

CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

Financial Statements

Year Ended June 30, 2025

CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

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Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Conservation Council of New Brunswick Inc.

Qualified Opinion

We have audited the financial statements of Conservation Council of New Brunswick Inc. (the organization), which comprise the statement of financial position as at June 30, 2025, and the statements of changes in net assets, revenues and expenses 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 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 June 30, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended June 30, 2025, current assets and net assets as at June 30, 2025.

The comparative information presented herein as of and for the year ended June 30, 2024 were not subject to an audit engagement. Since opening balances enter into the determination of the results of operations and cash flow, we were unable to determine whether adjustments to revenue, net income, opening retained earnings and cash provided by operations might be necessary.

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 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 qualified audit opinion.

Emphasis of Matter

We draw attention to Note 11 of the financial statements which explains that certain comparative information presented for the year ended June 30, 2024 have been restated. Our opinion is not modified in respect to this matter.

Other Matter

The financial statements for the year ended June 30, 2024 are unaudited.

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 ASNPO, 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 related 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.

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Independent Auditor's Report to the Members of Conservation Council of New Brunswick Inc. *(continued)*

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.



Fredericton, New Brunswick
November 14, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS

CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

Statement of Financial Position

June 30, 2025

	2025	2024
		<i>(Unaudited) (Restated)</i>
ASSETS		
CURRENT		
Cash	\$ 585,663	\$ 688,744
Marketable securities (<i>Note 5</i>)	490,868	453,110
Accounts receivable	25,811	18,200
Harmonized sales tax receivable	15,224	5,597
Prepaid project expenses	<u>9,603</u>	<u>9,134</u>
	1,127,169	1,174,785
PROPERTY AND EQUIPMENT (<i>Note 6</i>)	67,012	68,277
	\$ 1,194,181	\$ 1,243,062
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 54,237	\$ 28,982
Deferred revenue (<i>Note 7</i>)	<u>430,291</u>	<u>480,788</u>
	484,528	509,770
NET ASSETS		
General fund	568,641	591,015
Restricted fund (<i>Note 10</i>)	74,000	74,000
Property and equipment fund	<u>67,012</u>	<u>68,277</u>
	709,653	733,292
	\$ 1,194,181	\$ 1,243,062

ON BEHALF OF THE BOARD

X

Director

Director

CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

Statement of Changes in Net Assets

Year Ended June 30, 2025

	General Fund	Restricted Fund (Note 10)	Property and Equipment Fund	2025	2024 (Unaudited) (Restated)
NET ASSETS -					
BEGINNING OF YEAR					
As previously reported	\$ 599,145	\$ 74,000	\$ 68,277	\$ 741,422	\$ 645,250
Prior period adjustment (Note 11)	<u>(8,130)</u>	-	-	(8,130)	-
As restated	591,015	74,000	68,277	733,292	645,250
INTERFUND TRANSFERS					
	(1,643)	-	1,643	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES					
	<u>(20,731)</u>	-	(2,908)	(23,639)	88,042
NET ASSETS - END OF YEAR					
	\$ 568,641	\$ 74,000	\$ 67,012	\$ 709,653	\$ 733,292

CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

Statement of Revenues and Expenses

Year Ended June 30, 2025

	2025	2024
		<i>(Unaudited) (Restated)</i>
REVENUE		
Project revenue (<i>Note 8</i>)	\$ 1,131,124	\$ 1,004,319
Donations and special events	112,219	87,532
Memberships	3,742	4,914
Sales and service	1,569	1,548
Wage and other subsidies	11,018	65,701
Investment (<i>Note 9</i>)	<u>45,850</u>	<u>54,070</u>
	<u>1,305,522</u>	<u>1,218,084</u>
EXPENSES		
Project expenses (<i>Note 8</i>)	1,050,844	914,439
Bank charges	1,409	1,524
Building and property expense	15,024	22,450
Dues and subscriptions	1,540	3,509
Equipment purchases and rentals	4,241	2,100
Fundraising	9,336	24,734
Travel	1,050	255
Investment counsel fees	7,552	6,464
Member services	3,601	4,804
Office, occupancy and general expenses	50,598	23,396
Professional fees	15,767	14,115
Salaries and wages	<u>165,291</u>	<u>109,177</u>
	<u>1,326,253</u>	<u>1,126,967</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	(20,731)	91,117
OTHER EXPENSES		
Amortization	<u>(2,908)</u>	<u>(3,075)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (23,639)</u>	<u>\$ 88,042</u>

CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

Statement of Cash Flows

Year Ended June 30, 2025

	2025	2024
		<i>(Unaudited) (Restated)</i>
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (23,639)	\$ 88,042
Item not affecting cash:		
Amortization of property and equipment	<u>2,908</u>	<u>3,075</u>
	<u>(20,731)</u>	<u>91,117</u>
Changes in non-cash working capital:		
Accounts receivable	(7,611)	(13,430)
Harmonized sales tax receivable	(9,627)	2,947
Prepaid project expenses	(469)	(531)
Accounts payable	25,256	7,149
Deferred revenue	<u>(50,497)</u>	<u>(72,181)</u>
	<u>(42,948)</u>	<u>(76,046)</u>
	<u>(63,679)</u>	<u>15,071</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(1,644)	-
Repayment of loans and notes receivable	-	(30,000)
Marketable securities	<u>(37,758)</u>	<u>(25,180)</u>
	<u>(39,402)</u>	<u>(55,180)</u>
DECREASE IN CASH FLOW	(103,081)	(40,109)
CASH - BEGINNING OF YEAR	688,744	728,853
CASH - END OF YEAR	\$ 585,663	\$ 688,744

CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

Notes to Financial Statements

Year Ended June 30, 2025

1. PURPOSE OF THE ORGANIZATION

The Conservation Council of New Brunswick Inc. is a citizen-based not-for-profit environmental organization that promotes public policies that recognize the importance of a healthy environment. The organization is a registered charity under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash and cash equivalents

The organization considers cash on hand, short-term deposits and balances with banks, net of overdrafts as cash or cash equivalents. Bank borrowings are considered to be financing activities.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates:

Buildings	4%
Computer equipment	30%
Furniture and fixtures	20%
Project equipment	30%

The organization regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Deferred revenue

Deferred revenue represents project funding received prior to year-end for which expenses have not been incurred.

Revenue recognition

Conservation Council of New Brunswick Inc. follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Marketable securities are recorded at market value and investment income is accrued as earned.

Donated materials

Donated property, marketable securities and other non-cash donations are recorded as contributions at their estimated fair market value at the date of the donation.

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CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

Notes to Financial Statements

Year Ended June 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of June 30, 2025.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is mainly exposed to Currency risk and Interest rate risk.

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization is exposed to foreign currency exchange risk on cash and marketable securities held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate on credit facilities.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

Notes to Financial Statements

Year Ended June 30, 2025

4. OPERATING LINE OF CREDIT

The company has a credit facility with Omista Credit Union, which includes an approved operating line that can be drawn upon to a maximum of \$35,000, which bears interest at 6.95%. As at June 30, 2025 the amount owing, was \$nil (2024 - \$nil).

5. INVESTMENTS

	2025	2024 (Unaudited)
Fixed income	\$ 71,975	\$ 68,273
Equities	364,077	332,482
GIC	<u>54,816</u>	<u>52,355</u>
	\$ 490,868	\$ 453,110

As at June 30, 2025 the market value of investments includes unrealized gains of \$208,548 (2024 - unrealized gains \$181,204).

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value (Unaudited)
Land	\$ 29,660	\$ -	\$ 29,660	\$ 29,660
Buildings	65,549	35,033	30,516	31,787
Computer equipment	10,322	8,786	1,536	198
Furniture and fixtures	12,804	7,580	5,224	6,530
Project - Computer equipment	21,791	21,781	10	15
Project - Equipment and furniture	8,429	8,380	49	58
Project - Marine equipment	29,873	29,856	17	29
	\$ 178,428	\$ 111,416	\$ 67,012	\$ 68,277

For information purposes, the Council's premises at 180 St. John Street, Fredericton has a net book value (consisting of land and building) of \$42,715 recorded in the financial statements. The fair value of this property at year-end is estimated to be \$538,500.

7. DEFERRED REVENUE

	2025	2024 (Unaudited)
Marine conservation	\$ 13,977	\$ 147,029
Biodiversity	170,456	51,222
Forest conservation	58,122	-
Sustainable energy	187,736	282,537
	\$ 430,291	\$ 480,788

CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

Notes to Financial Statements

Year Ended June 30, 2025

8. PROJECT REVENUE AND EXPENSES

	2025	2024 (Unaudited)
Project revenue		
Biodiversity	\$ 633,128	\$ 70,524
Forest conservation	1,878	-
Marine conservation	149,115	132,393
Sustainable energy	<u>347,003</u>	<u>801,402</u>
	<u>1,131,124</u>	<u>1,004,319</u>
Project expenses		
Biodiversity	461,442	65,398
Forest conservation	1,878	-
Marine conservation	160,641	131,447
Sustainable energy	<u>426,883</u>	<u>717,594</u>
	<u>1,050,844</u>	<u>914,439</u>
Net project surplus (loss)	<u>\$ 80,280</u>	<u>\$ 89,880</u>

9. INVESTMENT REVENUE

	2025	2024 (Unaudited)
Unrealized gains	\$ 27,344	\$ 41,115
Interest income	<u>18,506</u>	<u>12,955</u>
	<u>\$ 45,850</u>	<u>\$ 54,070</u>

10. RESERVE FUND

The Board established a reserve fund with a target of accumulating funds to cover approximately four months of operating expenditures.

11. PRIOR PERIOD ADJUSTMENT

The June 30, 2024 figures have been restated for an under recorded vacation liability. The results of this prior period adjustment is an increase in prior years liabilities by \$8,130 and an increase in wage expenses of \$8,130. Opening net assets have decreased by \$8,130 as a result of this prior year adjustment.

12. COMPARATIVE FIGURES

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