The Real Estate Foundation of BC
Financial Statements
March 31, 2026

Contents

For the year ended March 31, 2026

Independent Auditor's Report

To the Board of Governors of The Real Estate Foundation of BC:

Opinion

We have audited the financial statements of The Real Estate Foundation of BC (the "Foundation"), which comprise the statement of financial position as at March 31, 2026, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2026, 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 Foundation 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.

Emphasis of Matter - Restated comparative information and change in accounting policy

We draw attention to Note 3 and Note 4 of the financial statements, which explains that certain comparative information presented for the year ended March 31, 2025 has been restated due to a change in the Foundation's accounting policy for investments. As part of our audit of the financial statements for the year ended March 31, 2026, we also reviewed the adjustments applied to restate certain comparative information presented. Based on our review, nothing has come to our attention that causes us to believe that the adjustments are not appropriate and have not been properly applied.

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 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 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation’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 Foundation’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 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 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 Foundation 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.

Vancouver, British Columbia

MNP LLP

June 25, 2026

Chartered Professional Accountants

The Real Estate Foundation of BC
Statement of Financial Position
As at March 31, 2026

	General Fund	Watershed Security Fund	March 31 2026	March 31 2025 Restated - Note 4
Assets				
Current				
Cash and cash equivalents	**1,246,034**	**9,033,116**	**10,279,150**	18,683,237
Trust income receivable	**1,700,726**	**-**	**1,700,726**	970,356
Prepaid expenses	**68,187**	**-**	**68,187**	38,302
Inter-fund receivable	**315,332**	**-**	**315,332**	277,563
Accrued investment interest	**33,816**	**-**	**33,816**	26,316
	3,364,095	**9,033,116**	**12,397,211**	19,995,774
Equipment and leasehold improvements *(Note 5)*	**195,142**	**56,661**	**251,803**	344,322
Investments and loans receivable *(Note 6)*	**64,076,455**	**87,854,690**	**151,931,145**	112,797,168
Long-term restricted cash *(Note 10)*	**-**	**12,105,422**	**12,105,422**	44,624,407
	67,635,692	**109,049,889**	**176,685,581**	177,761,671
Liabilities				
Current				
Accounts payable and accruals	**326,090**	**-**	**326,090**	533,058
Grants payable *(Note 7)*	**14,676,232**	**9,543,359**	**24,219,591**	16,105,189
Inter-fund payable	**-**	**315,332**	**315,332**	277,563
	15,002,322	**9,858,691**	**24,861,013**	16,915,810
Commitments *(Note 8)*				
Net Assets				
Internally Restricted Grant Stabilization Reserve *(Note 9)*	**52,633,370**	**-**	**52,633,370**	53,035,668
Internally and externally Restricted Watershed Security Fund *(Note 10)*	**-**	**99,191,198**	**99,191,198**	107,810,193
	52,633,370	**99,191,198**	**151,824,568**	160,845,861
	67,635,692	**109,049,889**	**176,685,581**	177,761,671

Approved on behalf of the Board

Chair

Toni J. Boot

Vice Chair

The accompanying notes are an integral part of these financial statements

The Real Estate Foundation of BC
Statement of Operations
For the year ended March 31, 2026

	General Fund	Watershed Security Fund	2026	2025 Restated - Note 4
Revenue				
Real estate brokerage trust account income	**14,415,697**	**-**	**14,415,697**	25,517,884
Investment income *(Note 11)*	**6,369,820**	**3,031,748**	**9,401,568**	9,991,734
	20,785,517	**3,031,748**	**23,817,265**	35,509,618
Trust account services charges	**295,979**	**-**	**295,979**	317,227
Gross profit	**20,489,538**	**3,031,748**	**23,521,286**	35,192,391
Expenses				
Salaries and benefits	**1,884,413**	**609,409**	**2,493,822**	2,143,044
Professional fees	**981,824**	**70,837**	**1,052,661**	937,034
Office	**306,683**	**65,951**	**372,634**	294,829
Rent	**192,562**	**22,300**	**214,862**	215,896
Meetings, conferences and travel	**182,793**	**74,733**	**257,526**	162,108
Governors	**108,853**	**7,678**	**116,531**	128,201
Publications and promotions	**88,601**	**49,469**	**138,070**	144,474
Amortization	**71,738**	**29,202**	**100,940**	77,633
Total expenses	**3,817,467**	**929,579**	**4,747,046**	4,103,219
Excess of revenue over expenses before grants	**16,672,071**	**2,102,169**	**18,774,240**	31,089,172
Grants (approved less cancelled)				
General grants	**9,441,883**	**-**	**9,441,883**	9,338,432
Indigenous grant stream grants	**3,532,600**	**-**	**3,532,600**	3,399,900
Watershed security fund	**-**	**11,997,960**	**11,997,960**	4,975,000
Special projects grants	**1,450,000**	**-**	**1,450,000**	1,440,000
	14,424,483	**11,997,960**	**26,422,443**	19,153,332
Other items				
Community engagements	**649,886**	**40,650**	**690,536**	1,114,740
Co-develop grant and expenses	**-**	**682,554**	**682,554**	400,000
	649,886	**723,204**	**1,373,090**	1,514,740
Excess (deficiency) of revenue over expenses	**1,597,702**	**(10,618,995)**	**(9,021,293)**	10,421,100

The accompanying notes are an integral part of these financial statements

The Real Estate Foundation of BC
Statement of Changes in Net Assets
For the year ended March 31, 2026

	General Fund	Watershed Security Fund	2026	2025 Restated - Note 4
Net assets, beginning of year	**53,035,668**	**107,810,193**	**160,845,861**	150,424,761
Excess (deficiency) of revenue over expenses	**1,597,702**	**(10,618,995)**	**(9,021,293)**	10,421,100
Inter-fund transfers *(Note 10)*	**(2,000,000)**	**2,000,000**	**-**	-
Net assets, end of year	**52,633,370**	**99,191,198**	**151,824,568**	160,845,861

The accompanying notes are an integral part of these financial statements

The Real Estate Foundation of BC
Statement of Cash Flows
For the year ended March 31, 2026

	General Fund	*Watershed Security Fund*	*2026*	*2025 Restated - Note 4*
Cash provided by (used for) the following activities				
Operating				
Excess (deficiency) of revenue over expenses	**1,597,702**	**(10,618,995)**	**(9,021,293)**	10,421,100
Amortization	**71,738**	**29,202**	**100,940**	77,633
	1,669,440	**(10,589,793)**	**(8,920,353)**	10,498,733
Changes in working capital accounts				
Trust income receivable	**(730,370)**	**-**	**(730,370)**	1,117,083
Prepaid expenses	**(29,885)**	**-**	**(29,885)**	61,673
Accrued investment interest	**(7,500)**	**-**	**(7,500)**	764,100
Accounts payable and accruals	**(206,966)**	**-**	**(206,966)**	355,504
Inter-fund balances	**(37,769)**	**37,769**	**-**	-
Inter-fund transfers	**(2,000,000)**	**2,000,000**	**-**	-
	(1,343,050)	**(8,552,024)**	**(9,895,074)**	12,797,093
Investing				
Purchase of equipment and leasehold improvements	**(8,423)**	**-**	**(8,423)**	(149,584)
Purchase of investments and loans receivable	**(2,017,667)**	**(37,255,657)**	**(39,133,977)**	(66,431,102)
Payment of grants	**802,793**	**7,311,609**	**8,114,402**	6,508,061
Redemption of GIC investment	**-**	**-**	**-**	20,341,917
Change in restricted cash	**-**	**32,518,985**	**32,518,985**	28,428,226
	(1,223,297)	**2,574,937**	**1,490,987**	(11,302,482)
Increase (decrease) in cash resources	**(2,566,347)**	**(5,977,087)**	**(8,404,087)**	1,494,611
Cash resources, beginning of year	**3,812,381**	**14,870,856**	**18,683,237**	17,188,626
Cash resources, end of year	**1,246,034**	**8,893,769**	**10,279,150**	18,683,237

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

The mission of The Real Estate Foundation of BC (the "Foundation") is to fund projects, build relationships, and share knowledge to advance sustainable, equitable, and socially just land use and real estate practices across British Columbia.

The Foundation was incorporated as a Society under the Real Estate Services Act (BC) and is a not-for-profit organization and thus is exempt from income taxes under the Income Tax Act (the "Act").

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions, and maintains two funds: General Fund and Watershed Security Fund.

The General Fund reports the Foundation’s revenue and expenses related to program delivery and administrative activities.

The restricted Watershed Security Fund (the "WSF") reports the Foundation’s items that are designated to the Watershed Security Fund's activities. See Note 10 for a description of the restricted fund.

The WSF balances are to be held by the Foundation until a new permanent organization is established to host the WSF (Note 10).

Cash and cash equivalents

Cash and cash equivalents include cash, term deposits and marketable securities with maturities of three months or less.

Restricted cash

Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Equipment and leasehold improvements

Purchased equipment and leasehold improvements are recorded at cost. Contributed equipment and leasehold improvements are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

The Foundation performs impairment testing on equipment and leasehold improvements whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying value of equipment and leasehold improvements may not be recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from their use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in operations for the year.

	Method	Years
Computer equipment	straight-line	3 years
Computer software	straight-line	3 years
Office equipment	straight-line	4 years
Leasehold improvements	Term of the lease	6 years
Website	straight-line	3 years

2. Significant accounting policies *(Continued from previous page)*

Investments

Investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment, unless the Foundation elects to subsequently measure the investment at fair value. The Foundation has elected to subsequently measure WSF investments in private funds at fair value (Note 3, Note 4).

Loans receivable

Loans receivable are initially recorded at fair value and subsequently measured at their amortized cost less impairment. Loans are assessed for impairment when conditions indicate that an impairment may have occurred.

Revenue recognition

The Foundation uses the restricted fund method of accounting for contributions. Restricted contributions related to the Watershed Security Fund are recognized as revenue in the year received or receivable if collection is reasonably assured. All other restricted contributions are recognized as revenue of the General Fund in accordance with the deferral method if there is not an appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is comprised of interest earned on investments. Fair value changes in investments are recognized separately and comprise realized and unrealized gains and losses on investments. Investment income earned on investments is recognized as revenue as it is earned.

Grants

A grant is expensed when a commitment has been authorized by the Board of Governors. Multi-year grant agreements are expensed upon acceptance of the initial agreement. Cancelled grants are reversed in the period they are cancelled should any stipulations not be met by the grantee.

Grants up to and including $50,000 awarded by the CEO are expensed at the time of award and reported to the Board of Governors at the next regular quarterly meeting.

Financial instruments

The Foundation recognizes financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

The Foundation subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. WSF investments not quoted in an active market, including investments in private funds, are subsequently measured at fair value. Fair value for these investments is determined based on the net asset value (“NAV”) of the underlying investment, as reported by its fund manager. General Fund investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the statement of operations and grant stabilization reserve for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

2. Significant accounting policies *(Continued from previous page)*

Financial asset impairment

In determining the need for impairment on investments and loans receivable that are in a non-active market, the Foundation makes judgements when monitoring changes in circumstances that would be necessary to revise the carrying value of the investment.

Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract, such as a default or delinquency in interest or principal payments, etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Foundation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Foundation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations in the year in which they become known.

Measurement uncertainty (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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Amortization is based on the estimated useful lives of equipment and leasehold improvements.

3. Change in accounting policy

Effective April 1, 2025, the Foundation changed its accounting policy for investments within the WSF to subsequently measure these investments at fair value, rather than cost less impairment.

This change was made to provide more relevant and timely information regarding the value of the underlying investments to management and the Board of Governors, to better reflect current market conditions and investment performance, and to support the ongoing monitoring and reporting of the WSF investment portfolio, including its potential future development and structure.

The change in accounting policy has been applied retrospectively, with prior year comparative information restated (Note 4). The impact of this change on periods prior to March 31, 2025 has not been determined, as retrospective application for periods before those presented is impracticable.

4. Restatement

During the current year, the Foundation adopted a new accounting policy to subsequently measure privately held investments within the WSF at fair value rather than cost less impairment (see Note 3). As a result of the adoption of this accounting policy, prior year comparatives have been restated. This change increased 2025 excess (deficiency) of revenue over expenses by $350,032 and increased investments and loans receivable by $350,032.

The net effect of the 2025 statement of financial position, statement of operations, statement of changes in net assets, and statement of cash flows were as follows:

	As restated	*Original*
Statement of Financial Position:		
Investments and loans receivable	**112,797,168**	112,447,136
Net assets	**160,845,861**	160,495,829
Statement of Operations and Statement of Change in Net Assets:		
Revenue	**35,509,618**	35,159,586
Excess (deficiency) of revenue over expenses	**10,421,100**	10,071,068
Net assets	**160,845,861**	160,495,829
Statement of Cash Flows:		
Excess (deficiency) of revenue over expenses	**10,421,100**	10,071,068
Purchase of investments and loans receivable	**(66,431,102)**	(66,081,070)

5. Equipment and leasehold improvements

	Cost	***Accumulated amortization***	***2026 Net book value***	*2025 Net book value*
Computer equipment	**117,958**	**92,762**	**25,196**	35,560
Computer software	**101,079**	**64,704**	**36,375**	58,201
Office equipment	**233,667**	**210,387**	**23,280**	34,889
Leasehold improvements	**330,928**	**191,479**	**139,449**	172,917
Website	**80,900**	**53,397**	**27,503**	42,755
	864,532	**612,729**	**251,803**	344,322

6. Investments and loans receivable

	2026	2025
Common stock and equities, at fair value	**31,222,353**	30,482,174
Fixed income securities, at fair value	**28,990,830**	28,911,314
Mutual funds, at fair value	**40,435,262**	40,388,348
Loans receivable, at amortized cost	**300,000**	300,000
Other, at amortized cost	**3,563,272**	2,365,300
Investments in private funds, at fair value	**47,419,428**	10,350,032
	151,931,145	112,797,168

Loans receivable bear interest at 3.00% (2025 - 2.95% to 3.00%). Management determined one investment (2025 - one) to be impaired and recorded an impairment allowance for $50,000 (2025 - $50,000).

7. Grants payable

	2026	2025
Balance, beginning of year	**16,105,189**	9,597,129
Grants authorized	**26,602,145**	19,183,231
Grants cancelled	**(179,702)**	(29,900)
Grants paid	**(18,308,041)**	(12,645,271)
	24,219,591	16,105,189

8. Commitments

The Foundation has a lease agreement for its office premises, expiring May 31, 2030, with estimated minimum annual payments as follows:

2027	126,469
2028	127,890
2029	134,995
2030	136,416
Thereafter	22,736
	548,506

The Foundation is also committed to its share of related operating cost and GST on both lease payments and operating costs.

9. Grant stabilization reserve

In December 2015, the Board of Governors approved a spending policy to determine the annual grants budget. The Grant Stabilization Reserve balance is used to calculate the following year’s grants budget as per the spending policy.

10. Restricted Watershed Security Fund

On March 30, 2023, the Foundation entered into agreement with the Province of BC to receive an externally restricted contribution of $100,000,000, which was received by the Foundation on April 4, 2023. This amount was accounted for in a new restricted fund, the Watershed Security Fund (the "WSF"), and recognized as grant income in 2023 under the restricted fund accounting method. The Province of BC provided the Foundation with this initial investment to kick-start the creation of an independent BC Watershed Security Fund, which will be a new permanent organization separate from the Foundation (the "Permanent Fund"). Eventually the net assets of the WSF will flow to this new independent Permanent Fund, to be co-developed and co-governed with First Nations, and it will be used to create a growing, permanent stream of funding to support watershed projects and initiatives across British Columbia.

At March 31, 2026, the net assets of the WSF are comprised of an externally restricted $99,191,198 (2025 - $102,810,193), and an internally restricted $nil (2025 - $5,000,000). During the year, $2,000,000 was an inter-fund transfer and was used to support the WSF's activities.

The WSF offers a shared opportunity to build relationships and support for communities and organizations doing important work to advance watershed security. The WSF is used to support projects, build relationships, and facilitate the sharing of knowledge to advance sustainable, equitable, and socially just land use and watershed stewardship.

Per the terms of the agreement with the Province of BC on their externally restricted contribution, up to 5% of the value of the WSF's externally restricted net assets is available each year for grants and community projects, and up to 1% of the value of the WSF's externally restricted net assets is available each year for administrative and operational costs, in addition to investment management fees. Additionally, the agreement allows for the use of up to $5,000,000 (2025 - $5,000,000) of the Province of BC's contribution to support co-development of the Permanent Fund, of which $3,278,346 (2025 - $3,960,900) is still available at March 31, 2026. Therefore combined with the inter-fund transfer, a total of $9,033,116 (2025 - $14,870,856) of the WSF's cash and cash equivalents has been presented as current at March 31, 2026, and a balance of $12,105,422 (2025 - $44,624,407) of the WSF's cash and cash equivalents has been presented as long-term restricted cash.

As of March 31, 2026, there was co-development grants and expenses of $682,554 (2025 - $400,000). Additionally, the WSF awarded grants of $11,997,960 (2025 - $4,975,000) during the year. The Foundation will continue to support watershed security projects and initiatives in fiscal year 2027.

11. Investment income

	2026	*2025*
Dividend and interest income	**8,925,451**	9,629,271
Management fees and custodial fees	**(617,337)**	(263,901)
Unrealized gains on investments held at fair value	**1,093,454**	626,364
	9,401,568	9,991,734

12. Financial instruments

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

Credit risk is the risk of loss arising from the failure of a counterpart to fully honor its financial obligation with the Foundation, including its inability or unwillingness to pay borrowed principal and interest when they come due. Credit risk can also lead to losses when issuers and debtors are downgraded by credit rating agencies, usually leading to a fall in the market value of the debtor's obligation. The Foundation has put in place investment policies and procedures, which are reviewed annually, with established investment criteria designed to manage credit risk by setting limits to credit exposure through quality, quantity and diversification guidelines set out in the Investment Policy and by monitoring compliance to those guidelines. The credit quality of financial assets is generally assessed by reference to external credit ratings. The Foundation's most significant credit risk exposure arises from its investments in interest bearing securities.

As at March 31, 2026, the Foundation had fixed income securities with a market value of $28,990,830 (2025 - $28,911,314) with credit risk exposure.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the 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. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through investing in substantially distributed investments, on a long-term basis, among several classes of assets to reduce exposure to investment volatility.

As at March 31, 2026, the Foundation had fixed income securities with a market value of $28,990,830 (2025 - $28,911,314) with interest rate risk exposure. The Foundation is also exposed to interest rate risk with respect to its real estate brokerage trust account income, which is a significant component of the Foundation's revenue and can vary significantly based on changes in market interest rates.

Liquidity risk

Liquidity risk refers to the risk that the Foundation will not be able to meet cash requirements in a timely and cost effective manner and may depend on the speed and ease with which a financial asset can be sold and converted into cash.

Most securities held can be sold easily and at a fair price. In highly volatile markets, such as in periods of sudden interest rate changes, certain securities may become less liquid, which means they cannot be sold as quickly or easily. Some securities may be illiquid because of legal restrictions, the nature of the investment, certain features, like guarantees or a lack of buyers interested in the particular security or market. Difficulty in selling securities may result in higher volatility, a loss or reduced return, which can cause constraints on liquidity and access to capital.

The Foundation manages liquidity risk by maintaining an adequate amount of liquid assets with varying maturities in order to ensure that the Foundation can meet all of its financial obligations as they fall due.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation has underlying investments in US equities denominated in Canadian dollars of $28,808,221 (2025 - $29,237,261) and investments in underlying international equities denominated in Canadian dollars of $13,414,612 (2025 - $12,727,316) at March 31, 2026.

12. Financial instruments *(continued from previous page)*

Market Risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Global financial markets have been in turmoil so far in 2026, creating volatility and market instability which can expose the Foundation to extreme fluctuations in asset prices.

As at March 31, 2026, the Foundation had fixed income securities with a value of $28,990,830 (2025 - $28,911,314), equity investments with a value of $31,222,353 (2025 - $30,482,174), mutual funds with a value of $40,435,262 (2025 - $40,388,348, and investments in private funds of $47,419,428 (2025 - $10,210,685) with market risk exposure.

Sensitivity analysis

If interest rates at that date had been 1% higher (1% lower), with all other variables held constant, as a result of an increase (decrease) in the fair value of these fixed rate investments, the net assets of the Foundation for the years ended March 31, 2026 and March 31, 2025 would have increased (decreased) by $289,908 ($289,908) (2025 - $289,113 ($289,113)).