

Action Chelsea for the Respect of the Environment
Financial Statements
December 31, 2025

Action Chelsea for the Respect of the Environment

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For the year ended December 31, 2025

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To the Board of Directors of
Action Chelsea for the Respect of the Environment

Opinion

We have audited the financial statements of Action Chelsea for the Respect of the Environment (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 flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 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 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.

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.

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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.

Hawkesbury ON
February 19, 2026

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Action Chelsea for the Respect of the Environment Statement of Financial Position

As at December 31, 2025

	Unrestricted fund	Restricted fund	Invested in conservation land and agreements	2025	2024
Assets					
Current					
Cash	-	-	-	-	58,613
Accounts receivable	256,193	-	-	256,193	24,312
Interfund balances	-	217,768	-	217,768	71,615
Current portion of long-term investments (Note 5)	118	381,841	-	381,959	53,193
	256,311	599,609	-	855,920	207,733
Capital assets (Note 3), (Note 4)	4,110	-	6,873,621	6,877,731	4,914,109
Investments (Note 5)	-	361,767	-	361,767	373,368
	260,421	961,376	6,873,621	8,095,418	5,495,210
Liabilities					
Current					
Bank indebtedness	1,684	-	-	1,684	-
Accounts payable and accruals	10,642	16,786	-	27,428	17,947
Deferred revenues	-	-	-	-	67,614
Interfund balances	217,768	-	-	217,768	71,615
	230,094	16,786	-	246,880	157,176
Net assets					
Fund balances (Note 6)	30,327	944,590	6,873,621	7,848,538	5,338,034
	260,421	961,376	6,873,621	8,095,418	5,495,210

Approved on behalf of the Board

Director

Director

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

Action Chelsea for the Respect of the Environment Statement of Operations

For the year ended December 31, 2025

	<i>Unrestricted fund</i>	<i>Restricted fund</i>	<i>Invested in conservation land and agreements</i>	2025	2024
Revenue					
Dividends in investments	-	4,564	-	4,564	1,821
Donations	91,345	394,835	-	486,180	118,774
Donations in kind (ecological gift of land)	-	-	-	-	705,000
Funding <i>(Note 7)</i>	-	-	2,142,350	2,142,350	(14,392)
Interest income	-	16,765	-	16,765	6,574
Memberships	5,190	-	-	5,190	3,380
Services rendered	4,596	-	-	4,596	-
Unrealized gain on investments	-	16,716	-	16,716	15,861
	101,131	432,880	2,142,350	2,676,361	837,018
Expenses					
Advertising	673	-	-	673	199
Amortization	1,621	-	-	1,621	1,621
Bank charges and interest	1,941	-	-	1,941	91
Contracted services	-	-	-	-	3,308
Impairment <i>(Note 8)</i>	-	-	-	-	1,089,875
Insurance	639	-	-	639	1,121
Licences and fees	595	-	-	595	594
Maintenance	-	27,475	-	27,475	5,505
Materials	2,371	-	-	2,371	208
Office expenses	4,928	-	-	4,928	1,678
Professional fees	15,226	-	-	15,226	13,653
Property taxes	-	22,420	-	22,420	15,609
Reimbursement due to revaluation of property	-	-	-	-	343,960
Salaries and benefits	48	87,292	-	87,340	86,484
Telephone	39	-	-	39	37
Training and education	400	-	-	400	-
Travel	189	-	-	189	854
	28,670	137,187	-	165,857	1,564,797
Excess of revenue over expenses (of expenses over revenue)	72,461	295,693	2,142,350	2,510,504	(727,779)

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

Action Chelsea for the Respect of the Environment Statement of Changes in Net Assets

For the year ended December 31, 2025

	<i>Unrestricted fund</i>	<i>Restricted fund</i>	<i>Invested in conservation land and agreements</i>	2025	2024
Net assets, beginning of year	8,981	420,675	4,908,378	5,338,034	6,065,813
Excess of revenue over expenses (of expenses over revenue)	72,461	295,693	2,142,350	2,510,504	(727,779)
Transfer	(51,115)	228,222	(177,107)	-	-
Net assets, end of year	30,327	944,590	6,873,621	7,848,538	5,338,034

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

Action Chelsea for the Respect of the Environment

Statement of Cash Flows

For the year ended December 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating activities		
Excess of revenue over expenses (of expenses over revenue)	2,510,504	(727,779)
Amortization	1,621	1,621
Items not affecting cash:		
Donations in kind	-	(705,000)
Impairment	-	1,089,875
Unrealized gain on investments	(16,716)	(15,861)
	2,495,409	(357,144)
Changes in working capital accounts		
Accounts receivable	(231,881)	157,196
Accounts payable and accruals	9,481	1,777
Deferred revenues	(67,614)	(86)
	2,205,395	(198,257)
Investing activities		
Purchase of capital assets	(1,965,243)	(8,429)
Purchase of investments	(300,449)	(410,700)
Transfer from restricted cash	-	367,920
	(2,265,692)	(51,209)
Decrease in cash resources	(60,297)	(249,466)
Cash resources, beginning of year	58,613	308,079
(Deficiency) cash resources, end of year	(1,684)	58,613

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

Action Chelsea for the Respect of the Environment

Notes to the Financial Statements

December 31, 2025

1. Incorporation and nature of the organization

Action Chelsea for the Respect of the Environment (the Organization) was incorporated without share capital under Part III of the Quebec Business Corporations Act. The Organization is a registered charity under section 149.1(1) of the Income Tax Act (the Act). As such, the Organization is exempt from income taxes and able to issue donation receipts for income tax.

The Organization's objective is to promote the protection of the environment and ecological integrity of the Municipality of Chelsea and other municipalities that are located next to the Gatineau Park. The Organization's activities include the acquisition and conservation of ecologically significant land.

2. Significant accounting policies

The financial statements have been prepared in accordance with ASNPO, and include the following significant accounting policies:

Fund accounting

The Organization follows the restricted fund method of accounting for contributions, and maintains 3 funds: Unrestricted fund, Restricted fund and Invested in conservation land and agreements fund.

The Unrestricted fund reports the Organization's general fundraising and administrative activities. At year-end, the Organization may transfer a portion of its net fundraising revenue to its Restricted fund.

The Invested in conservation land and agreements fund is a restricted fund that reports the Organization's contributed and acquired properties.

The Restricted fund reports the Organization's resources to be used for identified purposes as specified externally by donors or internally by the Board of Directors.

Interfund balances bear no interest, have no specific terms of repayment and are unsecured.

Revenue recognition

The Organization uses the restricted fund method of accounting for contributions which includes government funding, donations and other grants.

Unrestricted contributions are recognized as revenue of the Unrestricted fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions represent contributions received for specific purposes and are recorded as revenue of the appropriate Restricted Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income earned is recognized as revenue of the appropriate fund when earned. Investment losses are allocated in a manner consistent with investment income.

Action Chelsea for the Respect of the Environment

Notes to the Financial Statements

December 31, 2025

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Purchased conservation land and agreements are recorded at cost when the title is transferred.

Contributed conservation land and agreements are recorded at fair market value when title is transferred. The contributions are recorded as revenue in the Invested in conservation land and agreements fund when received.

Properties transferred to others are recorded as a reduction of conservation land and agreements.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Equipment	straight-line	5 years

Contributed materials and services

The Organization may receive materials at no cost from various sources. Significant donations are recorded in the accounts at their estimated fair value at the date of the donation.

The Organization also benefits from the services of volunteers. Because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instruments.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations.

All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses (of expenses over revenue). Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

Action Chelsea for the Respect of the Environment

Notes to the Financial Statements

December 31, 2025

With the exception of related party debt instruments initially measured at cost, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses (of expenses over revenue).

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenses (of expenses over revenue) in the year the reversal occurs.

Measurement uncertainty (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 revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Contributed assets are stated after evaluation of any impairment in value resulting in a decrease of net realizable value where considered necessary.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

Investments

Long-term investments are portfolio investments recorded at fair value for those with prices quoted in an active market, and cost less impairment for those that are not quoted in an active market. They have been classified as long-term assets in concurrence with the nature of the investment.

3. Capital assets

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Conservation Land and Agreements, see details in Note 6	6,873,621	-	6,873,621	4,908,378
Equipment	8,107	3,997	4,110	5,731
	6,881,728	3,997	6,877,731	4,914,109

Action Chelsea for the Respect of the Environment

Notes to the Financial Statements

December 31, 2025

4. Conservation land and agreements

The properties held at year-end include:

	2025	2024
Alligator	1,100	1,100
Brink	706,938	705,000
Cascade	1,000	1,000
Creek	1,000	1,000
Dionne-Wilson Forest	463,269	463,269
Forêt aux étangs	864,147	864,147
Griffin	15,800	15,800
Hundred Acre Wood	1,618,619	1,618,619
Jolicoeur-McMartin Forest	590,929	590,929
Larrimac	466,989	466,989
Place EcoRubin	180,525	180,525
St. Jean Lauzon	440,165	-
St. Stephens	1,523,140	-
	6,873,621	4,908,378

Conservation lands and agreements, either purchased or donated, are assets held by the Organization. The St. Stephens property includes conservation agreements purchased at a cost of \$1,435,155. Conservation agreements are legal agreements entered into by the Organization under which landowners restrict or limit the type and amount of development that may take place on their land to conserve its natural features. Once registered on title, that agreement runs with the title and binds all future owners.

5. Investments

	2025 Market Value	2025 Cost	2024 Market Value	2024 Cost
Cash and cash equivalents	331,540	331,540	53,193	53,193
Equities	154,947	128,185	133,013	122,282
Fixed income	257,239	251,142	240,355	235,096
	743,726	710,867	426,561	410,571
Less: current portion	(381,959)	-	(53,193)	-
	361,767	710,867	373,368	410,571

Fixed income investments have rates ranging from 3.450% to 4.537% with maturity dates ranging from 2026 to 2029.

Action Chelsea for the Respect of the Environment Notes to the Financial Statements

December 31, 2025

6. Fund balances

	Opening Balance	Revenues	Transfers (to)/from Other Fund	Expenses	2025 Closing Balance
Unrestricted	8,981	101,130	(51,115)	(28,669)	30,327
Restricted					
Forêt aux étangs	18,508	-	-	(5,638)	12,870
Stewardship fund	402,167	360,054	213,756	(44,257)	931,720
Program manager	-	67,614	13,228	(80,842)	-
Other	-	5,213	1,238	(6,451)	-
	420,675	432,881	228,222	(137,188)	944,590
Invested in conservation land and agreements	4,908,378	2,142,350	(177,107)	-	6,873,621
	5,338,034	2,676,361	-	(165,857)	7,848,538

	Opening Balance	Revenues	Transfers (to)/from Other Fund	Expenses	2024 Closing Balance
Unrestricted	(166,529)	40,473	155,050	(20,013)	8,981
Restricted					
Forêt aux étangs	18,508	-	-	-	18,508
Stewardship fund	561,090	24,249	(158,750)	(24,422)	402,167
Jolicoeur- McMartin Forest	367,920	-	(23,960)	(343,960)	-
Program manager	-	80,086	-	(80,086)	-
Other	-	(12,790)	19,231	(6,441)	-
	947,518	91,545	(163,479)	(454,909)	420,675
Invested in conservation land and agreements	5,284,824	705,000	8,429	(1,089,875)	4,908,378
	6,065,813	837,018	-	(1,564,797)	5,338,034

Action Chelsea for the Respect of the Environment

Notes to the Financial Statements

December 31, 2025

7. Funding

The breakdown of funding is as follows:

	2025	2024
Charitable Impact Foundation	750,000	-
Echo Foundation	100,000	-
Environment and Climate Change Canada	-	(14,392)
Fondation de la faune du Québec	540,000	-
Leacross Foundation	200,000	-
National Capital Commission	300,000	-
Nature Action Quebec	252,350	-
	2,142,350	(14,392)

8. Impairment

Last year, the impairment expense of \$1,089,875 was a one-time expense resulting from Environment and Climate Change Canada's (ECCC) reassessment of the value of the Jolicoeur-McMartin Forest. Originally, the Jolicoeur-McMartin Forest was valued at \$1,600,000 and capitalized in conservation land and agreements for an amount of \$1,672,375 in 2022. However, following the recadastralization of the property and the revaluation by ECCC in 2024, the recognized property value was \$582,500, resulting in an impairment expense of \$1,089,875.

9. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's exposure to liquidity risk is dependent on the donations and funding to meet commitments and sustain operations.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization's investments in publicly traded securities expose the Organization to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets.