of this program as at period end are as follows:

	2025	2024
Current Assets	$ 1,992,502	2,022,465
Land Portfolio	241,214	241,214
	$ 2,233,716	2,263,679

The Organization charged $104,212 of management fees for services for the year ended December 31, 2025 (2024 - $nil).

16. FINANCIAL RISK MANAGEMENT

(a) Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they come due. Financial liabilities consist of accounts payable and accrued liabilities. Accounts payable and accrued liabilities are paid in the normal course of business and, except under certain exceptions, no later than one month.

The Organization's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due. At December 31, 2025, the Organization had a cash balance, including externally restricted cash, of $30,422,021 (2024 - $23,602,608) and financial liabilities of $2,789,182 (2024 - $4,282,926). Management continues to monitor and maintain adequate levels of working capital and expenditures to mitigate liquidity risk.

(b) Credit Risk

The Organization is exposed to credit risk through the possibility of non-collection of its accounts receivable. The majority of the Organization's receivables are from government entities, which minimizes the risks of non-collection. The Organization also ensures it meets all eligibility criteria for the amounts to ensure it will collect the outstanding amounts.

(c) Currency Risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The functional currency of the Organization is the Canadian dollar. The Organization occasionally transacts in foreign currencies when certain revenues and expenses are denominated in those currencies, or to source certain purchases and services outside of Canada.

The Organization mitigates its currency risk exposure by having a bank account that is denominated in other currencies.

16. FINANCIAL RISK MANAGEMENT (Continued)

(d) Market Risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk of currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investments in the grant funds held in trust.

17. TRUST ASSETS AND LIABILITIES

	2025	2024
Assets		
Cash	$ 23,838,361	17,260,984
Accounts receivable	1,793,839	1,346,048
Prepaid expenses	59,171	81,925
Grant funds held in trust	9,493,394	15,582,350
Shelterbelt Project Funds	2,241,666	2,590,771
	$ 37,426,431	36,862,078
Liabilities		
Accounts payable and accrued liabilities	$ 1,278,609	1,193,420
Grants payable	22,544,107	21,295,265
Deferred contributions - operating	2,026,799	2,555,386
Due to program	492,617	646,763
Deferred contributions available for granting	11,084,299	11,171,244
	$ 37,426,431	36,862,078

18. COMPARATIVE FIGURES

Certain of the comparative figures have been restated to reflect the financial statement presentation adopted for the current year.

MANITOBA HABITAT CONSERVANCY
SCHEDULE OF EXPENSES
YEAR ENDED DECEMBER 31, 2025

	2025	2024
Conservation Trusts		
GROW Trust - GT	$ 5,669,236	7,114,014
Conservation Trust - CT	2,842,292	2,936,072
Wetland GROW Trust - WGT	2,002,200	2,503,750
	10,513,728	12,553,836
Administrative Expenses		
Salaries and benefits	3,219,303	2,900,005
Other	335,306	548,659
Professional fees	219,415	150,540
Bad debt	182,472	719,858
Office expenses	180,981	291,924
Staff supports	174,740	210,630
Rent	146,308	165,547
Communication	144,409	220,222
Amortization of tangible capital assets	64,641	13,153
Donations	20,000	-
Board expenses	6,512	9,580
	4,694,087	5,230,118
Conservation Program		
Shelterbelt project	465,478	272,340
Habitat development	313,990	340,879
Land securement	293,064	246,942
Evaluation	230,335	140,957
Nest structures	114,795	46,798
Field operations	110,508	61,653
Property taxes	82,684	72,179
	1,610,854	1,181,748
	$ 16,818,669	18,965,702