

Ecology Action Centre
Financial Statements
For the Year Ended March 31, 2025

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Independent Auditor's Report

To the members of Ecology Action Centre

Qualified Opinion

We have audited the financial statements of Ecology Action Centre (the "Centre"), which comprise the statement of financial position as at March 31, 2025, the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matters 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 Centre as at March 31, 2025, and its results of operations and its 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 Centre derives revenue from donations and fundraising, the completeness of which is not susceptible to complete satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Centre and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at April 1 and March 31 for both the 2025 and 2024 years.

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

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

Those charged with governance are responsible for overseeing the Centre'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 Centre'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 Centre'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 Centre 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.

Chartered Professional Accountants

Halifax, Nova Scotia
September 3, 2025

Ecology Action Centre Statement of Financial Position

March 31	2025	2024
Assets		
Current		
Cash	\$ 1,470,589	\$ 737,178
Term deposits (Note 2)	700,000	813,856
Accounts receivable	246,223	128,296
Government remittances receivable	22,762	23,687
Prepaid expenses	19,483	56,402
	<u>2,459,057</u>	<u>1,759,419</u>
Term deposits (Note 2)	1,099,724	1,046,878
Capital assets (Note 3)	<u>768,267</u>	<u>802,908</u>
	\$ 4,327,048	\$ 3,609,205
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 234,289	\$ 210,712
Deferred project revenue (Note 4)	2,052,017	1,590,511
Current portion of long-term debt (Note 6)	28,020	21,579
	<u>2,314,326</u>	<u>1,822,802</u>
Deferred contributions (Note 5)	373,679	394,931
Long-term debt (Note 6)	<u>242,663</u>	<u>270,621</u>
	2,930,668	2,488,354
Net Assets		
Emergency fund	133,008	133,008
Fern Lane fund	104,841	104,841
Strategic fund	632,226	632,226
Project fund	381,227	113,834
Investment in capital assets	145,078	136,942
	<u>1,396,380</u>	<u>1,120,851</u>
	\$ 4,327,048	\$ 3,609,205

The accompanying notes are an integral part of these financial statements.

Ecology Action Centre Statement of Changes in Net Assets

For the year ended March 31	Operating Fund	Emergency Fund	Fern Lane Fund	Strategic Fund	Project Fund (Note 8)	Investment in Capital Assets	2025 Total	2024 Total
Balance, beginning of the year	\$ -	\$ 133,008	\$ 104,841	\$ 632,226	\$ 113,834	\$ 136,942	\$ 1,120,851	\$ 1,071,620
Excess of revenues over expenses	275,529	-	-	-	-	-	275,529	49,231
Transfer of funds	(267,393)	-	-	-	267,393	-	-	-
Purchase of capital assets	(11,075)	-	-	-	-	11,075	-	-
Amortization of deferred capital contributions	(21,260)	-	-	-	-	21,260	-	-
Repayment of long- term debt	(21,517)	-	-	-	-	21,517	-	-
Amortization of capital assets	45,716	-	-	-	-	(45,716)	-	-
Balance, end of the year	\$ -	\$ 133,008	\$ 104,841	\$ 632,226	\$ 381,227	\$ 145,078	\$ 1,396,380	\$ 1,120,851

The accompanying notes are an integral part of these financial statements.

Ecology Action Centre Statement of Operations

For the year ended March 31

2025

2024

Revenue

Foundations and charities	\$ 1,573,303	\$ 1,239,116
Government funding	1,191,563	705,788
Memberships	528,948	558,127
Donations	840,038	713,452
Other funding	540,413	520,178
Interest and miscellaneous	103,711	110,460
Amortization of deferred capital contributions	21,260	29,891
Fundraising activities	19,072	15,893
	<u>4,818,308</u>	<u>3,892,905</u>

Expenses

Amortization	45,716	42,991
Bank and credit card charges	26,264	27,322
Communications	53,729	67,608
Fundraising activities	4,280	6,274
Insurance	22,619	20,863
Interest on long-term debt	10,688	11,383
IT Services	51,236	33,693
Magazine ('Ecology and Action')	18,593	21,044
Memberships and subscriptions	53,072	37,304
Office	7,800	6,206
Professional and consultant fees	768,288	528,255
Property taxes	5,193	20,404
Rental	55,339	53,858
Repairs and maintenance	17,905	18,646
Supplies and materials	72,801	39,740
Training	32,504	16,465
Travel and meetings	235,435	182,728
Utilities	26,577	39,790
Wages and benefits	3,034,740	2,669,100
	<u>4,542,779</u>	<u>3,843,674</u>

Excess of revenues over expenses

\$ 275,529 \$ 49,231

The accompanying notes are an integral part of these financial statements.

Ecology Action Centre Statement of Cash Flows

For the year ended March 31	2025	2024
Cash flows from operating activities		
Excess of revenues over expenses	\$ 275,529	\$ 49,231
Items not affecting cash:		
Amortization of capital assets	45,716	42,991
Amortization of deferred capital contributions	(21,260)	(29,891)
Accrued interest on short-term investments	12,387	-
	<u>312,372</u>	<u>62,331</u>
Changes in non-cash working capital:		
Accounts receivable	(117,927)	(35,795)
Government remittances receivable	925	1,478
Prepaid expenses	36,919	(19,820)
Accounts payable and accrued liabilities	23,577	(2,711)
Deferred project revenues	461,506	202,484
Deferred contribution revenues	-	6,226
	<u>717,372</u>	<u>214,193</u>
Cash flows from investing activities		
Purchase of capital assets	(11,075)	(15,573)
Purchase of term deposits, net of maturities	48,631	(85,266)
	<u>37,556</u>	<u>(100,839)</u>
Cash flows from financing activity		
Repayment of long-term debt	(21,517)	(20,602)
	<u>733,411</u>	<u>92,752</u>
Net increase in cash	<u>733,411</u>	<u>92,752</u>
Cash, beginning of the year	<u>737,178</u>	<u>644,426</u>
Cash, end of the year	<u>\$ 1,470,589</u>	<u>\$ 737,178</u>

The accompanying notes are an integral part of these financial statements.

Ecology Action Centre Notes to Financial Statements

March 31, 2025

1. Significant Accounting Policies

Nature and Purpose of Organization	Ecology Action Centre (the "Centre") is a not-for-profit organization incorporated under the Societies Act of Nova Scotia. It is a registered charity and is exempt from income tax under <i>Section 149(1)(l)</i> and <i>149(1)(f)</i> of the Income Tax Act. The Centre is a member-based environmental charity in Nova Scotia. Since 1971, it has taken leadership on critical environmental issues from biodiversity protection to climate change to environmental justice.
Basis of Accounting	The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.
Cash	Cash consists of cash on hand and amounts on deposit with financial institutions.
Financial Instruments	<p>Financial Instruments are recorded at fair value at initial recognition.</p> <p>In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.</p> <p>Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.</p>

Ecology Action Centre Notes to Financial Statements

March 31, 2025

1. Significant Accounting Policies (continued)

Capital Assets

Purchased capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution and are amortized, unless fair value is not determinable in which case contributed capital assets are recorded at nominal value at the date of contribution. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the capital asset are capitalized.

Amortization based on the estimated useful life of the asset is calculated using the declining balance method at the following rates:

	Method	Rate
Building	Declining balance	4%
Building improvements	Declining balance	10-30%
Computer equipment	Declining balance	55%
Furniture and equipment	Declining balance	20-30%

When a capital asset no longer contributes to the Centre's ability to provide goods and services, or the future economic benefits or service potential of the capital asset is less than its carrying value, the excess of its net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations. Any unamortized deferred contribution amount related to the capital asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

Internally Restricted Net Assets

The Emergency Fund represents amounts restricted by the Board of Directors to fund unexpected costs that could impact or interrupt business continuity.

The Fern Lane Fund represents amounts restricted by the Board of Directors to fund medium or long-term maintenance of the Centre's capital assets.

The Strategic Fund represents amounts restricted by the Board of Directors to fund strategic project or operational initiatives as they arise.

The Project Fund represents amounts restricted by the Board of Directors to fund project initiatives.

Operating Fund

Revenues and expenses related to operations and program delivery are reported in the Operating Fund.

Ecology Action Centre Notes to Financial Statements

March 31, 2025

1. Significant Accounting Policies (continued)

Revenue Recognition	<p>The Centre follows the deferral method of accounting for contributions.</p> <p>Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.</p> <p>Project revenues received in advance of the related project expenditures are deferred and recognized in the period when the related expenditures have been incurred.</p> <p>Capital contributions for related capital assets are deferred and amortized into revenue using the method and rate corresponding with the amortization method and rate for related capital assets.</p>
Government Assistance	<p>The Centre makes periodic applications for financial assistance under government incentive programs. These amounts are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p>
Contributed Services	<p>Volunteers contribute many hours per year to assist the Centre in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.</p>
Use of Estimates	<p>The preparation of these financial statements, in accordance with accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. The most significant estimates relate to the useful lives of capital assets and impairment thereon.</p>

Ecology Action Centre Notes to Financial Statements

March 31, 2025

2. Term Deposits

	2025	2024
Current		
5.00% term deposit, maturing September 2024	\$ -	\$ 813,856
4.40% term deposit, maturing October 2025	700,000	-
Long-term		
5.05% term deposit, maturing April 2025	\$ 1,099,724	\$ 1,046,878

3. Capital Assets

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 75,000	\$ -	\$ 75,000	\$ -
Building and building improvements	1,126,006	443,482	1,114,931	410,399
Computer equipment	102,107	91,876	102,107	79,371
Furniture and equipment	45,663	45,151	45,663	45,023
	<u>1,348,776</u>	<u>580,509</u>	<u>1,337,701</u>	<u>534,793</u>
	<u>\$ 768,267</u>		<u>\$ 802,908</u>	

Ecology Action Centre Notes to Financial Statements

March 31, 2025

4. Deferred Project Revenue

Deferred project revenue consists of amounts received in advance of related project expenditures and are recognized as revenue in the period in which the related expenditures have been incurred. As at year-end the deferred revenue relating to specific projects is as follows:

	<u>2025</u>	<u>2024</u>
Built environment	\$ 50,205	\$ 67,738
Coastal	108,856	40,652
Cross team	75,677	121,575
Energy	468,889	404,949
Food action	205,787	266,381
Marine	475,838	451,034
Operations	31,205	54,498
Transportation	437,919	10,050
Wilderness	197,641	173,634
	<u>\$ 2,052,017</u>	<u>\$ 1,590,511</u>

5. Deferred Capital Contributions

Deferred capital contributions represent the unamortized portion of contributed capital assets and restricted contributions used to purchase capital assets. The changes in the deferred capital contributions balance for the year are as follows:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 394,931	\$ 418,596
Add: restricted contributions received	-	6,226
Less: amortization of deferred contributions	<u>(21,252)</u>	<u>(29,891)</u>
Ending balance	<u>\$ 373,679</u>	<u>\$ 394,931</u>

Ecology Action Centre Notes to Financial Statements

March 31, 2025

6. Long-Term Debt

	<u>2025</u>	<u>2024</u>
Credit Union Atlantic mortgage, bearing interest at a fixed rate of 3.85%, repayable in blended weekly payments of \$621, secured by assignment of land and building, matures in May 2025, amortized to May 2035. Subsequent to year-end, the fixed mortgage was renewed another 5-year term at a rate of 4.99% with blended weekly payments of \$849.	\$ 270,683	\$ 292,200
Less: current portion	<u>(28,020)</u>	<u>(21,579)</u>
	<u>\$ 242,663</u>	<u>\$ 270,621</u>

Principal repayments on long-term debt over the next five years are as follows:

2026	\$ 28,020
2027	\$ 29,257
2028	\$ 31,337
2029	\$ 32,210
2030	\$ 35,647
Thereafter	<u>114,212</u>
	<u>\$ 270,683</u>

7. Line of Credit

The Centre has available a line of credit of \$150,000 with Credit Union Atlantic Limited, secured by a second mortgage on a specified property. No amount has been drawn upon as at March 31, 2025 (2024 - \$Nil).

Ecology Action Centre Notes to Financial Statements

March 31, 2025

8. Project Fund

	2025	2024
Balance, beginning of the year	\$ 113,834	\$ -
Marine	\$ 70,000	\$ -
Transportation	-	47,491
Wilderness	142,807	-
Cross Team	54,586	-
Built Environment	-	66,343
Balance, end of the year	<u>\$ 381,227</u>	<u>\$ 113,834</u>

Ecology Action Centre Notes to Financial Statements

March 31, 2025

9. Financial Instruments

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Centre is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Centre's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivables from contributors, which are closely monitored by management for delinquent payments. There has been no provision recorded for allowance for doubtful accounts in the current year.

There have not been any changes in the risk from the prior year.

Liquidity risk

Liquidity risk is the risk that the Centre will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Centre will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Centre is exposed to this risk mainly in respect of its accounts payable and long-term debt.

The Centre's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The Centre also maintains certain credit facilities, which can be drawn upon as needed.

There have not been any changes in the risk from the prior year.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Centre is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-interest instruments subject the Centre to a fair value risk.

This risk has decreased during the year due to repayment of long-term debt.

10. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.
