

ESCARPMENT CORRIDOR ALLIANCE
FINANCIAL STATEMENTS
DECEMBER 31, 2025

ESCARPMENT CORRIDOR ALLIANCE

TABLE OF CONTENTS AS AT DECEMBER 31, 2025

	Page
Independent auditor's report	1
Statement of financial position	3
Statement of operations	4
Statement of changes in net assets	5
Cash flow statement	6
Notes to the financial statements	7
Schedule 1 - Donation revenue	13
Schedule 2 - Operations	13
Schedule 3 - Fundraising and marketing	14
Schedule 4 - Projects and programs	15

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, 2025, 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, 2025, 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, 2025 and period ended December 31, 2024 and asset and net asset balances as at December 31, 2025 and December 31, 2024. 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.

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
May 6, 2026

ESCARPMENT CORRIDOR ALLIANCE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31

	2025	2024
	\$	\$
Assets		
Current		
Cash (Note 2)	441,239	137,560
Accounts receivable (Note 8 (a))	8,500	50,000
Government remittances receivable	18,306	45,831
Investments (Note 4)	1,940	1,148
Prepaid expenses	11,442	6,144
	481,427	240,683
Property and equipment (Note 3)	4,773	1,964
Intangibles - website (net of accumulated amortization \$1,295; 2024 - \$NIL)	9,066	-
Land (Note 6)	835,794	-
	1,331,060	242,647
Liabilities		
Current		
Accounts payable and accruals	38,567	40,926
Deferred revenue (Note 5)	20,000	29,430
	58,567	70,356
Net assets		
Unrestricted	240,871	139,596
Internally restricted	-	32,695
Externally restricted	35,000	-
Land securement and stewardship fund (Note 6)	996,622	-
	1,272,493	172,291
	1,331,060	242,647

Approved on behalf of the board:

_____ Director
 _____ Director

ESCARPMENT CORRIDOR ALLIANCE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31

	2025	2024
	\$	\$
Revenue		
Donations (Schedule 1)	1,165,597	671,116
Resale items	2,824	1,665
Other	1,494	-
	1,169,915	672,781
Expenses		
Community dinner	6,363	6,062
Amortization	3,850	745
Operations (Schedule 2)	143,653	86,815
Fundraising and marketing (Schedule 3)	115,768	105,770
Programs (Schedule 4)	382,496	401,850
Other program expenditures	4,553	4,828
Nature corridor summit	36,526	18,626
Sponsorships	500	600
	693,709	625,296
Excess of revenues over expenditures from operations	476,206	47,485
Other income		
Donations in-kind (Note 3)	625,000	-
Excess of revenues over expenses before investment income (expenses)	1,101,206	47,485
Investment income (expenses)		
Dividend income	16	125
Loss on disposal of investments	(916)	-
Investment fees	(101)	-
	(1,001)	125
Excess of revenues over expenses	1,100,205	47,610

See accompanying notes to the financial statements

ESCARPMENT CORRIDOR ALLIANCE
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31

	Unrestricted	Internally restricted	Externally restricted	Land securement and stewardship fund \$ (Note 6)	2025	2024
	\$	\$	\$		\$	\$
Balance at beginning of year	139,596	32,695	-	-	172,291	124,682
Excess of revenues over expenses	101,275	(32,695)	35,000	996,622	1,100,202	47,609
Balance at end of year	240,871	-	35,000	996,622	1,272,493	172,291

See accompanying notes to the financial statements

ESCARPMENT CORRIDOR ALLIANCE
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31

	2025	2024
	\$	\$
Cash flows from (for):		
Operating activities		
Excess of revenues over expenses for the year	1,100,205	47,610
Items not involving cash		
Amortization	3,850	745
In-kind donation	(625,000)	-
Loss on disposal of investments	916	1,812
	479,971	50,167
Changes in		
Accounts receivable	41,500	(24,777)
Government remittances receivable	27,525	(28,811)
Prepaid expenses	(5,298)	(6,144)
Accounts payable and accruals	(2,362)	20,427
Deferred income	(9,430)	25,000
	531,906	35,862
Investing activities		
Additions to property and equipment	(216,157)	(2,709)
Additions to intangible assets	(10,362)	-
Net change in investments	(1,708)	(2,960)
	(228,227)	(5,669)
Change in cash	303,679	30,193
Balance at beginning of year	137,560	107,367
Balance at end of year	441,239	137,560

See accompanying notes to the financial statements

ESCARPMENT CORRIDOR ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025

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

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost includes cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

The Organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

Transaction costs

The Organization recognizes its transactions costs in excess of revenue over expenses in the period incurred except for financial instruments that will not be subsequently measured at fair value. The carrying amounts of these instruments are adjusted by the transaction costs that are directly attributable to their issuance.

(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.

ESCARPMENT CORRIDOR ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025

1. Summary of significant accounting policies (continued)

(d) Revenue recognition

The Organization follows the deferral method of accounting for contributions.

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

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

(iii) Revenue from grants is recognized when received and stipulations attached to grants have 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) Intangibles

Intangibles consist of website development and are stated at cost. Amortization is provided on a straight line basis over a useful life of 4 years. These assets are tested for impairment when events or changes in circumstances indicate that an asset might be impaired.

ESCARPMENT CORRIDOR ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025

1. Summary of significant accounting policies (continued)

(i) Related party transactions

Related party transactions in the normal course of business are recorded at the exchange amount which is the amount of consideration exchanged in the transaction.

Related party transactions outside the normal course of business are recorded at the exchange amount or the carrying amount depending on the substance of the transaction.

Carrying amount is defined as the recorded amount of the item transferred.

For transactions with related parties involving financial instruments, they are recorded at cost unless the financial instrument is an equity instrument quoted in an active market or a derivative.

Cost is defined depending on the existence or absence of repayment terms then cost is determined to be either the exchange amount or the carrying amount depending on the substance of the transaction.

(j) 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 2025, the Organization received \$NIL (2024 - \$125,898) in donations for this project. Expenditures incurred during the year totaled \$32,695 (2024 - \$93,203).

Externally restricted fund

The Restricted Fund accounts for contributions, revenues, and related expenses that are externally restricted for specific projects or purposes. Amounts recorded in this fund are recognized as revenue when the related expenses are incurred, in accordance with the terms of the restriction. Any unspent restricted amounts at year-end are carried forward to be used for their intended purpose in future periods.

Land securement and stewardship fund

The Land Securement and Stewardship fund accounts for resources restricted for the acquisition, conservation, and long-term stewardship of land. Contributions to this fund consist of monetary donations, fundraising proceeds, and in-kind contributions, including donated land or other non-cash assets. In-kind contributions are recorded at fair value at the date of contribution when the fair value can be reasonably determined.

ESCARPMENT CORRIDOR ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025

2. Cash and cash equivalents

Cash consists of cash on hand and balances held in bank accounts. As at year-end, cash includes amounts restricted for specific purposes and therefore not available for general operating use.

	2025 \$	2024 \$
Unrestricted	245,411	104,865
Restricted (Notes 1(j) and 6)	160,828	32,695
	406,239	137,560

3. Property and equipment

Property and equipment consist of the following:

	2025 \$	2024 \$
Cost		
Computers	8,073	2,709
Less: Accumulated amortization		
Computers	3,300	745
	4,773	1,964

4. Investments

Investments consist of common shares invested through RBC Dominion Securities. The shares have a book cost of \$1,946 (2024 - \$1,146) and fair market value of \$1,940 (2024 - \$1,148). Dividend income of \$16 (2024 - \$125) was earned during the year.

5. Deferred revenue

Deferred revenues were externally restricted as follows:

	2025 \$	2024 \$
Foundation deferrals	20,000	25,000
Municipal deferrals	-	4,430
	20,000	29,430

During the year, the Organization received externally restricted donations totaling \$825,000 (2024 - \$NIL). The funds donated in 2025 were for the Nature Corridor Summit, Sandy's Summit Nature Preserve stewardship endowment fund, land acquisition and staffing.

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.

ESCARPMENT CORRIDOR ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025

6. Land securement and stewardship endowment

During the year, the Board of Directors established a Land Securement and Stewardship Endowment to support the Organization's mission of conserving and protecting lands of ecological, cultural, or conservation significance.

The Endowment Fund has been established for the exclusive purpose of acquiring land and related interests intended to be protected, stewarded, and preserved by the Organization. In accordance with Board resolution, amounts held are restricted for land purchase and related land securement activities and may not be used for general operating purposes.

	2025	2024
	\$	\$
In-kind donations	625,000	-
Cash donations	371,622	-
	996,622	-

During the year ended December 31, 2025, the Organization acquired lands at a total cost of \$835,794. Of this amount, \$625,000 was received as an in-kind donation, representing the fair value of property contributed to the Organization, with the remaining \$210,974 funded directly by cash donations.

At the end of the year, the balance in the Land Securement and Stewardship fund is as follows:

	2025	2024
	\$	\$
Restricted cash	160,828	-
Land	835,794	-
	996,622	-

7. Comparative figures

Certain comparative figures on Schedule 2 and Schedule 4 have been reclassified to conform with the current year's presentation.

ESCARPMENT CORRIDOR ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025

8. 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. There have been no significant changes to the risk exposures from the prior year.

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 (2024 - \$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 REVENUE
SCHEDULE 2 - OPERATIONS
FOR THE YEAR ENDED DECEMBER 31

SCHEDULE 1

	2025	2024
	\$	\$
Revenue		
Auctions and lottery	9,948	2,196
Bedrock	360,000	145,000
Corporate sponsorship	5,523	12,528
Events	31,970	23,737
Foundations	-	49,476
General	405,356	403,912
Restricted grants	319,730	1,570
Unrestricted grants	33,070	32,698
	<u>1,165,597</u>	<u>671,117</u>

SCHEDULE 2

	2025	2024
	\$	\$
Expenses		
Advertising	4,500	265
Audit, financial reporting, corporate filing	15,235	12,361
Bank fees	1,311	541
Board meetings	1,129	1,879
Bookkeeping	4,446	5,695
Consultants	311	13,845
Event costs	-	1,833
Insurance	2,874	2,776
Legal	1,722	-
Office	13,431	7,475
Other	2,693	842
Salaries and wages	84,333	33,514
Travel	3,002	2,637
Website and software	8,666	3,152
	<u>143,653</u>	<u>86,815</u>

See accompanying notes to the financial statements

ESCARPMENT CORRIDOR ALLIANCE
SCHEDULE 3 - FUNDRAISING AND MARKETING
FOR THE YEAR ENDED DECEMBER 31

	2025	2024
	\$	\$
Expenses		
Advertising	9,010	22,952
Consultants	-	7,731
Event costs	5,613	17,085
Fundraising transaction fees	2,397	2,548
Merchandise	-	5,034
Networking	1,204	812
Office	1,229	1,860
Salaries and wages	73,699	45,265
Transaction fees	4,844	-
Website and software	17,772	2,483
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	115,768	105,770
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See accompanying notes to the financial statements

ESCARPMENT CORRIDOR ALLIANCE
SCHEDULE 4 - PROGRAMS
FOR THE YEAR ENDED DECEMBER 31

	2025	2024
	\$	\$
Expenditures		
Castle Glen		
Consultants	7,787	44,135
Government relations	19,819	11,206
	<u>27,606</u>	<u>55,341</u>
Talisman project		
Consultants	29,292	84,225
Government relations	-	8,746
	<u>29,292</u>	<u>92,971</u>
Land securement and other program expenditures		
Consultants	51,450	171,697
Indigenous relations	33,906	-
Legal	12,983	233
Memberships	2,830	-
Merchandise	7,163	-
Professional development	6,695	2,742
Salaries and wages	207,451	78,778
Travel	3,120	88
	<u>325,598</u>	<u>253,538</u>
	<u>382,496</u>	<u>401,850</u>

See accompanying notes to the financial statements