

Financial Statements of
[expressed in Canadian dollars]

DUCKS UNLIMITED CANADA

March 31, 2025



Independent auditor's report

To the Directors of Ducks Unlimited Canada

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ducks Unlimited Canada (DUC) as at March 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.

What we have audited

DUC's financial statements comprise:

- the statement of financial position as at March 31, 2025;
- the statement of revenue and expenses and changes in unrestricted net assets for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of DUC in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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

PricewaterhouseCoopers LLP
Richardson Building, 1 Lombard Place, Suite 2300, Winnipeg, Manitoba, Canada R3B 0X6
T.: +1 204 926 2400, F.: +1 204 944 1020, Fax to mail: ca_winnipeg_main_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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

Those charged with governance are responsible for overseeing DUC'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 DUC'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 DUC'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 DUC 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Winnipeg, Manitoba
June 21, 2025

DUCKS UNLIMITED CANADA

Statement of Financial Position
(Expressed in thousands of Canadian dollars)

As at March 31

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,158	\$ 21,141
Accounts receivable (notes 15)	18,817	31,912
Project materials, prepaid expenses, and deposits	2,742	1,817
Short-term investments (note 4)	2,814	15,035
	31,531	69,905
Investments (note 4)	173,922	174,796
Property, plant, and equipment, net of accumulated amortization (note 5)	31,348	12,545
Land held for resale (note 6)	19,055	14,376
Conservation lands (note 7)	239,530	222,519
	\$ 495,386	\$ 494,141
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (notes 14 and 15)	10,607	9,910
Revolving loans (note 8)	17,757	15,392
Derivative liability (note 19)	1,351	128
Deferred contributions from Ducks Unlimited, Inc. (note 3)	1,938	4,806
Current portion of unearned revenue	3,371	3,347
Current portion of deferred contributions (note 9)	11,139	14,624
	46,163	48,207
Unearned revenue	3,140	4,126
Deferred contributions (note 9)	11,679	1,797
Accrued pension and post-employment benefits obligations (note 10)	13,064	11,766
	74,046	65,896
Commitments (note 14)		
Net assets to support conservation activities:		
Internally restricted (note 11)	180,753	184,870
Invested in land held for resale, property, plant, and equipment and conservation lands (note 12)	259,362	231,115
Unrestricted	(18,775)	12,260
	421,340	428,245
	\$ 495,386	\$ 494,141

See accompanying notes to financial statements.

On behalf of the Board:

Patrick O'Connor
President



Sara Penner
Treasurer



DUCKS UNLIMITED CANADA

Statement of Revenue and Expenses and Changes in Unrestricted Net Assets
(Expressed in thousands of Canadian dollars)

Year ended March 31

	2025	2024
Revenue:		
Grant revenue (notes 6 and 16)	\$ 94,537	\$ 95,755
Program and other (note 15)	17,261	20,783
Fundraising revenue (note 17)	14,507	12,031
Investment income	17,911	23,646
	144,216	152,215
Expenses (note 20):		
Conservation program (notes 8 and 15)	103,756	105,200
Fundraising	5,304	5,567
Administration (note 15)	10,941	8,478
Extraordinary write-off of accounts receivable (note 16)	31,035	-
	151,036	119,245
Surplus (deficit) of revenue over expenses for the year	(6,820)	32,970
Transfers from unrestricted net assets (note 13)	(24,215)	(32,960)
Change in unrestricted net assets	(31,035)	10
Opening balance, unrestricted net assets	12,260	12,250
Closing balance, unrestricted net assets	\$ (18,775)	\$ 12,260

See accompanying notes to financial statements.

DUCKS UNLIMITED CANADA

Statement of Changes in Net Assets

(Expressed in thousands of Canadian dollars)

	Internally restricted (note 11)	Invested in land held for resale, property, plant, and equipment and conservation lands (note 12)	Unrestricted (note 13)	Total
Balance, March 31, 2023	\$ 161,785	\$ 212,718	\$ 12,250	\$ 386,753
Surplus of revenue over expenses for the year	\$ -	\$ -	\$ 32,970	\$ 32,970
Pension remeasurement and valuation allowance (note 10)	7,706	-	-	7,706
Internally imposed restrictions (note 11(b))	15,379	-	(15,379)	-
Invested in land held for resale, property, plant, and equipment and conservation lands (note 12)	-	17,581	(17,581)	-
Donated land and equipment (notes 7 and 12)	-	816	-	816
Balance, March 31, 2024	\$ 184,870	\$ 231,115	\$ 12,260	\$ 428,245
Surplus of revenue over expenses for the year	\$ -	\$ -	\$ (6,820)	\$ (6,820)
Pension remeasurement and valuation allowance (note 10)	(1,812)	-	-	(1,812)
Internally imposed restrictions (note 11(b))	(2,305)	-	2,305	-
Invested in land held for resale, property, plant, and equipment and conservation lands (note 12)	-	26,520	(26,520)	-
Donated land and equipment (notes 7 and 12)	-	1,727	-	1,727
Balance, March 31, 2025	\$ 180,753	\$ 259,362	\$ (18,775)	\$ 421,340

See accompanying notes to financial statements.

DUCKS UNLIMITED CANADA

Statement of Cash Flows

(Expressed in thousands of Canadian dollars)

Year ended March 31

	2025	2024
Cash provided by (used in):		
Operating activities:		
Surplus of revenue over expenses for the year	\$ (6,820)	\$ 32,970
Adjustments for items not affecting cash:		
Depreciation and amortization	1,148	998
Amortization of deferred contributions related to property, plant, and equipment	(229)	(176)
Gain on disposal of property, plant, and equipment	(210)	(33)
Loss on disposal of land held for resale	1,104	1,783
Gain on disposal of conservation lands	(141)	-
Non-cash pension and post-employment benefit expense	926	2,132
Net change in realized and unrealized loss (gain) on investments	(14,005)	(19,754)
Net change in unrealized gain (loss) on derivative financial instruments	1,223	(169)
Write-off of accounts receivable	31,035	-
Employer contributions to pension	(1,440)	(1,763)
Net change in non-cash working capital (note 18)	(25,483)	(5,593)
	(12,892)	10,395
Investing activities:		
Contributions to investments	(40,345)	(23,206)
Proceeds from disposal of investments	67,445	33,893
Purchase of conservation lands	(14,517)	(13,939)
Proceeds from disposal of conservation lands	224	-
Purchase of land held for resale	(10,914)	(6,874)
Proceeds from disposal of land held for resale	4,281	5,858
Purchase of property, plant, and equipment	(19,951)	(6,032)
Proceeds from sale of property, plant, and equipment	210	37
	(13,567)	(10,263)
Financing activities:		
Contributions restricted for purchase of property, plant, and equipment	10,111	-
Proceeds from revolving loans	9,675	8,969
Repayment of revolving loans	(7,310)	(8,542)
	12,476	427
Net (decrease) increase in cash and cash equivalents during the year	(13,983)	559
Cash and cash equivalents, beginning of year	21,141	20,582
Cash and cash equivalents, end of year	\$ 7,158	\$ 21,141

See accompanying notes to financial statements.

DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

1. General:

Ducks Unlimited Canada ("DUC") is a registered charity under the Canadian *Income Tax Act*. DUC is an internationally supported, private, conservation company incorporated under the *Canada Not-for-profit Corporations Act*.

DUC's mission is to conserve, restore and manage wetlands and associated habitats for North America's waterfowl. These habitats also benefit other wildlife and people.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies described below.

(a) Revenue recognition:

DUC follows the deferral method of accounting for contributions.

Contributions received with external restrictions are deferred until the related obligations are met. Unrestricted contributions are recorded as revenue when received.

Externally restricted contributions for non-capital items are initially deferred when recorded in the accounts and recognized as revenue in the year in which the related expenses are incurred. Project funding by way of grant or cost sharing arrangement, for the purposes of developing or enhancing particular projects, is recognized as revenue when all conditions related thereto have been satisfied.

Contributions that are externally restricted for the purpose of depreciable capital asset acquisitions or construction are deferred when initially recorded in the accounts and are amortized to revenue over the estimated useful life of the respective capital assets on a straight-line basis.

Contributions that are externally restricted solely for the purpose of non-depreciable capital asset acquisitions including conservation lands are recorded directly to net assets.

In-kind contributions are recorded at fair market value on the date of contribution.

DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

2. Significant accounting policies (cont'd):

Revenue from fundraising events is recognized when received from the volunteer committee. Revenue from the sale of merchandise is recognized when merchandise is picked up or shipped to the customer, collection is reasonably assured and the value of the sale is known.

Program revenue includes amounts earned through land and water leases and haying and grazing agreements as well as conservation restoration and related services contracts. DUC recognizes revenue from land and water leases and haying and grazing agreements over the period to which the agreement relates when collection is reasonably assured and the amount of revenue is measurable. Conservation restoration and related services revenue is recognized based on the percentage of work completed towards fulfilling the contractual obligations under the agreement, when the value of the revenue is measurable and collection is reasonably assured.

Investment income includes dividend and interest income, income distributions from pooled funds and equity, and realized and unrealized gains and losses, and is recorded net of transaction costs, which are expensed as incurred. Investment income earned is recognized as revenue on the statement of revenue and expenses and changes in unrestricted net assets.

(b) Conservation program expenses:

The ongoing conservation activities of DUC focus on the continual preservation and maintenance of wetlands and associated waterfowl habitats in Canada, through restoration and maintenance of such areas, and through public education and research. Waterfowl habitat enhancement and restoration costs are treated as an expense in the year the costs are incurred, and consist of project development, construction, and maintenance of the habitat areas through conservation easements, leases, and rights of way.

Conservation easements are legal agreements entered into by DUC under which a landowner agrees to restrict or limit the type and amount of development that may take place on their land to conserve its natural habitat. Once registered on title, that agreement runs with the title and binds all future owners. Conservation easements are not capitalized.

(c) Cash and cash equivalents:

Cash and cash equivalents include funds on deposit and short-term investments with maturities less than 90 days at date of purchase. Cash and investments meeting the definition of cash held for investing rather than liquidity purposes are classified as investments.

DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

2. Significant accounting policies (cont'd):

(d) Project materials:

Project materials are valued at the lower of cost and replacement cost, with cost determined at average cost.

(e) Land held for resale:

Land held for resale is recorded at the lower of cost and estimated amount recoverable from its sale. The land is sold once the conservation easement is in place, and the funds are used to reinvest in other lands within DUC priority areas.

(f) Property, plant, and equipment:

Purchased property, plant, and equipment are recorded at cost. Contributed property, plant, and equipment are recorded at appraised values, which approximates fair value, at the date of contribution.

Property, plant, and equipment are amortized on a straight-line basis over their estimated useful lives. Any gain or loss on disposal of these assets is recorded in the statement of revenue and expenses and changes in unrestricted net assets in the year of disposal.

The estimated useful lives of property, plant, and equipment are as follows:

Assets	Years
Buildings	20-40
Exhibits	4-10
Vehicles	4
Equipment	3-10

(g) Conservation lands:

Conservation lands secured through land purchases are recorded at cost when title is transferred. Contributed conservation lands are recorded at fair market value when title is transferred with an equal amount recorded directly to net assets.

(h) Leases:

Leases are classified as either capital or operating leases. At the time DUC enters into a capital lease, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred.

DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

2. Significant accounting policies (cont'd):

(i) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments, equity instruments and pooled funds that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. DUC has elected to carry all investments at fair value.

DUC purchases foreign currency forward contracts in United States ("U.S.") dollars ("USD") to hedge against foreign currency exchange exposure relating to revenue from the U.S. and expenditures denominated in USD, which arise in the normal course of business, and to hedge against foreign currency exchange exposure relating to USD funds held. DUC's current policy is to hedge up to 80% of the USD currency exchange exposure. DUC does not engage in the trading of these derivative financial instruments for speculative purposes. DUC does not formally designate these contracts as part of a hedging relationship, and as a result, these contracts are recorded at fair value. Unrealized gains and losses on foreign exchange contracts are recognized at each reporting period along with a corresponding amount recognized on the statement of financial position.

Investing activities on the statement of cash flows relating to the DUC investment portfolio (note 4) are presented on a net basis where realized gains (losses), interest and dividends and any other distributions are automatically reinvested within the portfolio.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the straight-line method.

(k) Employee future benefits:

DUC sponsors a defined benefit pension plan covering qualifying part-time and full-time employees. The benefits are based on years of service and final average salary. DUC also provides four other post-employment benefit plans, which primarily include health care benefits.

DUC uses the immediate recognition approach to account for its defined benefit plans. Under this approach, DUC recognizes the amount of the accrued benefit obligation, net of the fair market value of plan assets (for funded plans) measured as at the date of the statement of financial position, adjusted for any valuation allowance or provision for adverse deviation required by legislation, in the statement of financial position. The excess of funding payments over pension expense is recorded as an asset to the extent there is a future economic benefit to DUC in the form of refunds from the plans or reductions in future contributions. A valuation allowance is recorded to the extent refunds from the plan or reductions in future contributions are not permissible.

DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

2. Significant accounting policies (cont'd):

(k) Employee future benefits (cont'd):

Current service and finance costs are included in the cost of the plans for the year and recorded in the statement of revenue and expenses and changes in unrestricted net assets in the year they are incurred. Remeasurement gains and losses and other items, which include actuarial gains and losses, past service costs and gains and losses arising from settlements and curtailments, are recognized directly in net assets in the statement of changes in net assets.

DUC accrues its obligations under the defined benefit plans as the employees render the services necessary to earn the pension and other retirement benefits. The accrued liability for the pension plans is determined based on an actuarial valuation report prepared for funding purposes. The accrued liability for the other post-employment benefit plans is prepared using an actuarial valuation for accounting purposes. The measurement date of the plan assets and accrued benefit obligation for the pension plan coincides with DUC's fiscal year. The pension plan's assets are measured at fair value as at the date of the statement of financial position.

DUC's unfunded post-employment benefit plans consist of a post-retirement non-pension benefit plan ("PBOP"), a supplemental executive retirement plan ("SERP"), a lump-sum benefit plan ("LSBP") and a retirement income agreement ("RIA"). The PBOP, SERP, LSBP and RIA represent unfunded obligations.

Actuarial valuations are performed at least every three years for the defined benefit plans. In years where an actuarial valuation is not prepared, DUC uses a roll-forward technique to estimate the accrued liability using assumptions for the most recent actuarial valuation report.

(l) Foreign currency translation:

Monetary items denominated in a foreign currency and non-monetary items, carried at market, are adjusted as at the statement of financial position date to reflect the exchange rate in effect at that date. Non-monetary assets and liabilities and revenue and expenses are translated at the exchange rate prevailing on the transaction date. Exchange gains and losses are included in the determination of excess of revenue over expenses for the period.

(m) Allocation of expenses:

Information technology expenses are allocated between conservation program, fundraising and administration expenses based on the number of people employed within those functions.

DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

2. Significant accounting policies (cont'd):

(n) Donated goods and services:

Donated project materials and supplies are recorded at their fair value, as revenue and expenses, at the date of contribution when fair value can be reasonably estimated and when the materials and supplies are used in the normal course of operations and would otherwise have been purchased.

A large number of volunteers donate significant amounts of their time for various DUC activities. No amount has been reflected in these financial statements for donated services as an objective basis is not available to measure the fair value of such services.

(o) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of property, plant, and equipment, percentage of completion amounts related to conservation restoration services and obligations related to employee future benefits. Actual results could differ from those estimates.

3. Related party transactions:

DUC, Ducks Unlimited, Inc., and Ducks Unlimited de Mexico share a common continental conservation vision.

In addition, certain Board of Directors members from Ducks Unlimited, Inc. and Ducks Unlimited de Mexico are Board of Directors members for DUC. For financial reporting purposes, Ducks Unlimited, Inc., and DUC are considered related parties. Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Related party balances are non-interest bearing and change frequently based on daily operating activities. Details of the related party transactions and balances are disclosed throughout the financial statements.

Ducks Unlimited, Inc. has an economic interest in DUC based on the financial support by way of various grants provided to assist DUC's implementation of their common vision.

DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

4. Investments:

DUC's investments consist of the following:

As at March 31 (in thousands)

	2025	2024
Cash	\$ 4,356	\$ 3,957
Fixed income – Canadian	34,906	52,932
Fixed income – U.S.	1,409	7,021
Equity investments – Canadian	29,560	30,002
Equity investments – U.S.	52,672	45,285
Equity investments – Other	36,633	43,625
Alternative investments – Canadian	3,277	2,671
Alternative investments – U.S.	7,512	3,581
Alternative investments – Other	6,411	757
Total Investments	\$ 176,736	\$ 189,831
Less: Short-term investments	(2,814)	(15,035)
Investments	\$ 173,922	\$ 174,796

Short-term investments represent guaranteed investment certificates with a maturity date within the next twelve months from the respective statement of financial position date. A portion of DUC's fixed income investments is pledged as collateral for the CIBC credit facility (note 8).

5. Property, plant, and equipment:

As at March 31, 2025 (in thousands)

	Cost	Accumulated amortization	Net book value
Buildings	\$ 36,925	\$ (11,123)	\$ 25,802
Exhibits	4,174	(714)	3,460
Vehicles	1,736	(1,390)	346
Equipment	7,993	(6,253)	1,740
	\$ 50,828	\$ (19,480)	\$ 31,348

As at March 31, 2024 (in thousands)

	Cost	Accumulated amortization	Net book value
Buildings	\$ 19,169	\$ (10,710)	\$ 8,459
Exhibits	2,515	(712)	1,803
Vehicles	1,752	(1,491)	261
Equipment	7,835	(5,813)	2,022
	\$ 31,271	\$ (18,726)	\$ 12,545

As at March 31, 2025, buildings include \$20,147,000 (2024 – 2,587,000) and exhibits include \$3,459,000 (2024 – 1,801,000) of assets under construction related to the renovation of DUC's national headquarters (note 14(b)). Those assets are not available for use and not yet subject to amortization.

DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

6. Land held for resale:

Land held for resale is inventory, and represents designated land held to obtain a conservation easement and preserve wetlands. Revenue from grants includes specific funding of \$690,000 (2024 - \$2,780,000) to recover losses incurred on disposals of land held for resale.

The continuity of land held for resale is as follows:

As at March 31 (in thousands)

	2025	2024
Balance, beginning of year	\$ 14,376	\$ 15,960
Purchases	10,914	6,874
Transfer to conservation lands (note 7)	(850)	(817)
Proceeds from land sold	(4,281)	(5,858)
Loss on disposal of land sold	(1,104)	(1,783)
Balance, end of year (note 12)	\$ 19,055	\$ 14,376

7. Conservation lands:

DUC retains fee simple title or joint title to conservation lands acquired, either purchased or donated, as part of DUC's investment in conservation habitat. In addition to conservation lands to which it holds title, DUC also holds conservation agreements such as conservation easements which are not recorded as an asset. Conservation agreement costs are expensed as incurred.

The continuity of conservation lands is as follows:

As at March 31 (in thousands)

	2025	2024
Balance, beginning of year	\$ 222,519	\$ 206,947
Purchases	14,517	13,939
Donated land (note 12)	1,727	816
Transfer from land held for resale	850	817
Proceeds from land sold	(224)	-
Gain on disposal of land sold	141	-
Balance, end of year (note 12)	\$ 239,530	\$ 222,519

DUC has agreements with several partners that have provided funding to purchase conservation land. Under the terms of certain agreements, DUC is responsible for monitoring the use of the land acquired in accordance with the agreements and, in certain cases, objectives of the North American Waterfowl Management Plan ("NAWMP"). Should the land be sold or cease to be used for the purposes specified, DUC may be required to reimburse certain partners for their proportionate share of the proceeds from the sale of such land at that time. As at March 31, 2025, management believes that all such lands were being used for the purposes specified.

DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

8. Revolving loans:

Revolving loans are used to fund land acquired to obtain conservation easements to preserve wetlands and to fund other conservation land purchases as approved by the Board. The land is sold once the conservation easement is in place. Interest on revolving loans is classified as a conservation program expense.

Outstanding balances on revolving loans were as follows:

As at March 31 (in thousands)

	2025	2024
ATB	\$ 2,528	\$ 3,601
CIBC	15,229	11,791
	\$ 17,757	\$ 15,392

Amounts drawn on the Alberta Treasury Branch Financial ("ATB") loans are secured by specific land and bear interest at rates between 3.13% and 4.77% (2024 – between 4.77% and 5.84%). The loan is drawn upon via in segments up to a maximum of \$5,000,000, which are due on demand and require monthly interest-only payments with a bullet payment due no later than four years from the initial advance. Current due dates range from June 2027 to December 2028.

In conjunction with the ATB loan, DUC signed a donation agreement with ATB for a donation of \$100,000, to offset interest costs on the loans. Based on the interest rates in effect on March 31, 2025, the annual interest costs would be \$187,000 had the full \$5,000,000 available under the facility been drawn on that date.

Amounts drawn on the Canadian Imperial Bank of Commerce ("CIBC") credit facility are secured by investments with a fair value of \$24,622,000 (note 4). The credit facility bears interest at 4.45% (March 31, 2024 – 6.70%) and is due on demand. During the year, the maximum amount available under the credit facility was \$30,000,000.

9. Deferred contributions:

(a) Deferred contributions consist of the following:

As at March 31 (in thousands)

	2025	2024
Deferred contributions related to operations	\$ 10,003	\$ 13,488
Deferred contributions related to land held for resale	1,136	1,136
Current portion of deferred contributions	\$ 11,139	\$ 14,624
Deferred contributions related to property, plant, and equipment	11,679	1,797
	\$ 22,818	\$ 16,421

DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

9. Deferred contributions (cont'd):

(b) The changes in the deferred contributions balances for the year are as follows:

(i) Deferred contributions related to operations:

For the year ended March 31 (in thousands)		
	2025	2024
Balance, beginning of year	\$ 13,488	\$ 10,967
Add: contributions received		
recorded as deferred contributions	49,842	39,432
Less: contributions recognized as revenue		
during the year	(53,327)	(36,911)
Balance, end of year	\$10,003	\$ 13,488

(ii) Deferred contributions related to property, plant, and equipment:

Deferred contributions related to property, plant, and equipment represent contributed assets and externally restricted contributions for the purchase or construction of property, plant, and equipment, and are presented as long-term on the statement of financial position.

For the year ended March 31 (in thousands)		
	2025	2024
Balance, beginning of year	\$ 1,797	\$ 1,973
Add: contributions received restricted		
for acquiring property, plant, and equipment	10,111	-
Less: amounts amortized to revenue in the year	(229)	(176)
Balance, end of year	\$ 11,679	\$ 1,797

10. Pension and other post-employment benefits:

DUC sponsors defined benefit plans providing pension and other post-employment benefits to its employees.

Actuarial valuations are required to be performed at least every three years for the defined benefit pension plan due to the funded status of the plan. The last actuarial valuation was performed as at December 31, 2024. The next required actuarial valuation for the pension benefit plan will be as at December 31, 2027. The measurement date used for the benefit obligation and plan assets is March 31 of each year.

DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

10. Pension and other post-employment benefits (cont'd):

During the year DUC purchased an annuity to fund the pension obligation related to the retired members of its pension plan and transferred the pension obligation related to those members to a third party. The transaction resulted in a decrease to the total pension benefit obligation of \$51,406,000. DUC funded the cost of the purchase of the annuity with pension plan assets of \$54,653,000.

The current valuation allowance of \$7,411,000 could be reduced in future periods to the extent DUC is able to offset contributions that would otherwise be required to the plan. Subsequent to year end, approval was obtained to provide DUC with flexibility to apply available actuarial surpluses to reduce the employer contributions to the pension plan.

Information about DUC's defined benefit plan, in aggregate, is as follows:

As at March 31 (in thousands)

	Pension benefit plans		Other benefit plan	
	2025	2024	2025	2024
Benefit obligation, end of year	\$ (44,641)	\$ (90,350)	\$ (13,064)	\$ (11,766)
Plan assets fair value, end of year	52,052	98,820	-	-
Funded Status	\$ 7,411	\$ 8,470	\$ (13,064)	\$ (11,766)
Valuation Allowance	(7,411)	(8,470)	-	-
Funded status - plan surplus (deficit)	\$ -	\$ -	\$ (13,064)	(11,766)

The changes in accrued pension and post-employment benefits obligations are as follows:

For the year ended March 31 (in thousands)

	2025	2024
Balance, beginning of year	\$ 11,766	\$ 19,103
Current service cost	893	1,190
Interest cost on accrued benefit	33	942
Remeasurement and other items	2,871	(16,176)
Valuation allowance	(1,059)	8,470
Employer contributions	(1,440)	(1,763)
Balance, end of year	\$ 13,064	\$ 11,766

DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

11. Internally restricted net assets:

(a) Internally restricted net assets consist of the following:

As at March 31 (in thousands)

	2025	2024
Future habitat management	\$ 152,069	\$ 156,722
Future development	12,505	13,423
Provincial operating reserve	19,656	16,932
Land lease commitments	9,587	9,559
Unfunded pension and other post-employment benefits obligations (note 10)	(13,064)	(11,766)
	\$ 180,753	\$ 184,870

Net assets invested in future habitat management are used to fund habitat management costs on conservation lands owned by DUC; net assets invested in future development are used at the Board of Directors' discretion to fund future conservation activities; net assets invested in provincial operating reserve are used for future provincial conservation activities; and net assets invested in land lease commitments represent amounts internally restricted to fund lease payments on long-term land conservation agreements. The unfunded pension and other post-employment benefits obligation represents the accrued pension and post-employment benefits obligations.

The Board of Directors determines the amount, if any, to be transferred between unrestricted and internally restricted net assets for future conservation activities.

(b) Transfers of internally restricted net assets (from) to unrestricted net assets available for conservation activity are as follows:

For the year ended March 31 (in thousands)

	2025	2024
Future habitat management	\$ 4,653	\$ (13,051)
Future development	918	2,110
Provincial operating reserve	(2,724)	(701)
Land lease commitments	(28)	(1,288)
Unfunded pension and other post-employment benefits obligations	(514)	369
	\$ (2,305)	\$ (15,379)

DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

12. Invested in land held for resale, property, plant, and equipment and conservation lands:

Invested in land held for resale, property, plant, and equipment and conservation lands represents the net book value of acquisitions that have been internally funded as follows:

As at March 31 (in thousands)

	2025	2024
Invested in conservation lands (notes 7 and 8)	\$ 238,679	\$ 219,769
Invested in property, plant, and equipment (notes 5 and 9(b)(ii))	19,669	10,748
Invested in land held for resale (notes 6 and 8)	1,014	598
	\$ 259,362	\$ 231,115

The increase in net assets invested in land held for resale, property, plant, and equipment and conservation lands was \$28,247,000 (2024 - \$18,397,000), of which \$26,520,000 (2024 - \$17,581,000) was funded by unrestricted net assets, \$1,727,000 (2024 - \$816,000) was contributed as donated land (note 7).

13. Unrestricted net assets:

Unrestricted net assets are used to fund DUC's activities and make investments in land held for resale, conservation lands and property, plant, and equipment. Unrestricted net assets may also be internally restricted by the Board of Directors.

Amounts transferred from (to) unrestricted net assets were as follows:

For the year ended March 31 (in thousands)

	2025	2024
Internally imposed restrictions (note 11(b))	\$ (2,305)	\$ 15,379
Invested in land held for resale, property, plant, and equipment and conservation lands (note 12)	26,520	17,581
	\$ 24,215	\$ 32,960

14. Commitments:

(a) Lease agreement commitments:

DUC has entered into operating lease agreements with varying terms to 2030 covering certain office premises, equipment, and vehicles. DUC has also entered into land lease agreements with varying terms to 2050.

DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

14. Commitments (cont'd):

The future minimum lease payments in each of the next five years and in aggregate to expiry are approximately as follows:

For the year ending March 31 (in thousands)

	Office, equipment and vehicle leases	Land lease agreements	Total
2026	\$ 2,038	\$ 1,296	\$ 3,334
2027	1,286	1,218	2,504
2028	726	1,006	1,732
2029	173	803	976
20230 to expiry	31	2,485	2,516
	\$ 4,254	\$ 6,808	\$ 11,062

(b) Contractual Obligations:

DUC has undertaken a capital renewal project to modernize its interpretive centre and national headquarters located at Oak Hammock Marsh, Manitoba. Project planning was completed in FY24 and construction began in December 2023 with an expected completion date of June 2025. The Board has approved investing up to \$25,500,000 for the project, of which \$23,920,000 was incurred by the end of March 31, 2025 (note 5). DUC has entered architectural, construction and project management contracts as part of this undertaking.

15. Other information:

Other information not otherwise disclosed in these financial statements is as follows:

For the year ended March 31 (in thousands)

	2025	2024
Government remittances included within accounts payable and accrued liabilities	\$ 11	\$ 32
Government remittances included within accounts receivable	200	290
Interest expense on current liabilities included within conservation program expenses	793	946
Foreign exchange gain (loss) included within program and other revenue	274	(617)

DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

16. Grant revenue:

For the year ended March 31 (in thousands)

	2025	2024
USFWS	\$ 30,823	\$ 34,868
Ducks Unlimited, Inc.	22,468	9,911
U.S. state	7,003	6,237
Canadian federal	17,263	26,089
Canadian provincial	3,193	7,745
Canadian municipal	173	137
Other non-government organizations	13,614	10,768
	\$ 94,537	\$ 95,755

The United States Fish and Wildlife Service ("USFWS"), the National Fish and Wildlife Foundation and various American federal agencies have provided funds to DUC to be expended on certain NAWMP projects.

USFWS reserves the right to review the books and records of DUC to ensure expenditures have been made for the purposes intended and within the specified time period from the date of funding. DUC is able, within on year, to either reallocate or return funds related to any expenditure that does not meet USFWS approval.

As of March 31, 2025, USFWS owed DUC USD \$21,588,000 for reimbursement of eligible program expenditures and fees on account of multiple funding agreements. Management assessed the credit risk associated with the funds owed by USFWS in relation to recent changes within the economic and political environment. As a result of this assessment, an extraordinary write-off of \$31,035,000 was recognized within the results for the year ended March 31, 2025 on account of the significant uncertainty associated with its collection. Management continues to advance its efforts to collect the balance owed by USFWS to DUC.

17. Fundraising revenue:

For the year ended March 31 (in thousands)

	2025	2024
Restricted donations	\$ 3,532	\$ 4,287
Unrestricted donations	8,696	6,039
Conservation easement and other in-kind donations	181	107
Sponsorship and other fundraising revenue	2,098	1,598
	\$ 14,507	\$ 12,031

DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

18. Net change in non-cash working capital:

The change in non-cash current assets and current liabilities related to operations consists of the following:

For the year ended March 31 (in thousands)

	2025	2024
Change in non-cash assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	\$ (17,940)	\$ (2,525)
Project materials, prepaid expenses, inventory and deposits	(925)	266
(Decrease) increase in:		
Accounts payable and accrued liabilities	697	(3,081)
Deferred contributions from Ducks Unlimited, Inc.	(2,868)	989
Unearned revenue	(962)	(3,763)
Current portion of deferred contributions	(3,485)	2,521
	\$ (25,483)	\$ (5,593)

19. Risk management:

(a) Currency risk:

DUC is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, DUC receives funding, holds investments, and issues invoices denominated in USD. DUC uses foreign exchange contracts to help manage its exposure to unfavourable movements in USD. DUC's current policy is to hedge up to 80% of the USD currency exchange exposure.

There have been changes to DUC's risk exposure from 2024. At March 31, 2025, DUC was owed USD \$21,588,000 from USFWS on account of which foreign exchange contracts were in place to convert funds to Canadian dollars upon collection. Subsequent to March 31, DUC determined there was a high risk of non-collection of the balance from USFWS and divested of its foreign exchange contracts realizing an immaterial gain.

DUC had the following foreign exchange contracts for USD outstanding as at March 31, 2025 with expiries ranging from April 10, 2024 to October 25, 2025:

In thousands of Canadian dollars (CAD)				
	Notional amount	Contract amount	Unrealized loss	
At Maturity Variable Rate contracts to sell				
USD at 1.3400 to 1.4000 CAD/USD	USD 26,000	\$ 35,895	\$ (1,274)	
Forward contracts to sell				
USD at 1.4146 to 1.4324 CAD/USD	USD 11,750	\$ 16,741	\$ (77)	

DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

19. Risk management (cont'd):

DUC had the following foreign exchange contracts for USD outstanding as at March 31, 2024 with expiries ranging from May 14, 2024 to February 12, 2025:

In thousands of Canadian dollars (CAD)			
	Notional amount	Contract amount	Unrealized loss
At Maturity Variable Rate contracts to sell USD at 1.3100 to 1.3350 CAD/USD	USD 34,000	\$ 44,810	\$ (128)

(b) Liquidity risk:

Liquidity risk is the risk that DUC will be unable to fulfill its obligations on a timely basis or at a reasonable cost. DUC manages its liquidity risk by monitoring its operating requirements. DUC prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

In addition to credit facilities disclosed elsewhere in these financial statements, at March 31, 2025, DUC had a \$10,000,000 revolving credit facility with variable interest at 4.95% (2024 – 7.20%), repayable on demand and secured by a general security agreement. In addition, DUC has a \$5,000,000 line of credit with a variable interest at 4.45% (2024 – 6.70%), repayable on demand and secured by fixed income investments with a fair value of \$5,000,000 (note 4). As at March 31, 2025, no amounts were drawn under these facilities.

After March 31, 2025, DUC increased its \$10,000,000 revolving credit facility to \$55,000,000. The new facility is secured by investments (note 4) and incurs interest at a variable interest rate of 4.25%. Draws against the facility are payable within 12 months.

(c) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. DUC deals with creditworthy counterparties to mitigate the risk of financial loss from defaults.

DUC engages with creditworthy counterparties to mitigate credit risk. Heightened economic uncertainty stemming from actions by the US Administration has increased the overall risk associated with funding agreements from US government sources. Management is implementing measures to mitigate risks inherent in these contractual agreements.

DUCKS UNLIMITED CANADA

Notes to Financial Statements

March 31, 2025

(Expressed in Canadian dollars, unless otherwise noted)

19. Risk management (cont'd):

Credit risk on bonds is minimized as DUC invests primarily in government bonds, government-guaranteed bonds, investment grade corporate bonds and bond funds. The credit risk related to DUC's accounts receivable is mitigated as the majority is owed by government agencies, corporations and individuals who have historically supported the activities of DUC. Other than USFWS, there is no significant concentration of accounts receivable.

(d) Interest rate risk:

DUC is exposed to interest rate risk through its revolving loan facilities with ATB and CIBC as described in note 8. The interest rate exposure with the ATB facility is mitigated by a donation made by ATB to DUC to offset the interest costs incurred on the loan up to \$100,000.

DUC's fixed income investments are exposed to the risk that the value of interest-bearing investments will fluctuate due to changes in the level of market interest rates. To properly manage DUC's interest rate risk, appropriate guidelines on the weighting and duration for bonds and other fixed income investments are set and monitored.

(e) Price risk:

DUC's investments in equities are sensitive to market fluctuations. To properly manage DUC's other price risk, appropriate guidelines on asset diversification to address specific security, geographic, sector and investment manager risks are set and monitored.

20. Allocated expenses:

Information technology expenses have been allocated as follows:

For the year ended March 31 (in thousands)

	2025	2024
Conservation program	\$ 3,332	\$ 2,883
Fundraising	244	246
Administration	488	387
	\$ 4,064	\$ 3,516

21. Comparative financial information:

Certain comparative financial information has been reclassified to conform to the presentation adopted in the current year.