Ecology Action Centre
Financial Statements
For the Year Ended March 31, 2026

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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, 2026, 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, 2026, 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, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets as at April 1 and March 31 for both the 2026 and 2025 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.

BDO Canada LLP

Chartered Professional Accountants

Halifax, Nova Scotia
August 25, 2026

Ecology Action Centre
Statement of Financial Position

March 31		2026		2025
Assets				
Current				
Cash	$	**2,055,217**	$	1,470,589
Term deposits (Note 2)		**1,600,000**		700,000
Accounts receivable		**198,476**		246,223
Government remittances receivable		**18,020**		22,762
Prepaid expenses		**79,066**		19,483
		3,950,779		2,459,057
Term deposits (Note 2)		**400,000**		1,099,724
Capital assets (Note 3)		**768,642**		768,267
	$	**5,119,421**	$	4,327,048
Liabilities and Net Assets				
Current				
Accounts payable and accrued liabilities	$	**229,687**	$	234,289
Deferred project revenue (Note 4)		**2,542,965**		2,052,017
Current portion of long-term debt (Note 6)		**29,256**		28,020
		2,801,908		2,314,326
Deferred contributions (Note 5)		**394,241**		373,679
Long-term debt (Note 6)		**213,407**		242,663
		3,409,556		2,930,668
Net Assets				
Emergency fund		**133,008**		133,008
Fern Lane fund		**144,841**		104,841
Strategic fund		**632,226**		632,226
Project fund		**646,887**		381,227
Investment in capital assets		**152,903**		145,078
		1,709,865		1,396,380
	$	**5,119,421**	$	4,327,048

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	2026 Total	2025 Total
Balance, beginning of the year	$ -	$ 133,008	$ 104,841	$ 632,226	$ 381,227	$ 145,078	$ 1,396,380	$ 1,120,851
Excess of revenues over expenses	313,485	-	-	-	-	-	313,485	275,529
Transfer of funds	(305,660)	-	40,000	-	265,660	-	-	-
Addition of capital assets	(40,000)	-	-	-	-	40,000	-	-
Receipt of deferred contributions	40,000	-	-	-	-	(40,000)	-	-
Amortization of deferred capital contributions	(19,432)	-	-	-	-	19,432	-	-
Repayment of long-term debt	(28,019)	-	-	-	-	28,019	-	-
Amortization of capital assets	39,626	-	-	-	-	(39,626)	-	-
Balance, end of the year	$ -	$ 133,008	$ 144,841	$ 632,226	$ 646,887	$ 152,903	$ 1,709,865	$ 1,396,380

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

Ecology Action Centre
Statement of Operations

For the year ended March 31	2026	2025
Revenue		
Foundations and charities	$ **1,762,650**	$ 1,573,303
Government funding	**1,032,678**	1,191,563
Memberships	**546,935**	528,948
Donations	**865,578**	840,038
Other funding	**376,231**	540,413
Interest and miscellaneous	**106,347**	103,719
Amortization of deferred capital contributions	**19,432**	21,252
Fundraising activities	**16,797**	19,072
	4,726,648	4,818,308
Expenses		
Amortization	**39,626**	45,716
Bank and credit card charges	**29,247**	26,264
Communications	**40,927**	53,729
Fundraising activities	**5,197**	4,280
Insurance	**24,635**	22,619
Interest on long-term debt	**12,294**	10,688
IT Services	**60,439**	51,236
Magazine ('Ecology and Action')	**17,917**	18,593
Memberships and subscriptions	**23,326**	53,072
Office	**8,641**	7,800
Professional and consultant fees	**789,132**	768,288
Property taxes	**4,720**	5,193
Rental	**71,832**	55,339
Repairs and maintenance	**21,963**	17,905
Supplies and materials	**98,218**	72,801
Training	**48,596**	32,504
Travel and meetings	**190,620**	235,435
Utilities	**27,181**	26,577
Wages and benefits	**2,898,652**	3,034,740
	4,413,163	4,542,779
Excess of revenues over expenses	$ **313,485**	$ 275,529

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

Ecology Action Centre
Statement of Cash Flows

For the year ended March 31	2026	2025
Cash flows from operating activities		
Excess of revenues over expenses	$ 313,485	$ 275,529
Items not affecting cash:		
Amortization of capital assets	39,626	45,716
Amortization of deferred capital contributions	(19,432)	(21,260)
Capital assets received in kind	(40,000)	-
Accrued interest on short-term investments	33,442	12,387
	327,121	312,372
Changes in non-cash working capital:		
Accounts receivable	68,831	(117,927)
Government remittances receivable	4,742	925
Prepaid expenses	(59,582)	36,919
Accounts payable and accrued liabilities	(4,633)	23,577
Deferred project revenues	490,949	461,506
Deferred contribution revenues	40,000	-
	867,428	717,372
Cash flows from investing activities		
Purchase of capital assets	-	(11,075)
Purchase of term deposits, net of maturities	(254,781)	48,631
	(254,781)	37,556
Cash flows from financing activity		
Repayment of long-term debt	(28,019)	(21,517)
Net increase in cash	584,628	733,411
Cash, beginning of the year	1,470,589	737,178
Cash, end of the year	$ 2,055,217	$ 1,470,589

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

March 31, 2026

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 *Section 149(1)(l)* and *149(1)(f)* 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

Financial Instruments are recorded at fair value at initial recognition.

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.

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.

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.

1. Significant Accounting Policies (continued)

Revenue Recognition

The Centre follows the deferral method of accounting for contributions.

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.

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.

Project revenues received in advance of the related project expenditures are deferred and recognized in the period when the related expenditures have been incurred.

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.

Government Assistance

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.

Contributed Services

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.

Use of Estimates

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.

2. Term Deposits

	2026	2025
Current		
3.45% term deposit, maturing November 2026	**$ 425,000**	$ -
3.35% term deposit, matured May 2026	**350,000**	-
3.35% term deposit, maturing August 2026	**350,000**	-
2.85% term deposit, maturing November 2026	**250,000**	-
2.85% term deposit, maturing November 2026	**225,000**	-
4.40% term deposit, matured October 2025	**-**	700,000
	$ 1,600,000	$ 700,000
Long-term		
3.45% term deposit, maturing May 2027	**$ 400,000**	$ -
5.05% term deposit, matured April 2026	**-**	1,099,724

Subsequent to year-end, the term deposit maturing in May 2026 was re-invested in a term deposit with similar terms.

3. Capital Assets

	2026		2025	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Land	**$ 75,000**	**$ -**	$ 75,000	$ -
Building and building improvements	**1,166,006**	**477,377**	1,126,006	443,482
Computer equipment	**102,107**	**97,503**	102,107	91,876
Furniture and equipment	**45,663**	**45,254**	45,663	45,151
	1,388,776	**620,134**	1,348,776	580,509
		$ 768,642		$ 768,267

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:

	2026	2025
Built environment	$ 19,054	$ 50,205
Coastal	89,905	108,856
Cross team	65,645	75,677
Energy	739,985	468,889
Food action	283,792	205,787
Marine	619,042	475,838
Operations	6,846	31,205
Transportation	552,822	437,919
Wilderness	165,874	197,641
	$ 2,542,965	$ 2,052,017

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:

	2026	2025
Beginning balance	$ 373,679	$ 394,931
Add: restricted contributions received	40,000	-
Less: amortization of deferred contributions	(19,438)	(21,252)
Ending balance	$ 394,241	$ 373,679

6. Long-Term Debt

		2026		2025
Credit Union Atlantic mortgage, bearing interest at a fixed rate of 4.99%, repayable in blended weekly payments of $779, secured by assignment of land and building, matures in May 2030, amortized to May 2035	**$**	**242,663**	$	270,683
Less: current portion		**(29,256)**		(28,020)
	$	**213,407**	$	242,663

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

2027	$	29,256
2028		31,337
2029		32,210
2030		35,647
2031		37,443
Thereafter		76,770
	$	242,663

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, 2026 (2025 - $Nil).

8. Project Fund

		2026		2025
Balance, beginning of the year	$	381,227	$	113,834
Marine		(22,634)		70,000
Transportation		-		-
Wilderness		-		142,807
Cross Team		288,294		54,586
Balance, end of the year	$	646,887	$	381,227

During the year, $265,660 was transferred from the operating fund to the project fund to support various project initiatives.

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.

This risk has increased due to an increase in term deposits.

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.

This risk has decreased during the year due to a reduction in accounts payable and long-term debt.

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.