Financial Statements Unaudited
(Expressed in dollars)

SUSTAINABLE YOUTH CANADA / ÉCOSYSTÈME JEUNESSE CANADA

Year ended December 31, 2024

SUSTAINABLE YOUTH CANADA / ÉCOSYSTÈME JEUNESSE CANADA
Statement of Financial Position
(Expressed in dollars)
Year ended December 31, 2024, with comparative information for 2023

(Expressed in dollars)	**2024**	**2023**
ASSETS		
Current Assets		
Cash and Cash Equivalent (Note H, I)	11750	4136
Long-term Assets	0	0
Capital Assets	0	0
	11750	4136
LIABILITIES & FUND BALANCES		
Current liabilities		
Account Payable and Accrued Liability (Note L)	3043	0
Deferred Revenue (Note M)	4153	0
	7196	0
NET ASSETS		
Unrestricted General Fund - Operations	3303	3735
Internally Restricted Fund - Montreal Chapter Fund	1251	401
Externally Restricted Fund - R2HE Fund	0	0
	4554	4136
	11750	4136

See accompanying notes to financial statements.

Approved on behalf of the Board:

Director 1: ______________________

Director 2: ______________________

SUSTAINABLE YOUTH CANADA / ÉCOSYSTÈME JEUNESSE CANADA
Statement of Operations and Changes in Net Assets
(Expressed in dollars)
Year ended December 31, 2024, with comparative information for 2023

(Expressed in dollars)	**Unrestricted General Fund - Operations**		**Internally Restricted Fund - Montreal Chapter Fund**		**Externally Restricted Fund - R2HE Fund**		**Total**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
REVENUE :								
Unrestricted Donations & Fundraising		1937					0	1937
Honorarium Fee	850	200					850	200
Net Unrestricted Generating Activities	850	2137	0	0	0	0	850	2137
Revenue from restricted Generating Activities					9394		9394	0
Expenses from restricted Generating Activities							0	0
Project Costs (Contract & Services)					5850		5850	0
Project Costs (Honorarium)					544		544	0
Project Costs (accrued payable)					3000		3000	0
Net Restricted Generating Activities	0	0	0	0	0	0	0	0
Total Net Revenue	850	2137	0	0	0	0	850	2137
EXPENSES :								
General and administrative	253	307					253	307
Bank Charges Fee	72	64					72	64
Material & Transport	63	138					63	138
Domain Website expense	43						43	0
Total Expenses	431	509	0	0	0	0	431	509
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	419	1628	0	0	0	0	419	1628
Net Assets, Beginning of Year	3735	2106	1251	401	0	0	4136	2507
NET ASSETS, END OF YEAR (Note D)	3303	3735	1251	401	0	0	4554	4136

See accompanying notes to financial statements.

SUSTAINABLE YOUTH CANADA / ÉCOSYSTÈME JEUNESSE CANADA
Statement of Cash Flows
(Expressed in dollars)
Year ended December 31, 2024, with comparative information for 2023

(Expressed in dollars)	**2024**	**2023**
Cash provided by (used in):		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	419	4136
Items not involving cash:		
Account Payable and Accrued Liability (Note L)	3043	
	3462	4136
Changes in non-cash operating working capital:		
Unearned Revenue (Note M)	4153	0
Increase (decrease) in cash	7614	4136
Cash, beginning of year	4136	3035
CASH, END OF YEAR	11750	4136

See accompanying notes to financial statements.

1. NATURE OF OPERATIONS AND MISSION

Sustainable Youth Canada (SYC), officially known in French as Écosystème Jeunesse Canada (EJC), is a federally registered Canadian Not-for-Profit Organization (NPO).

Mission and Purpose:
SYC is a youth-led nonprofit organization focused on building community capacity for climate mitigation and adaptation across Canada.

The organization's core role is to serve as a platform where youth can make their entry into climate organizing. SYC empowers youth to speak up and act with agency by providing them with:

- A national network of committed youth.
- Tools to address local environmental issues.
- One-on-one mentorship and educational resources.

Activities and Reach:
SYC connects top-down policy initiatives, spearheaded by the national team, with bottom-up adaptation projects led by local chapters across Canada.

- **Local Initiatives:** Since 2014, SYC has had over a dozen chapters, currently maintaining six active chapters in Quebec, Ontario, and the Maritimes. Local projects integrate scientific components and cover diverse topics such as waste management, energy transition advocacy, and contaminated green space rehabilitation.

- **National Advocacy:** The national team has led government youth consultations on federal policies, including Canadians' Right to a Healthy Environment and the National Framework on Environmental Learning.

- **Major Policy Push:** From 2023 to 2025, SYC youth advocated for a **Youth Climate Corps (YCC)**, a program designed to offer paid traineeships focused on practical training in sustainable careers and the inclusion of marginalized young people.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sustainable Youth Canada (SYC) is a Canadian not-for-profit organization (NPO). Its financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO), which is Part III of the CPA Canada Handbook. ASNPO permits NPOs to apply the Accounting Standards for Private Enterprises (ASPE) for certain accounting policies.

A) Basis of Accounting

These financial statements have been prepared by Management in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO), as set out in Part III of the CPA Canada Handbook – Accounting.

The financial statements are prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as further detailed in the accounting policies below.

B) Functional and Presentation Currency

The functional currency and the presentation currency of Sustainable Youth Canada (SYC) are Canadian Dollars (CAD). All amounts in these financial statements are presented in Canadian Dollars.

C) Use of Estimates and Judgements

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Key areas where management uses significant estimates include the method of recognition for certain restricted contributions (Deferred Method).

Actual results could differ from those estimates. These estimates are reviewed periodically, and adjustments are made as appropriate in the period of revision.

D) Fund accounting and revenue recognition

1. Description of Funds and Revenue Recognition

In accordance with ASNPO Section 4410, the Organization has elected to use the deferral method to account for restricted contributions. Under this method, restricted contributions are deferred and recognized as revenue in the same period as the related expenses are incurred. To enhance financial reporting and stewardship over resources, the Organization has also elected to present its financial statements using fund accounting. Funds are segregated based on external restrictions imposed by donors or funding agreements, or internal restrictions established by the Board of Directors (the “Board”). The use of fund accounting is permitted but not required under the deferral method. The following describes each fund and its accounting treatment:

1.1. <u>Unrestricted General Fund</u>

Description: The General Fund records all unrestricted resources and related activities, including operating and administrative expenses of the national organization. Sources of revenue in this fund include:

- Fundraising proceeds from events without donor-imposed restrictions on future use;
- Honoraria and fees for services earned from delivering workshops, presentations, and consultations (e.g., at the Commission for Environmental Cooperation or Adaptation Futures Conference);
- Revenue from participation in international conferences (e.g., COP27, COP15) and government consultations which SYC provide subject matter expertise on climate action and youth engagement;
- Undesignated donations;
- Unrestricted investment income.

Accounting Treatment: Unrestricted contributions are recognized as revenue in the statement of operations in the period in which they are received or receivable, provided the amount can be measured reliably and collection is reasonably assured.

Fund accounting and revenue recognition (continued)

1.2 Externally Restricted Fund

Description: The Externally Restricted Fund includes contributions received from external parties (donors or partners) that are subject to specific external restrictions on their use. These may relate to research, specific projects, or other designated purposes.

Excluded from this fund are contractual fee-for-service agreements, which are considered exchange transactions and accounted for under revenue recognition principles (ASNPO Section 3400).

Accounting Treatment:

- Restricted contributions related to expenses of future periods are recorded as deferred contributions in the statement of financial position and recognized as revenue in the statement of operations in the same period as the related expenses are recognized.
- Where contributions are conditional (e.g., reimbursements tied to incurred costs or achievement of milestones), revenue is recognized only to the extent that conditions have been substantially met (typically measured by eligible expenses incurred).

1.3 Internally Restricted Fund

Description: From time to time, the Board may internally restrict a portion of unrestricted net assets for specific purposes (e.g., the Montreal Chapter Fund). These amounts are not available for other purposes without Board approval.

Interfund Transfers: Transfers between funds are authorized by the Board when deemed appropriate. These transfers ensure proper allocation of assets and liabilities and support prudent financial planning and governance transparency.

Legal Nature: Unlike externally restricted contributions, which are legally enforceable, internally restricted amounts remain legally unrestricted and may be reallocated or released by the Board at any time to meet the Organization’s needs.

Accounting Treatment:

- Contributions are initially recognized as revenue in the General Fund**.**
- Transfers to internally restricted funds are recorded only in the statement of changes in net assets**.**
- Such transfers do not meet the definition of a contribution and do not affect revenue.

Fund accounting and revenue recognition (continued)

2. Application in Fiscal Year 2024

2.1. Unrestricted General Fund

Revenue from honoraria and service fees for workshops and presentations (e.g., Commission for Environmental Cooperation, Adaptation Futures Conference) was recognized on the date the service was delivered, in accordance with revenue recognition criteria for exchange transactions.

2.2. Externally Restricted Fund

Funding received for the "*Project on the Right to a Healthy Environment*" (R2HE Fund) was recorded as a deferred contribution. Revenue was recognized only to the extent of eligible expenses incurred during the year.

2.3. Internally Restricted Fund

As of December 31, 2024, the Board designated a portion of unrestricted net assets to the Montreal Chapter Fund. These resources are reserved to support local initiatives, administrative costs, and event planning specific to the Chapter's activities, while maintaining centralized financial oversight by the national organization. This designation is reflected as an interfund transfer in the statement of changes in net assets.

E) Inventory

The Organization did not hold any inventories as of December 31, 2024, or during the reporting period. Should inventories be acquired in the future for sale or for use in service provision, they shall be valued at the lower of cost and net realizable value. Cost is determined using the First-In, First-Out (FIFO) method. An allowance for obsolescence is recognized, if necessary, to reflect a prudent estimate of the value of available inventories.

F) Property, Plant, and Equipment (PP&E)

In accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) (Part III, Section 4433 – PP&E), when the average of annual revenues recognized in the Statement of Operations for the current and prior fiscal year is less than $500,000, the Organization may elect not to recognize its PP&E as assets, but rather to expense them immediately upon acquisition.

As Sustainable Youth Canada (SYC) maintains average annual revenues below $500,000, it meets the criteria of paragraph 4433.26 of the ASNPO standards. Consequently, the Organization applies an accounting policy whereby all expenditures related to PP&E are immediately expensed upon acquisition. This approach is adopted in order to:

- Simplify accounting management and avoid the necessity of tracking and amortizing these assets over time.
- Ensure clarity and transparency in the financial statements by recording the total cash outlay directly in the Statement of Operations.
- Comply with simplified practices permitted for small Not-for-Profit Organizations (NPOs).

Property, Plant, and Equipment (PP&E) (continued)

In compliance with ASNPO requirements, the Organization discloses the following information:

1. The adopted policy for the recognition of PP&E: the Organization will not capitalize these assets and will record all related expenditures as expenses in the Statement of Operations.
2. The main categories of PP&E not recognized on the Statement of Financial Position are computer equipment.
3. The total amount of PP&E expenditures recognized as expenses during the fiscal year is to 0.

As of December 31, 2024, the Organization holds no PP&E recognized on the Statement of Financial Position.

G) Intangible Assets

Intangible assets are governed by Section 3064 - Goodwill and Intangible Assets of the Canadian Accounting Standards for Private Enterprises (ASPE), which is applied by NPOs. This Section allows organizations to choose between two accounting approaches for expenditures associated with intangible assets:

1. Recognizing them immediately as expenses when incurred, or
2. Capitalizing them as an intangible asset, subject to meeting the standard's recognition criteria.

Sustainable Youth Canada (SYC) has elected to adopt the first approach and will not capitalize its intangible assets in order to:

- Simplify accounting management and avoid the tracking and amortization of intangible assets.
- Ensure better readability of the financial statements by integrating these costs directly into the Statement of Operations.
- Comply with simplified practices for NPOs without long-term intangible assets requiring capitalization.

This accounting policy is applied consistently to all development phase expenditures. As examples, the following costs are immediately recognized as expenses in the Statement of Operations:

- Website design and updates.
- Software licenses and other digital developments.

As of December 31, 2024, the Organization holds no intangible assets recognized on the Statement of Financial Position.

H) Cash and Cash equivalents

Sustainable Youth Canada (SYC) follows a policy of including in cash and cash equivalents highly liquid bank balances and short-term investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Specifically, the Organization cash and cash equivalents are bank balances and term deposits with an original maturity of three months or less from the date of acquisition.

I) Restricted Cash

Included in cash and cash equivalent is $7153 (2023 - $0) that is restricted related to the Project *Right to a Healthy Environment* (R2HE).

J) Volunteer Services and In-Kind Contributions

The Organization benefits significantly from the contributions of numerous volunteers whose services are essential to the execution of its activities and events, greatly reducing operating costs.

In accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) (Part III, Section 4410 and Section 4420), services received free of charge are recognized in the financial statements only if they meet specific criteria, such as:

1. The services create or enhance a non-financial asset (e.g., infrastructure construction or improvement).
2. The services would have otherwise been purchased by the Organization had the volunteers not provided them.
3. A reliable and objectively measurable fair value of the service can be determined.

In the case of Sustainable Youth Canada (SYC), while volunteer services are a vital resource, they are not recognized in the financial statements. This decision is based on the fact that the services, such as administrative support, event organization, and logistical assistance, do not reliably meet the criteria for recognition, particularly regarding the objective determination of a reliable fair value.

However, the Organization formally recognizes the significant contribution and commitment of its volunteers in its management reports and internal communications to highlight their impact on SYC's success.

K) Allocation of Expenses

All expenses related to general management, administrative activities, public relations and community awareness are expensed in the period in which they are incurred as general and administrative expenses. These expenses are not allocated to direct costs related to restricted contributions and internally restricted funds.

Expenses related to a restricted contribution, such as a project, and expenses related to internally restricted funds are expensed as specific costs in the period related in which they occurred.

L) Account payable and accrued liabilities

Included in accounts payable and accrued liabilities are $3000 (2023 - $0) related to the Project *Right to a Healthy Environment* (R2HE).

M) Deferred Revenue

This amount is related to the Project *Right to a Healthy Environment* (R2HE).

N) Contractual Commitments and Obligations

As of December 31, 2024, the Organization has no material contractual commitments or financial obligations that could significantly affect its statement of financial position in subsequent periods. This means SYC has not signed any major long-term leases, supply agreements, or other contracts that commit the Organization to future payments beyond the usual operating costs incurred in the normal course of business.

O) Subsequent Events

As per Section 3820 – Subsequent Events of the Canadian Accounting Standards for Private Enterprises (ASPE), a subsequent event is defined as an event, favorable or unfavorable, that occurs between the date of the statement of financial position and the date when the financial statements are authorized for issue.

No events subsequent to the date of the Statement of Financial Position (December 31, 2024) have occurred that would require adjustment to or disclosure in the financial statements.

P) Non-Applicable Accounting Elements

In the preparation of the financial statements for the year ended December 31, 2024, Sustainable Youth Canada (SYC) confirms that the following accounting elements and policies were reviewed and deemed not applicable as of the statement date. These items will be reassessed annually to ensure continued relevance:

- **Related Party Transactions:** The Organization had no material transactions with related parties (i.e., individuals or entities having control or significant influence over SYC).
- **Deferred Revenue (excluding Restricted Contributions):** SYC does not have general deferred revenue that is not already covered under the accounting policy for Restricted Contributions.
- **Financial Instruments:** The Organization's activities do not currently involve any financial instruments requiring complex disclosure, such as hedges, derivatives, or investments other than cash and minor short-term receivables/payables.
- **Financial Risks:** Given the limited nature of the Organization's financial instruments, SYC is not materially exposed to market risk, liquidity risk, or credit risk that would require specific disclosure.