

ESCARPMENT CORRIDOR ALLIANCE
FINANCIAL STATEMENTS
DECEMBER 31, 2024

ESCARPMENT CORRIDOR ALLIANCE

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INDEPENDENT AUDITOR'S REPORT

To the Members of Escarpment Corridor Alliance:

Qualified Opinion

We have audited the financial statements of the Escarpment Corridor Alliance ("the Organization"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 Organization as at December 31, 2024, and its results of operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives part of its revenue from fundraising and cash donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenses for the year and cash flow for the year ended December 31, 2024 and period ended December 31, 2023 and asset and net asset balances as at December 31, 2024 and December 31, 2023. Our opinion for both years was modified accordingly because of the possible effects of this limitation of scope.

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

Other matter

The financial financial statements for the period ended December 31, 2023 were reviewed by a predecessor accountant who expressed an unmodified opinion on June 28, 2024.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Baker Tilly SGB LLP

Baker Tilly SGB LLP
Chartered Professional Accountants
Licensed Public Accountants
Collingwood, Ontario
June 3, 2025

ESCARPMENT CORRIDOR ALLIANCE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31

	2024 \$	2023 \$ Unaudited
Assets		
Current		
Cash	137,560	107,367
Accounts receivable (Note 5 (a))	50,000	25,223
Government remittances receivable	45,831	17,020
Investments (Note 3)	1,148	-
Prepaid expenses	6,144	-
	240,683	149,610
Property and equipment (Note 2)	1,964	-
	242,647	149,610
Liabilities		
Current		
Accounts payable and accruals	40,926	24,928
Deferred revenue (Note 4)	29,430	-
	70,356	24,928
Net assets		
Unrestricted	137,632	124,682
Internally restricted	32,695	-
Invested in property and equipment	1,964	-
	172,291	124,682
	242,647	149,610

Approved on behalf of the board:

Director

Director

ESCARPMENT CORRIDOR ALLIANCE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE FIGURES FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023)

	2024 \$	2023 \$ Unaudited
Revenue		
Donations (Schedule 1)	671,116	259,609
Resale items	1,665	-
Other	-	5,951
	<u>672,781</u>	<u>265,560</u>
Expenses		
Community dinner	6,062	-
Amortization	745	-
Operations (Schedule 2)	86,959	48,467
Fundraising and marketing (Schedule 3)	105,771	85,654
Programs (Schedule 4)	401,706	7,933
Other program expenditures	4,828	6,688
Nature corridor summit	18,626	-
Sponsorships	600	-
	<u>625,297</u>	<u>148,742</u>
Excess of revenues over expenditures from operations	<u>47,484</u>	<u>116,818</u>
Investment income		
Dividend income	125	-
Excess of revenues over expenses	<u>47,609</u>	<u>116,818</u>

See accompanying notes to the financial statements

ESCARPMENT CORRIDOR ALLIANCE
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE FIGURES FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023)

	Unrestricted	Internally restricted	Invested in property and equipment	2024	2023
	\$	\$	\$	\$	\$ Unaudited
Balance at beginning of year	124,682	-	-	124,682	7,864
Excess of revenues over expenses	15,659	32,695	(745)	47,609	116,818
Purchase of property and equipment	(2,709)	-	2,709	-	-
Balance at end of year	137,632	32,695	1,964	172,291	124,682

See accompanying notes to the financial statements

ESCARPMENT CORRIDOR ALLIANCE
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE FIGURES FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023)

	2024 \$	2023 \$ Unaudited
Cash flows from (for):		
Operating activities		
Excess of revenues over expenses for the year	47,609	116,818
Items not involving cash		
Amortization	745	-
Loss on disposal of investments	1,812	-
	50,166	116,818
Changes in		
Accounts receivable	(24,777)	(25,224)
Government remittances receivable	(28,811)	(17,020)
Prepaid expenses	(6,144)	-
Accounts payable and accruals	20,427	25,657
Deferred income	25,000	-
	35,861	100,231
Investing activities		
Additions to property and equipment	(2,709)	-
Net change in investments	(2,959)	-
	(5,668)	-
Change in cash	30,193	100,231
Balance at beginning of year	107,367	7,136
Balance at end of year	137,560	107,367

See accompanying notes to the financial statements

ESCARPMENT CORRIDOR ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024

Purpose of the Organization

The Escarpment Corridor Alliance is a registered charity incorporated under the Canada Not-for-profit Corporations Act on November 14, 2021. The Organization's objectives are to create a permanently protected and connected ecological corridor across the Niagara Escarpment of South Georgian Bay. The Organization is exempt from income taxes pursuant to Subsection 149(1) of the Income Tax Act (Canada).

1. Summary of significant accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (referred to as "ASNFPO") and are in accordance with Canadian generally accepted accounting principles (GAAP).

The following is a summary of significant accounting policies followed in the preparation of the financial statements:

(a) Financial instruments

Initial recognition and measurement

A financial asset or a financial liability is recognized when the Organization becomes a party to the contractual provisions of the financial instrument.

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction, are initially measured at their fair value.

Subsequent measurement

Changes in fair value of investments in equity instruments are recognized in excess of revenue over expenses in the period incurred. All other financial assets and financial liabilities are measured at amortized cost.

Impairment

At the end of each reporting period, the Organization assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired.

(b) Cash

Cash includes all cash balances and short-term, highly liquid financial instruments with a maturity of three months or less at acquisition.

(c) Investments

All investments are initially measured at fair value. Unrealized gains and losses are recognized immediately in the financial statements. Realized gains and losses are recognized when the investment is sold.

(d) Revenue recognition

The Organization follows the deferral method of accounting for contributions.

(ii) Revenue from donations, events and auctions is recognized in the year the funds are received and the event has occurred.

(iii) Investment income is recognized as revenue in the statement of operations when earned.

ESCARPMENT CORRIDOR ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024

1. Summary of significant accounting policies (continued)

(iv) Revenue from grants is recognized when received and stipulations attached to grants has been fulfilled.

(e) 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 revenue and expenditures during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Significant estimates have been made of the useful lives of property and equipment. Actual results could differ from those estimates.

(f) Contributed services

The operations of the Organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair market value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

(g) Property and equipment

Property and equipment is recorded at fair value. Cost includes the purchase price and other acquisition costs.

Amortization is provided to allocate the cost of assets over their estimated useful lives less residual value. Provision is made for amortization as follows:

Computers	55% declining balance
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(h) Fund accounting

The accounts of the Organization have been segregated into the following funds for reporting purposes. The funds and the purpose of each are as follows:

Unrestricted fund

Revenues and expenses related to fundraising, projects and administrative activities are reported in the Unrestricted Fund.

Internally restricted fund

By approval of the Board, the Organization has internally restricted funds received for the Talisman project. During 2024, the Organization received \$125,898 in donations for this project. Expenditures incurred during the year totaled \$93,203.

Invested in property and equipment

Invested in property and equipment represents the net assets invested in property and equipment less long-term liabilities related to property and equipment. The balance changes annually by the amount of property and equipment additions, disposals and amortization, as well as changes in long-term liabilities for property and equipment.

ESCARPMENT CORRIDOR ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024

2. Property and equipment

Property and equipment consist of the following:

	2024	2023
	\$	\$
Cost		
Computers	2,709	-
Accumulated amortization		
Computers	(745)	-
	1,964	-

3. Investments

Investments consist of common shares invested through RBC Dominion Securities. The shares have a book cost of \$1,146 (2023 - \$NIL) and fair market value of \$1,148 (2023 - \$NIL). Dividend income of \$125 (2023 - \$NIL) was earned during the year.

4. Deferred revenue

Deferred revenues were externally restricted as follows:

	2024	2023
	\$	\$
Foundation deferrals	25,000	-
Municipal deferrals	4,430	-
	29,430	-

During the year, the Organization received externally restricted donations totaling \$72,300 (2023 - \$NIL). The funds donated in 2024 and 2023 were for housing, repairs, events, Child and Youth position and programs.

The Organization applies to and receives funding from a variety of sources including foundations, community programs, and individuals. The amounts received vary from year to year depending on the needs of the organization and the funding available from these sources.

5. Comparative figures

Certain comparative figures on the balance sheet have been reclassified to conform with the current year's presentation.

ESCARPMENT CORRIDOR ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024

6. Financial instruments

The Organization's financial instruments consist of cash, accounts receivable, investments and accounts payable.

The Organization is not exposed to significant market risk, or other price risk.

Financial risks

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Organization.

The Organization has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the Organization is considered to relate to the class of assets described as "accounts receivable". The Organization has estimated an allowance for doubtful accounts of \$NIL (2023 - \$NIL) in order to account for the credit risk related to this asset class.

(b) Currency risk

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

(c) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognized at the balance sheet date whereby a future change in interest rates will affect future cash flows or the fair value of fixed financial instruments.

ESCARPMENT CORRIDOR ALLIANCE
SCHEDULE 1 - DONATION REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE FIGURES FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023)

	2024	2023
	\$	\$
		Unaudited
Revenue		
Auctions	1,785	20,755
Corporate sponsorship	12,528	-
Designated donations	1,570	500
Events	23,737	39,753
Foundation - Bedrock	145,000	-
Foundations	49,476	-
General	6,261	-
Government	600	-
Grants (mixed source)	32,048	-
Individual - Bedrock	20,000	-
Individual donations	225,420	193,031
In-kind donation - goods	50	-
Lottery	411	-
Other	63,344	5,570
Other major donations	24,863	-
Third party	64,023	-
	671,116	259,609

See accompanying notes to the financial statements

ESCARPMENT CORRIDOR ALLIANCE
SCHEDULE 2 - OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE FIGURES FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023)

	2024 \$	2023 \$ Unaudited
Expenses		
Admin contractor	9,243	213
Audit, financial reporting, corporate filing	12,361	10,000
Bank fees	541	951
Board meetings	1,879	-
Bookkeeping	5,695	544
Communications contractor	4,602	-
Eventbrite fees	1,833	-
Foundry office	4,684	933
Insurance	2,776	1,566
Legal	-	283
Memberships	924	104
Other	1,874	38
Phone	1,156	-
Salaries and wages	33,514	31,343
Travel	2,725	372
Website and software	3,152	2,120
	86,959	48,467

See accompanying notes to the financial statements

ESCARPMENT CORRIDOR ALLIANCE
SCHEDULE 3 - FUNDRAISING AND MARKETING
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE FIGURES FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023)

	2024 \$	2023 \$ Unaudited
Expenses		
Advertising	4,720	3,678
Consulting	7,731	43,206
Donor volunteer appreciation	1,495	-
Event catering	88	5,447
Event expenses	14,306	15,464
Events	682	290
Event manager	-	2,169
Meals and entertainment	812	45
Office equipment	568	166
Office supplies	712	45
Other	1,847	697
Other advertising	17,844	6,243
Printing	-	799
Resale items	5,034	-
Salaries and wages	45,265	-
Software	2,119	4,171
Stripe processing fees	2,548	3,234
	105,771	85,654

See accompanying notes to the financial statements

ESCARPMENT CORRIDOR ALLIANCE
SCHEDULE 4 - PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE FIGURES FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2023)

	2024 \$	2023 \$ Unaudited
Expenditures		
Castle Glen		
Environmental expenses	2,461	7,772
Government relations	8,746	-
Planning consultants	44,135	-
	<u>55,342</u>	<u>7,772</u>
Greenbelt		
Wire transfer fee	<u>50</u>	-
Eco Corridor		
Fieldwork	24,073	161
Government relations	64,766	-
Other	9,610	-
Planning consultants	62,815	-
	<u>161,264</u>	<u>161</u>
Talisman project		
Environmental expenses	4,659	-
Fieldwork	4,770	-
Government relations	8,746	-
Legal	233	-
Other	458	-
Planning consultants	74,337	-
	<u>93,203</u>	-
Other program expenditures		
Accommodation	321	-
Conservation economy vision	5,000	-
Indigenous consultants	1,916	-
Other	2,686	-
Salaries and wages	78,778	-
Travel	3,146	-
	<u>91,847</u>	-
	<u>401,706</u>	<u>7,933</u>

See accompanying notes to the financial statements