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CLEAN AIR PARTNERSHIP

FINANCIAL STATEMENTS

DECEMBER 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of the Clean Air Partnership,

Opinion
We have audited the financial statements of the Clean Air Partnership (the organization), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and 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 Clean Air Partnership as at December 31, 2024 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 your 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.

Chartered Professional Accountants
Licensed Public Accountants

Date of Board Approval
Toronto, Ontario

CLEAN AIR PARTNERSHIP

STATEMENT OF FINANCIAL POSITION

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AS AT DECEMBER 31, 2024

	2024	2023
ASSETS		
Current assets		
Cash	$ 521,829	$ 543,643
Guaranteed investment certificate (note 3)	101,456	97,563
Accounts receivable	131,077	102,032
Prepaid expenses	1,577	577
	$ 755,939	$ 743,815
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	$ 42,794	$ 21,093
Deferred contributions (note 4)	50,735	118,000
	93,529	139,093
Net assets		
Designated (note 5)	100,000	100,000
Unrestricted	562,410	504,722
	662,410	604,722
	$ 755,939	$ 743,815

Approved on behalf of the Board:

_____, Director

_____, Director

see accompanying notes

CLEAN AIR PARTNERSHIP

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

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FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
REVENUE		
Contributions (note 6)	$ 753,088	$ 656,802
Earned income	281,714	214,257
Interest income	4,163	3,957
	1,038,965	875,016
EXPENSES		
Salaries and benefits	689,512	795,797
Contractors	194,375	109,551
Administration	30,574	21,142
Occupancy costs	22,637	5,543
Communications	11,013	29,197
Office equipment and service	9,765	8,786
Projects	8,628	28,172
Marketing, promotion and events	7,582	12,144
Travel	7,191	15,458
	981,277	1,025,790
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	57,688	(150,774)
Net assets, beginning of year	604,722	755,496
NET ASSETS, END OF YEAR	$ 662,410	$ 604,722

see accompanying notes

CLEAN AIR PARTNERSHIP

STATEMENT OF CASH FLOWS

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FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	$ 57,688	$ (150,774)
Net change in non-cash working capital items (see below)	(75,609)	155,887
Net cash generated from (used for) operating activities	(17,921)	5,113
INVESTING ACTIVITIES		
Purchase of guaranteed investment certificate	(3,893)	(3,710)
NET INCREASE (DECREASE) IN CASH FOR THE YEAR	(21,814)	1,403
Cash, beginning of year	543,643	542,240
CASH, END OF YEAR	$ 521,829	$ 543,643

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Accounts receivable	$ (29,045)	$ 110,782
Prepaid expenses	(1,000)	(577)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	21,701	(17,318)
Deferred contributions	(67,265)	63,000
	$ (75,609)	$ 155,887

see accompanying notes

Clean Air Partnership (the organization) was incorporated under the laws of the Province of Ontario, by the Toronto Atmospheric Fund (TAF) Act 1992 as a corporation without share capital. In 2005, the organization changed its name from the TAF Foundation to Clean Air Partnership. The organization is exempt from income tax in Canada as a public foundation under the Income Tax Act (Canada).

Clean Air Partnership's objective is to promote global climate stabilization and public understanding of global warming and air quality issues and its implications.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

Revenue recognition
The principal sources of revenue and recognition of these sources of revenue for financial statement purposes are as follows:

i) The organization follows the deferral method of revenue recognition for contributions, which include grants and donations.

Externally restricted contributions, including project grants, related to current expenses are recognized as revenue in the current year. Externally restricted contributions received in the year for expenses to be incurred in the following year are recorded as deferred contributions. Unrestricted contributions, including donations and amounts received from fundraising, are recorded when received.

Contributed materials and services which are normally purchased by the organization are not recorded in the accounts.

ii) Earned income is recognized in the period in which the services are provided or goods are received.

iii) Interest income is recognized as revenue when earned.

2. FINANCIAL INSTRUMENTS

The organization records financial instruments, which include cash, a guaranteed investment certificate, accounts receivable and accounts payable and accrued liabilities, initially at fair value. Subsequently, the guaranteed investment certificate is measured at cost plus accrued interest and all other financial instruments are recorded net of any provisions for impairment in value.

3. GUARANTEED INVESTMENT CERTIFICATE

The guaranteed investment certificate is issued and held by a major Canadian chartered bank, bears interest at 2.75% and matures in April 2025.

4. DEFERRED CONTRIBUTIONS

Continuity of deferred contributions for the year is as follows:

	2024	2023
Deferred contributions, beginning of year	$ 118,000	$ 55,000
Add cash received from contributions	685,823	719,802
Less contribution revenue recognized (note 6)	(753,088)	(656,802)
Deferred contributions, end of year	$ 50,735	$ 118,000

5. DESIGNATED NET ASSETS

The Board of Directors designated net assets of $100,000 to be used for contingency purposes. Use of these funds is subject to approval by the Board of Directors.

6. CONTRIBUTIONS

Contribution revenue recognized in the year was from the following sources:

	2024	2023
Municipalities	$ 292,137	$ 312,887
Foundations	257,355	211,200
Other not-for-profit organizations and government agencies	198,583	116,782
Government of Canada	5,013	15,933
	$ 753,088	$ 656,802

7. LEASE COMMITMENT

The organization leases office space in Toronto, Ontario. Minimum annual payments under the terms of the lease, which expires on September 30, 2026, are as follows:

2025	22,171
2026	16,628

8. PENSION PLAN

The organization is enrolled in the OPTrust Select defined benefit pension plan administered by OPTrust, which is a multi-employer pension plan. This plan has been accounted for on a defined contribution basis as there is not sufficient information available to account for the plan as a defined benefit plan. The most recent actuarial funding valuation of the plan is dated December 31, 2023 and showed assets of $25,530 million and liabilities of $25,348 million, resulting in a surplus of $182 million. The organization's contributions to the pension plan for the year ended December 31, 2024 amounted to $18,257 (2023 - $17,991).