Community Forests International

Financial Statements
October 31, 2025

Raymond Chabot Grant Thornton

Independent Auditor's Report

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To the Directors of
Community Forests International

Opinion

We have audited the financial statements of Community Forests International (hereafter "the Organization"), which comprise the statement of financial position as at October 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies, and the schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at October 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.

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.

Raymond Chabot Grant Thornton LLP

Chartered Professional Accountants

Edmundston
March 23, 2026

Community Forests International
Operations
Year ended October 31, 2025

	2025	2024
	$	$
Revenues (Schedule A)	**8,651,782**	8,160,728
Expenses		
Salaries and employee benefits	**1,091,371**	830,743
Pemba Fund	**1,984,792**	1,173,057
Tree planting	**406,564**	282,660
Forestry contractors	**202,560**	124,322
Projects and workshops	**7,512**	34,248
Training	**2,507**	1,531
Insurance	**6,627**	6,676
Property taxes	**12,208**	8,544
Rental expenses	**12,000**	12,000
Vehicule expenses	**15,873**	14,602
Travel	**47,674**	52,688
Meals	**11,693**	21,591
Educational expenses	**28,805**	283
Advertising and promotion	**18,170**	7,021
Office supplies and expenses	**11,885**	16,810
Membership fees	**1,472**	981
Professional fees	**81,670**	72,489
Consulting fees	**119,185**	274,415
Wabanaki Forest, Climate & Land Back Partnership expenses	**3,832,612**	3,762,578
Bank charges	**5,662**	5,191
Interest on long-term debt		169
Amortization of tangible capital assets	**8,741**	7,616
Amortization of deferred contributions related to tangible capital assets	**(1,365)**	(1,527)
	7,908,218	6,708,688
Excess of revenues over expenses before other revenues	**743,564**	1,452,040
Other revenues		
Interest on investments	**108,096**	92,477
Gain on disposal of investment		316,231
Other revenues		33,646
	108,096	442,354
Excess of revenues over expenses	**851,660**	1,894,394

The accompanying notes and schedules are an integral part of the financial statements.

Community Forests International
Changes in Net Assets
Year ended October 31, 2025

	General Fund	Stewardship	2025 Total	2024 Total
	$	$	$	$
Balance, beginning of year	7,718,498	800,958	8,519,456	4,720,608
Excess of revenues over expenses	851,660		851,660	1,894,394
Internal affectation	(344,512)	344,512		
Land contributions (Note 12)	2,263,493		2,263,493	1,904,454
Balance, end of year	10,489,139	1,145,470	11,634,609	8,519,456

The accompanying notes and schedules are an integral part of the financial statements.

Community Forests International
Cash Flows
Year ended October 31, 2025

	2025	2024
	$	$
OPERATING ACTIVITIES		
Excess of revenues over expenses	**851,660**	1,894,394
Non-cash items		
Gain on disposal of investment		(316,231)
Amortization of tangible capital assets	**8,741**	7,616
Amortization of deferred contributions related to tangible capital assets	**(1,365)**	(1,527)
	859,036	1,584,252
Net change in working capital and deferred revenues (Note 3)	**(1,338,312)**	1,692,327
Cash flows from operating activities	**(479,276)**	3,276,579
INVESTING ACTIVITIES		
Disposal of term deposits	**1,885,500**	(406,697)
Acquisition of tangible capital assets	**(5,149)**	(17,853)
Acquisition of protected land	**(2,405,004)**	(1,904,454)
Cash flows from investing activities	**(524,653)**	(2,329,004)
FINANCING ACTIVITIES		
Land contributions	**2,263,493**	1,904,454
Repayment of long-term debt		(50,002)
Cash flows from financing activities	**2,263,493**	1,854,452
Net increase in cash	**1,259,564**	2,802,027
Cash, beginning of year	**3,762,759**	960,732
Cash, end of year	**5,022,323**	3,762,759

The accompanying notes and schedules are an integral part of the financial statements.

Community Forests International
Financial Position
October 31, 2025

	2025	2024
	$	$
ASSETS		
Current		
Cash	**5,022,323**	3,762,759
Trade and other receivables (Note 4)	**108,402**	383,255
Grants receivable	**251,860**	398,664
Prepaid expenses	**18,308**	9,751
	5,400,893	4,554,429
Long-term		
Investments (Note 5)	**5,000**	1,890,500
Tangible capital assets (Note 6)	**53,204**	56,796
Protected land	**7,151,681**	4,746,677
	12,610,778	11,248,402
LIABILITIES		
Current		
Trade payables and other operating liabilities (Note 7)	**229,697**	698,709
Deferred revenues (Note 8)	**734,865**	2,017,265
	964,562	2,715,974
Long-term		
Deferred contributions related to tangible capital assets (Note 9)	**11,607**	12,972
	976,169	2,728,946
NET ASSETS		
General fund	**10,489,139**	7,718,498
Stewardship Endowment fund	**1,145,470**	800,958
	11,634,609	8,519,456
	12,610,778	11,248,402

The accompanying notes and schedules are an integral part of the financial statements.

On behalf of the Board,

Director

Director

Community Forests International
Notes to Financial Statements
October 31, 2025

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

The Organization was incorporated under the Canada Not-for-profit Corporations Act for the purpose of fostering environmental stewardship internationally by establishing community forests, promoting sustainable forestry techniques and initiating environmental education. It is a registered charity under the Income Tax Act.

2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Organization's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements, notes to financial statements and schedules. These estimates are based on management's best knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

Revenue recognition

Contributions

The Organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and 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.

Moreover, the Organization recognizes contributed supplies when the fair value of these contributions can reasonably estimated and if it would have had otherwise acquire these supplies and services for its normal operations.

Consulting and forestry revenues

Consulting and forestry revenues are recognized as revenue in accordance with the agreement between the parties, when the consulting services takes place, fees are fixed or determinable and collection is reasonably assured. The liability relating to the received but unearned portion of revenues from consulting revenues is recognized in the statement of financial position as deferred revenues.

Financial assets and liabilities

Initial measurement

Upon initial measurement, the Organization's financial assets and liabilities from transactions not concluded with related parties and those from transactions with parties whose sole relationship with the entity is in the capacity of management (and members of the immediate family) are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. The Organization's financial assets and liabilities from related party transactions are measured at cost.

Community Forests International
Notes to Financial Statements
October 31, 2025

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets and liabilities (Continued)

Subsequent measurement

At each reporting date, the Organization measures its financial assets and liabilities from transactions not concluded with related parties at amortized cost (including any impairment in the case of financial assets), whereas those from related party transactions are measured using the cost method (including any impairment in the case of financial assets).

With respect to financial assets measured at amortized cost or using the cost method, the Organization assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Organization determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in earnings. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost or using the cost method is recognized in earnings in the year the reversal occurs.

Cash and cash equivalents

The Organization's policy is to present in cash and cash equivalents bank balances, including bank overdrafts whose balances fluctuate frequently from being positive to overdrawn, and investments with a maximum maturity of three months from the acquisition date or redeemable at any time without penalty.

Tangible capital assets and protected land

Tangible capital assets and protected land acquired are recorded at cost. When the Organization receives contributions of capital assets, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the tangible capital assets, or at a nominal value if fair value cannot be reasonably determined.

Amortization

Tangible capital assets are amortized over their estimated useful lives according to the diminishing balance method at the following annual rates:

	Rates
Buildings	10%
Farm equipment	20%
Office equipment	20%
Computer equipment	20%

Community Forests International
Notes to Financial Statements
October 31, 2025

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible capital assets and protected land (Continued)

Write-down

When conditions indicate that a tangible capital asset or protected land is impaired, the net carrying amount of the tangible capital asset or protected land is written down to the tangible capital asset's or protected land's fair value or replacement cost. The write-down is accounted for in the statement of operations and cannot be reversed.

3 - INFORMATION INCLUDED IN THE STATEMENT OF CASH FLOWS

The net change in working capital items and deferred revenues are detailed as follows:

	2025	2024
	$	$
Trade and other receivables	**274,852**	40,025
Grants receivable	**146,804**	(139,897)
Prepaid expenses	**(8,557)**	(1,313)
Trade payables and other operating liabilities	**(469,011)**	588,072
Deferred revenues	**(1,282,400)**	1,205,440
	(1,338,312)	1,692,327

4 - TRADE AND OTHER RECEIVABLES

	2025	2024
	$	$
Trade accounts receivable (a)	**41,901**	
Indirect taxes receivable	**66,501**	45,530
Accrued interest		21,494
Disposal of investment receivable		316,231
	108,402	383,255

(a) As at October 31, 2025, amounts owing from two customers represent 45% and 36% of the total trade accounts receivable (no customer represented more than 20% as at October 31, 2024).

5 - INVESTMENTS

	2025	2024
	$	$
Preferred shares of a private company	**5,000**	5,000
Term deposits		1,885,500
	5,000	1,890,500

Community Forests International
Notes to Financial Statements
October 31, 2025

6 - TANGIBLE CAPITAL ASSETS

			2025	2024
	Cost	**Accumulated amortization**	**Net carrying amount**	Net carrying amount
	$	**$**	**$**	$
Buildings	**101,390**	**73,194**	**28,196**	31,329
Farm equipment	**26,380**	**25,064**	**1,316**	1,644
Office equipment	**37,104**	**14,821**	**22,283**	22,062
Computer equipment	**8,848**	**7,439**	**1,409**	1,761
	173,722	**120,518**	**53,204**	56,796

7 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	2025	2024
	$	$
Trade accounts	**112,641**	589,637
Salaries and vacation payable	**77,961**	87,358
Government remittances	**39,095**	21,714
	229,697	698,709

8 - DEFERRED REVENUES

The deferred revenues represent the contributions received during the year to cover operating expenses for the following year.

	2025	2024
	$	$
General Fund		
Balance, beginning of year	**2,017,265**	811,825
Amount recognized as revenue	**(2,017,265)**	(811,825)
Amount received relating to the following year	**734,865**	2,017,265
Balance, end of year	**734,865**	2,017,265

Community Forests International
Notes to Financial Statements
October 31, 2025

9 - DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS

	2025	2024
	$	$
Tree nursery (Shed)		
Balance, beginning of year	**605**	672
Amortization	**61**	67
Balance, end of year	**544**	605
Whaelghinbran Farm (Building and equipment)		
Balance, beginning of year	**2,703**	3,089
Amortization	**338**	386
Balance, end of year	**2,365**	2,703
Nature Cabin (Building)		
Balance, beginning of year	**9,664**	10,738
Amortization	**966**	1,074
Balance, end of year	**8,698**	9,664
	11,607	12,972

10 - FINANCIAL RISKS

Credit risk

The Organization is exposed to credit risk regarding the financial assets recognized in the statement of financial position. The Organization has determined that the financial assets with more credit risk exposure are trade accounts and other receivables (excluding indirect taxes receivable), since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Organization.

Market risk

The Organization's financial instruments expose it to market risk, in particular, interest rate risk and other price risk, resulting from its operating and investing activities:

Interest rate risk

The Organization is exposed to interest rate risk with respect to financial assets bearing fixed interest rates.

Some bank accounts bear interest at a fixed rate and the Organization is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

Other price risk

The Organization is exposed to other price risk due to investments in preferred shares of a Canadian private company since changes in market prices could result in changes in the fair value or cash flows of these instruments.

Community Forests International
Notes to Financial Statements
October 31, 2025

10 - FINANCIAL RISKS (Continued)

Liquidity risk

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized on the statement of financial position.

11 - RELATED PARTY TRANSACTIONS

Transactions in the normal course of operations

	2025	2024
	$	$
Expenses		
Rental expenses to an administrator	**12,000**	12,000

This transaction was measured at the exchange amount, excluding the resulting financial instruments.

12 - LAND CONTRIBUTIONS

Government grants and other contributions applicable to the acquisition of land and other non-depreciable capital assets are recorded as a credit to the General Fund on the Statement of Changes in Net Assets.

Community Forests International
Schedules
Year ended October 31, 2025

SCHEDULE A

	2025	2024
	$	$
REVENUES		
Contributions		
Donations	**259,984**	235,924
Pemba Fund	**2,163,854**	1,491,318
Other contributions	**1,749,514**	1,787,808
Grants		
Federal government	**4,357,596**	4,577,299
Provincial government		15,379
Consulting	**50**	53,000
Forestry revenue	**120,784**	
	8,651,782	8,160,728

Community Forests International
Pemba Fund
Year ended October 31, 2025

	2025	2024
	$	$
Revenues		
Federal government grant	**2,105,265**	1,430,819
Donations	**58,589**	60,499
	2,163,854	1,491,318
Expenses		
Contributions	**1,926,300**	1,140,323
Travel	**51,454**	26,728
Project supplies	**7,039**	6,005
	1,984,793	1,173,056
Excess of revenues over expenses	**179,061**	318,262