GWAII TRUST SOCIETY
Financial Statements
December 31, 2025

Campbell River: 980 Alder Street
Campbell River, BC, V9W 2P9
Tel 250.286.0744 **Fax** 250.286.1067

Comox Valley: 201 – 1532 Cliffe Ave
Courtenay, BC, V9N 2K4
Tel 778.225.1010 **Fax** 778.225.1011

INDEPENDENT AUDITORS' REPORT

To the Directors of Gwaii Trust Society,

Qualified Opinion

We have audited the financial statements of Gwaii Trust Society (the "Society"), 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies (the "financial statements").

In our opinion, except for the possible 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 financial position of the Society as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

Basis for Qualified Opinion

The terms of the Athlii Gwaii Legacy Trust (Winding Up) Act (the "Act") as passed permit that funds that were previously restricted within the Athlii Gwaii Legacy Trust ("AGLT") be transferred from AGLT to the Society during the year ending December 31, 2024. Per the terms of AGLT's Deed of Trust, the endowment, which was transferred to the Society, was to have the inflationary adjustment calculated on the basis of the entire assets of AGLT, since the inception of AGLT, as opposed to the adjustments that were undertaken by AGLT whereby only the original capital contribution received by AGLT and the accumulated inflation on it were adjusted for inflation annually.

The financial statements of the Society present the restricted net assets of the AGL Fund as the Society believes was intended, which is consistent with the presentation of the net assets of the general fund of the Society. This presentation is not in compliance with the Deed of Trust, and therefore the Act. The Society has not determined the amount of assets in the AGL fund that would be restricted if the Society were to adhere to the terms of the Act as it is presently worded, and as a result the amount of restricted net assets presented on the financial statements under the AGL fund is materially understated at December 31, 2025 in an amount that has not been determined.

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 Financial Statements section of our report. We are independent of the Society 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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 Society’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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society’s financial reporting process.

Auditors' 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 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 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 Society'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 Society'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 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 Society 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.

CNB

Chartered Professional Accountants
Campbell River, BC

May 11, 2026

GWAII TRUST SOCIETY

Statement of Financial Position

December 31, 2025

	Gwaii Trust	Athlii Gwaii Legacy	2025	2024
ASSETS				
Current Assets				
Cash	$ 1,254,426	$ 1,975,336	$ 3,229,762	$ 4,907,164
Accounts Receivable	1,957	-	1,957	1,904
Investment Income Receivable	311,875	207,942	519,817	458,432
Prepaid Expenses	5,016	-	5,016	16,704
Due From AGL Fund	87,200	-	87,200	34,347
	1,660,474	2,183,278	3,843,752	5,418,551
Long Term Investments (Notes 4, 5)	103,769,250	74,836,460	178,605,710	168,577,822
Tangible Capital Assets (Note 6)	267,055	-	267,055	165,173
Other Assets (Note 7)	31,681	-	31,681	32,060
	$105,728,460	$ 77,019,738	$182,748,198	$174,193,606
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Liabilities	$ 166,541	$ 34,333	$ 200,874	$ 260,196
Due to Related Party **(Note 8)**	358,140	-	358,140	208,487
Due to General Fund	-	87,200	87,200	34,347
	524,681	121,533	646,214	503,030
Program Funding Payable (Note 9)	3,609,928	-	3,609,928	4,322,458
Due to Investment Partners (Note 10)	662,758	-	662,758	612,283
	4,797,367	121,533	4,918,900	5,437,771
NET ASSETS				
Unrestricted	25,403,117	40,914,246	66,317,363	59,951,962
Internally Restricted (Note 11)	75,229,240	35,983,959	111,213,199	108,606,640
Invested in Tangible Capital Assets and Other Assets (Note 12)	298,736	-	298,736	197,233
	100,931,093	76,898,205	177,829,298	168,755,835
	$105,728,460	$ 77,019,738	$182,748,198	$174,193,606

Approved by the Directors:

Maureen Bailey
Director

Lisa Hageman
Director

GWAII TRUST SOCIETY

Statement of Changes in Net Assets

Year ended December 31, 2025

	Gwaii Trust			Athlii Gwaii Legacy			
	Unrestricted	Restricted	Invested in Tangible Capital Assets and Other Assets (Note 12)	Unrestricted	Restricted	2025	2024
Net Assets - Beginning of Year	$ 24,035,365	$ 73,466,055	$ 197,233	35,916,597	35,140,585	$168,755,835	$ 87,688,568
Transfer from AGLT	-	-	-	-	-	-	35,198,215
Excess (Deficiency) of Revenues over Expenses	3,249,305	-	(16,865)	5,841,023	-	9,073,463	45,869,052
Investment in Tangible Capital Assets (Note 12)	(118,368)	-	118,368	-	-	-	-
Grant Inflation Protection (Note 11)	(1,763,185)	1,763,185	-	(843,374)	843,374	-	-
Net Assets - End of Year	$ 25,403,117	$ 75,229,240	$ 298,736	$ 40,914,246	$ 35,983,959	$177,829,298	$168,755,835

GWAII TRUST SOCIETY

Statement of Operations
Year ended December 31, 2025

	Gwaii Trust	Athlii Gwaii Legacy	2025	Budget 2025	2024
Revenue					
Investment Income **(Note 13)**	$ 9,831,689	$ 6,516,531	$ 16,348,220	$ 9,335,000	$ 9,077,096
Investment Management and Regulatory Expenses					
Actuary and Consultants	42,736	36,655	79,391	49,392	59,489
Investment Management Fees	564,983	389,036	954,019	1,113,002	659,021
Professional Fees	139,128	80,286	219,414	218,400	189,407
	746,847	505,977	1,252,824	1,380,794	907,917
Net Investment Earnings	9,084,842	6,010,554	15,095,396	7,954,206	8,169,179
Administrative Expenditures					
Advertising and Promotion	21,990	9,888	31,878	109,600	26,635
Amortization	16,865	-	16,865	18,075	14,899
Bank Charges	6,219	373	6,592	7,580	6,401
Computer and Internet Costs	37,059	-	37,059	50,400	25,655
Contingency	-	-	-	200,000	-
Honoraria	79,000	-	79,000	112,850	112,875
Insurance	19,675	636	20,311	25,000	20,996
Meetings and Functions	17,797	800	18,597	74,000	20,926
Office and Facility Costs	168,584	-	168,584	89,100	76,373
Repairs and Maintenance	42,307	-	42,307	38,400	27,497
Salaries and Wages	940,826	-	940,826	1,247,015	966,646
Supplies	27,843	1,194	29,037	46,000	50,852
Telecommunications	24,694	-	24,694	27,400	19,665
Training	29,621	-	29,621	38,500	19,068
Travel	95,561	-	95,561	69,400	50,004
	1,528,041	12,891	1,540,932	2,153,320	1,438,492
Administration Fees and Cost Recoveries	-	-	-	-	(206,250)
	1,528,041	12,891	1,540,932	2,153,320	1,232,242
Excess of Revenues over Expenses from Operations	$ 7,556,801	$ 5,997,663	$ 13,554,464	$ 5,800,886	$ 6,936,937

(continued on next page)

Statement of Operations (continued)

Year ended December 31, 2025

	Gwaii Trust	Athlii Gwaii Legacy	2025	Budget 2025	2024
Excess of Revenues over Expenses from Operations	$ 7,556,801	$ 5,997,663	$ 13,554,464	$ 5,800,886	$ 6,936,937
Other Income (Expenditures)					
Other Income	-	-	-	-	1,047
Transfer from AGLT	-	-	-	-	31,600,530
Loss on Disposal of Tangible Capital Assets	-	-	-	-	(10,556)
	-	-	-	-	31,591,021
Excess of Revenues over Expenses Before Program Costs	7,556,801	5,997,663	13,554,464	5,800,886	38,527,958
Program Funding **(Note 14)**	3,212,086	-	3,212,086	9,201,500	2,127,412
Excess (Deficiency) of Revenues over Expenses Before Unrealized Gain on Investments	4,344,715	5,997,663	10,342,378	(3,400,614)	36,400,546
Unrealized Gain (Loss) on Investments	(1,112,275)	(156,640)	(1,268,915)	-	9,468,506
Excess (Deficiency) of Revenue over Expenses	$ 3,232,440	$ 5,841,023	$ 9,073,463	$ (3,400,614)	$ 45,869,052

GWAII TRUST SOCIETY

Statement of Cash Flows

Year Ended December 31, 2025

	2025	2024
Cash Flows From Operating Activities:		
Excess of Revenues over Expenses	$ 9,073,463	$ 45,869,052
Items not involving cash:		
Amortization of Tangible Capital Assets	16,865	14,899
Unrealized Gains on Investments	1,268,915	(9,468,506)
Loss on Disposal of Tangible Capital Assets	-	10,556
	10,359,243	36,426,001
Changes in non-cash working capital		
Prepaid Expenses	11,688	(2,595)
Accounts Receivable	(61,438)	(197,590)
Payments from (Advances to) Athlii Gwaii Legacy Trust	-	137,500
Advances from Haida Gwaii Community Foundation	149,653	58,133
Accounts Payable and Accrued Liabilities	(59,322)	170,849
Program Funding Payable	(712,530)	(2,289,400)
	(671,949)	(2,123,103)
	9,687,294	34,302,898
Cash Flows From Investing Activities:		
Purchase of Tangible Capital Assets	(118,368)	(17,247)
Payments from Investment Partners	50,475	74,596
Purchase of Long Term Investments	(11,296,803)	(32,781,636)
	(11,364,696)	(32,724,287)
Net Increase (Decrease) in Cash	(1,677,402)	1,578,611
Cash - Beginning of Year	4,907,164	3,328,553
Cash - End of Year	$ 3,229,762	$ 4,907,164

Notes to Financial Statements

December 31, 2025

1. Organization and Purpose:

The Gwaii Trust Society (the "Society") is a not-for-profit organization incorporated under the Society Act of British Columbia on September 16, 1994. The Society was established to advise and assist, economically and socially, the communities of Haida Gwaii/the Queen Charlotte Islands. The Federal government awarded the Society a grant of $38.2 million in 1995 to assist the Society to achieve these objectives.

The Society is exempt from tax under Paragraph 149(1)(l) of the Income Tax Act.

2. Significant Accounting Policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The Society segregates its assets, liabilities, revenues, and expenditures by fund for accounting and reporting purposes:

Gwaii Trust
The Gwaii Trust fund represents the Society's administration and activities relating to the investments originating from the $32.8 million grant awarded to the Society in 1995 by the Federal government. Subsequent to the transfer of the Athlii Gwaii Legacy Trust (AGLT) assets to the Society, management of the assets is undertaken by the general fund employees and management costs may be recovered by the general fund from the Athlii Gwaii Legacy Fund by interfund transfers.

Athlii Gwaii Legacy
The Athlii Gwaii Legacy fund represents the assets transferred from AGLT during the year ending December 31, 2024 (Note 3) and the liabilities, revenues, and expenditures relating to these assets.

Cash
Cash consists primarily of funds deposited in the Society's bank account. Due to the nature of these funds, their carrying amount approximates fair value.

Foreign Currency Translation
Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year.

Realized and unrealized foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

Revenue Recognition
The Society follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred, and unrestricted investment income is recognized as revenue when earned.

2. Significant Accounting Policies (continued):

Program Funding
Program funding for approved projects is recorded as a program funding expense and related program funding liability at the time of project approval. Any subsequent adjustments or reductions in the specific program funding amounts are recorded as program de-commitments when the final funding amounts become known.

Controlled Organization
The Society has chosen not to consolidate the organization it controls and instead disclose select financial information about the resources of the controlled organization.

Measurement Uncertainty
The preparation of financial statements in accordance with ASNPO 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 revenues and expenditures during the reporting period. Those estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Financial Instruments
Measurement of financial instruments
The Society measures its financial assets and liabilities at fair value when acquired or issued. The Society subsequently measures financial assets with actively traded markets at fair value, with any unrealized gains or losses reported in net income. All other financial instruments are reported at amortized cost. Transaction costs on the acquisition, sale, or issuance of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash and some investments held in private placement limited partnerships. Financial liabilities measured at amortized cost include accounts payable. Financial assets measured at fair value at year-end include investments and accounts receivable.

Impairment
Financial assets measured at cost are tested for impairment at each reporting date. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, provided it is 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 net income.

Tangible Capital Assets
Tangible capital assets are recorded at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives using the straight line method over the following periods:

Buildings	30 years
Computer Equipment	5 years
Computer Software	5 years
Furniture and Fixtures	5 years

Other Assets
The Society has entered into a ninety-nine year land lease for the Massett, BC office property. This lease is being amortized on a straight-line basis over the term of the lease.

3. Controlled Not-For-Profit Organization:

The Athlii Gwaii Legacy Trust ("AGLT") is controlled by the Society, as the trustees of AGLT are comprised of three executive members of the Society's Board.

AGLT began in 1988 as the South Moresby Forest Replacement Account (SMFRA), which was endowed $24 million by the Federal and Provincial governments for the purpose of reducing the negative effects on timber supply and forest jobs caused by the creation of Gwaii Haanas National Park Reserve and Haida Heritage Site. During 2007, the SFMRA was turned over to the communities of Haida Gwaii to be managed under the same model as the Gwaii Trust Society through the then named Gwaii Forest Charitable Trust. This trust was later renamed Athlii Gwaii Legacy Trust. AGLT is a non-profit organization under the Income Tax Act and is accordingly exempt from income taxes.

During the year ending December 31, 2024, the assets, liabilities, and operations of AGLT were transferred to the Society, rendering AGLT non-operational. It is intended that AGLT be dissolved within the next three years; the assets, liabilities, and operations of AGLT subsequent to the transfer to the Society are presented as a separate fund in these financial statements.

The statement of financial position as at December 31, 2025 and the statements of revenues and expenses and cash flows for the year ending December 31, 2025 of AGLT presented nominal amounts as AGLT is now inactive; all assets and liabilities of AGLT and resulting income and expenses have been transferred to the Society during the year ending December 31, 2024.

4. Long Term Investments:

	2025		2024	
	Cost	Market	Cost	Market
Cash	$ 52,866	$ 52,866	$ 83,217	$ 83,217
Direct Lending	13,658,456	13,658,456	14,025,953	14,025,953
Bonds	21,861,846	21,749,845	22,059,645	22,192,297
Canadian Equities	7,998,589	11,144,903	8,260,503	9,653,913
Global Equities	51,011,229	62,447,327	44,655,518	57,819,977
Commercial Mortgages	7,591,645	7,898,114	7,591,645	7,857,968
Equities - REITs	5,609,358	14,904,477	5,721,760	16,005,327
Infrastructure	46,749,722	46,749,722	40,939,170	40,939,170
	$154,533,711	$178,605,710	$143,337,411	$168,577,822

5. Statement of Investment Policies and Procedures:

The Society's investment strategies are guided by the Statement of Investment Policies and Procedures (the "SIPP"). The SIPP has been written in order to assist the Board in establishing the guidelines for the investment of the Society's assets and in monitoring and evaluating the investment performance achieved by the Society. A summary of the investment guidelines outlined in the SIPP and the portfolio's asset mix at December 31, 2025 is as follows:

	Portfolio Value		% of Portfolio		Current SIPP %		
	Cost	Market	Cost	Market	Min.	Target	Max.
Canadian Equities	$ 7,998,589	$ 11,144,903	5%	6%	-%	5%	10%
Global Equities	51,011,229	62,447,327	33%	36%	20%	30%	40%
Total Equities	59,009,818	73,592,230	38%	42%	20%	35%	50%
Bonds	21,861,846	21,749,845	14%	12%	5%	10%	15%
Commercial Mortgages	7,591,645	7,898,114	5%	4%	-%	5%	10%
Direct Lending	13,658,456	13,658,456	9%	8%	-%	10%	15%
Total Fixed Income	43,111,947	43,306,415	28%	24%	5%	25%	40%
Real Estate	5,609,358	14,904,477	4%	8%	5%	10%	22%
Infrastructure	46,749,722	46,749,722	30%	26%	-%	30%	40%
Cash	52,866	52,866	-%	-%	-%	-%	10%
Total	$154,533,711	$178,605,710	100%	100%			

Funds that are committed to but not yet invested in illiquid investments such as mortgages, direct lending, real estate, and infrastructure equity are held in a temporary short term bond fund that adheres to the Trust's fossil fuel free investment mandate.

6. Tangible Capital Assets:

	Cost	Accumulated Amortization	2025 Net Book Value	2024 Net Book Value
Buildings	$ 281,151	$ 147,307	$ 133,844	$ 143,404
Computer Equipment	31,188	8,226	22,962	18,309
Computer Software	108,099	-	108,099	-
Furniture and Fixtures	8,400	6,250	2,150	3,460
	$ 428,838	$ 161,783	$ 267,055	$ 165,173

Notes to Financial Statements

December 31, 2025

7. Other Assets:

	2025	2024
Long Term Land Lease	$ 37,500	$ 37,500
Accumulated Amortization	(5,819)	(5,440)
	$ 31,681	$ 32,060

8. Due To Related Party:

Balances due to related party consist of matching grants owed to the Haida Gwaii Community Foundation (HGCF) by the Society as well as investment income on those matching grants, offset by expenses paid by the Society on behalf of HGCF.

- Grant Matching: $120,820 (2024 - $36,228)
- Investment Income Allocation: $22,663 (2024 - $21,905)
- Expenses Paid on Behalf of HGCF: $450 (2024 - $6,619)

The balance due to the HGCF is unsecured, non-interest bearing and repayable on demand.

9. Program Funding Payable:

The Society funds projects that are in general agreement with its aims and objectives. The balance outstanding represents projects approved and committed to by the Board which had not been completed as at year end.

	2025	2024
Committed Balance - Beginning of Year	$ 4,322,458	$ 6,611,858
Current Project Funding Allocations	3,448,090	2,524,558
	7,770,548	9,136,416
Project Costs Paid During the Year	(3,924,616)	(4,416,812)
Current Project Decommitments and Adjustments	(236,004)	(397,146)
Committed Balance - End of Year	$ 3,609,928	$ 4,322,458

10. Due to Investment Partners:

The Tl'azt'en First Nation (the "Nation") had invested funds with the Society which were and are included in the Society's investment portfolio. This allowed the Nation to access the investment management services available to the Society and reduces fees paid by all investors due to preferential rates applicable to a larger portfolio.

The annual return for the Society of 7.93% (2024 - 13.81%) has been applied to the investor funds and prorated based on timing of redemptions.

	2025	2024
Balance - Beginning of Year	$ 612,283	$ 537,687
Investment Partners' Share of Income (Loss)	54,120	77,813
Investment Partners' Share of Fees	(3,645)	(3,217)
Balance - End of Year	$ 662,758	$ 612,283

11. Restricted Net Assets:

The Society's restricted net assets presented under the General Fund represents the initial endowment of $38,200,000 received by the Society from the Government of Canada. The amount is adjusted annually by the inflation rate for the year to protect the value of the original grant for future generations. The amount received has been established as a perpetual investment fund and, as such, the original endowment with the accumulated inflation adjustments can never be touched, allocated, or expended.

During the year ending December 31, 2024, the net assets of AGLT were transferred to the Society pursuant to the Athlii Gwaii Legacy Trust (Winding Up) Act (the "Act"), which received Royal Assent on March 14, 2024. AGLT's initial endowment of $24,000,000 received from the Government of Canada plus its accumulated inflation protection was included in this transfer and has been presented under the AGL Fund as restricted net assets. The amount is adjusted annually by the inflation rate for the year to protect the value of the original grant for future generations. The amount received has been established as a perpetual investment fund and, as such, the original endowment with the accumulated inflation adjustments can never be touched, allocated, or expended. During the year ending December 31, 2025, the Society entered into discussions with the Province of BC and the Federal Government surrounding revising a term of the Act. The terms of the Act detail that the restricted funds received from AGLT were to have the inflationary adjustment calculated on the basis of the entire assets of AGLT, while held by AGLT, as opposed to what was undertaken by AGLT where only the original capital contribution received by AGLT and the accumulated inflation on it were adjusted for inflation annually. The financial statements present the restricted net assets of the AGL Fund as the Society believes was intended, and consistent with the presentation of the net assets of the general fund and Gwaii Trust. This presentation is not in compliance with the Act. As at December 31, 2025, this matter remains in discussions and is anticipated to be resolved subsequent to year-end.

The annual inflation adjustment calculated for the net assets of the General Fund and the AGL Fund is based on the Consumer Price Index (CPI). The change for the current year has been calculated at the published CPI index of 2.4% (2024 - 1.8%) for the year.

12. Net Assets Invested in Tangible Capital Assets and Other Assets:

	2025	2024
Net Assets Invested in Tangible Capital Assets		
Tangible Capital Assets	$ 428,838	$ 310,470
Land Lease	37,500	37,500
Tangible Capital Assets - Accumulated Amortization	(161,783)	(145,297)
Land Lease - Accumulated Amortization	(5,819)	(5,440)
	$ 298,736	$ 197,233
Change in Net Assets Invested in Tangible Capital Assets		
Purchase of Tangible Capital Assets	$ 118,368	$ 17,246
Disposal of Tangible Capital Assets	-	(10,556)
	118,368	6,690
Amortization Expense	(16,865)	(14,899)
	$ 101,503	$ (8,209)

13. Investment Income:

	2025	2024
Interest Received and Accrued	$ 1,112,067	$ 957,597
Dividends Received and Accrued	8,155,899	3,945,100
Realized Gain (Loss) on Disposal of Investments	2,460,729	1,233,100
Income from Direct Limited Partnership Interests	4,692,664	3,037,800
	16,421,359	9,173,597
Investment Partners' Share of Income	(73,139)	(96,501)
	$ 16,348,220	$ 9,077,096

14. Program Funding Allocations:

	Budget	2025	2024
Major Contribution	$ 725,000	$ 713,193	$ 658,940
Food Security Program	330,000	330,000	312,000
Food Sovereignty	50,000	10,000	40,000
All-Island Protocol Table	72,000	40,000	40,000
Arts Program	300,000	299,998	66,068
Kids Camps	150,000	150,000	100,000
Travel Assistance Program	138,000	131,200	117,600
SD #50 Travel Assistance	245,000	245,000	120,000
Staycation	150,000	91,250	-
Continuing Education Grant Program	400,000	304,326	367,141
Community Innovation	-	97,726	108,281
Museum Support	-	-	70,000
High School Scholarships	-	-	120,000
Haida Language	300,000	300,000	220,000
Youth Centred	60,000	28,558	-
Youth Program	70,000	86,889	76,289
Community Events	114,000	80,000	92,300
AGL	6,000,000	459,200	-
Contingency and Special Projects	97,500	80,750	15,939
	9,201,500	3,448,090	2,524,558
Program Decommitments and Adjustments	-	(236,004)	(397,146)
	$ 9,201,500	$ 3,212,086	$ 2,127,412

15. Director Remuneration:

Board members and their respective alternates are reimbursed in the amounts of $150 - $400 per meeting attended in their capacity as board members. During the year Board members were reimbursed a total of $77,200 (2024 - $111,450).

16. Comparative Figures:

The comparative figures have been reclassified to conform with the presentation adopted in the current year.

17. Financial Risks:

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate, and manage these risks.

Liquidity risk
Liquidity risk is the risk that the Society will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements; the Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfil its obligations. There has been no change to the risk exposures during the year ended December 31, 2025.

Market risk
Market risk is the risk that the value of a financial instrument might be adversely affected by changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.

Currency risk
Currency risk is the risk that the value of a financial instrument might be adversely affected by changes in foreign exchange rates. The Society enters into transactions denominated in US dollars for which the related revenues, expenses, accounts receivable, and accounts payable balances are subject to exchange rate fluctuations.

During the year, the value of the Canadian Dollar appreciated by $0.0346 against the US dollar. The Society has significant investments in US dollars.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Society is exposed to interest rate cash flow risk through its investment portfolio.

Other price risk
Other price risk is the risk that the value of a financial instrument might be adversely affected by changes in market prices other than those arising from interest rate risk or 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 Society is exposed to other price risk through its investment in quoted shares.