

Financial Statements

Alliance of Canadian Land Trusts

Victoria, British Columbia

December 31, 2025

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Independent Auditors' Report

To the Members of Alliance of Canadian Land Trusts:

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Alliance of Canadian Land Trusts (the Organization), which comprise the statement of financial position as at December 31, 2025 and the statements of replacement reserve, changes in net assets, operations 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 effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Alliance of Canadian Land Trusts 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 charitable organizations, the Organization derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we are not able to determine whether any adjustments might be necessary to donations revenue, surplus and cash flows from operations for the years ended December 31, 2025, current assets and net assets as at December 31, 2025.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Alliance of Canadian Land Trusts 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 qualified opinion.

Comparative Information - Corresponding Figures

The statements of financial position as at December 31, 2024 and statements of changes in net assets, operations, and cash flows for the year ended December 31, 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 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.

Independent Auditors' Report - continued

In preparing the financial statements, management is responsible for assessing Alliance of Canadian Land Trusts'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 Alliance of Canadian Land Trusts's financial reporting process.

Auditors' 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 auditors' 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 Alliance of Canadian Land Trusts'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 Alliance of Canadian Land Trusts's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

Independent Auditors' Report - continued

- 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.

Toronto, Ontario
April 21, 2026

A handwritten signature in cursive script that reads "Prudence Yates & Clark".

Chartered Professional Accountants, Licensed Public Accountants

Alliance of Canadian Land Trusts

December 31, 2025

Statement of Financial Position	2025	2024
		Note 6
Current Assets		
Cash	\$ 300,951	\$ 121,344
Accounts receivable	37,237	10,583
GST receivable	2,222	3,310
Prepaid expenses	0	500
	340,410	135,737
Total Current	340,410	135,737
Capital Assets , Note 3	574	1,275
	340,984	137,012
Current Liabilities		
Accounts payable and accrued liabilities	69,691	6,750
Deferred revenue, Note 5	168,807	66,518
	238,498	73,268
Total Liabilities	238,498	73,268
Net Assets , per statement	102,486	63,744
	340,984	137,012

Approved by The Board

Director: Max Fritz

Director: Bill Lougheed

The notes on pages 10 through 13 form an integral part of these financial statements.

Alliance of Canadian Land Trusts

Year ended December 31, 2025

Statement of Changes in Net Assets

Balance beginning	63,744	39,391
Add		
Surplus	38,742	24,353
<i>Balance December 31</i>	102,486	63,744

Alliance of Canadian Land Trusts

Year ended December 31, 2025

Statement of Operations	2025	2024
		Note 6
Revenues		
Grants and foundation revenue	\$ 437,115	\$ 328,566
Other funding	34,850	105,541
Conference revenue	76,142	0
Interest	0	14
Donations	11,400	2,870
Miscellaneous	5,233	0
Total Revenues	564,740	436,991
Expenses		
Salaries and wages	226,470	136,510
Sub-contracts	165,493	209,405
Meetings and conventions	91,531	23,363
Advertising and promotion	13,937	3,820
Professional fees	12,677	12,581
Travel	6,444	10,367
Memberships	3,183	3,000
Office rental	1,500	0
Office	1,297	8,565
Telephone	1,281	1,358
Insurance	965	850
Amortization	701	846
Supplies	514	1,951
Interest and bank charges	5	22
Total Expenses	525,998	412,638
Surplus	38,742	24,353

Alliance of Canadian Land Trusts

Year ended December 31, 2025

Statement of Cash Flows	2025	2024
		Note 6
Operating Activities		
Surplus	\$ 38,742	\$ 24,353
Items not requiring an outlay of cash		
Amortization	701	846
	39,443	25,199
Changes in non-cash working capital		
Accounts receivable	(26,654)	58,370
GST receivable	1,088	(9,532)
Prepaid expenses	500	(500)
Accounts payable	62,941	(13,214)
Deferred revenue	102,289	(27,107)
	179,607	33,216
<i>Cash Provided By Operating Activities</i>	179,607	33,216
Investing Activities		
Purchase of assets	0	(999)
	0	(999)
<i>Cash Used In Investing Activities</i>	0	(999)
Net cash increase during the year	179,607	32,217
Cash position beginning of year	121,344	89,127
<i>Cash Position End Of Year</i>	300,951	121,344

Notes to Financial Statements

Status and Nature of Activities

Alliance of Canadian Land Trusts (the "Organization") is a not-for-profit organization that was incorporated on August 8, 2017 under the Canada Not-for-profit Corporations Act. It was initially registered under the name "Land Trusts Canada" and later changed its name to Alliance of Canadian Land Trusts.

The Organization's mission is to support and empower land trusts across Canada to be vibrant, unified and effective in advancing land conservation. The vision of the Organization is protecting nature through the stewardship and conservation of the most vital landscapes in communities across Canada.

The Organization is a charitable organization within the meaning of the Income Tax Act. No portion of the Organization's income is available for the personal benefit of any member.

Note 1

Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

The Organization 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 received can be reasonably estimated and collection is reasonably assured.

Grants, foundation revenue and other funding are recorded in income in the same period as the expenses they are intended to fund.

Revenues from conferences are recognized when the services are provided.

Donations are recognized as revenue as they are received.

Contributed Services

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

Note 1 Significant Accounting Policies - continued

Capital Assets

Capital assets are recorded at cost and amortized as follows:

Computer and equipment - 55% declining balance method

Impairment of Long-Lived Assets

Long-lived assets subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Financial Instruments

(a) Measurement of Financial Instruments

The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable.

(b) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Use of Estimates

The preparation of financial statements requires management to make assumptions about future events 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 revenues and expenses during the reporting period. Actual results could differ from these estimates.

Note 2 Financial Instruments

Risk Management Policy

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at December 31, 2025:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a loss.

The Organization is subject to concentrations of credit risk through its cash accounts. The Organization maintains all of its cash at a single Canadian financial institution. The maximum credit risk is equivalent to the carrying value.

The Organization is also subject to concentrations of credit risk through its accounts receivable. This risk is minimized as the Organization has a significant number of funders.

Liquidity Risk

Liquidity risk is the risk that the Organization 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 funders and accounts payable. This risk is reduced as the Organization maintains its working capital at a sufficient level to ensure it always has cash available to meet its short term obligations.

There has been no significant changes in risks since the prior year.

Note 3 Capital Assets

	2025	2024
At cost	\$ 2,547	\$ 2,547
Computer equipment	(1,973)	(1,272)
Accumulated amortization	574	1,275

Note 4 Economic Dependence

The Organization is dependant upon government funding, as its ability to continue as a viable operation is based off revenue generated from the agreements in place and the ability to apply to different grants available. The funding received through these agreements accounts for approximately 54% of the Organization's revenues (2024 - 77%).

Alliance of Canadian Land Trusts

December 31, 2025

Note 5 Deferred Revenue

Deferred revenue represents the unspent portion of funding programs. The deferred amounts will be held by the Organization for future initiatives and will be recognized in revenue in the year which the expenditures are incurred. The Organization is required to prepare reports for the grantors showing how the funds were actually spent, and if the terms are not met this could result in the grantor requesting the funds be returned.

	<u>2025</u>	<u>2024</u>
Deferred revenue	\$ 168,807	\$ 66,518

Note 6 Classification

The prior year figures have been reclassified, where necessary, to conform to the current year's presentation. Surplus for the previous year is not affected by the reclassification.