ELECTRIC MOBILITY CANADA

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Members of
Electric Mobility Canada

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Electric Mobility Canada, which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Electric Mobility Canada as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Electric Mobility Canada 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.

KRIENS~LAROSE, LLP
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT (Continued)

Responsibilities of M*anagement and Those Charged with Governance for the Financial Statements*
Management is responsible for the preparation and fair presentation of these 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.

INDEPENDENT AUDITORS' REPORT (Continued)

- 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.

KRIENS~LAROSE, LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April XXX, 2024

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	2023 $	2022 $
ASSETS		
CURRENT		
Cash	169,860	324,857
Accounts receivable	617,714	196,810
Prepaid expenses	21,257	2,727
	808,831	524,394
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	72,675	33,951
QST/GST payable	2,755	20,786
Government payroll remittances payable	-	12,909
Deferred revenue (Note 2)	429,857	116,670
CEBA loan (Note 3)	40,000	40,000
	545,287	224,316
NET ASSETS		
UNRESTRICTED	263,544	300,078
	808,831	524,394

APPROVED ON BEHALF OF THE BOARD:

_____________________________, Director _____________________________, Director

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 $	2022 $
REVENUES		
Project grant revenue	619,336	338,692
Membership fees	382,701	301,230
Corporate sponsorship	344,935	252,521
Annual conference	307,866	295,116
Non Government project revenue	153,006	-
Other income	1,400	15,733
	1,809,244	1,203,292
EXPENSES		
Personnel	854,146	609,047
Annual conference	408,931	228,793
Consulting and professional fees	387,657	157,773
Communication activities	46,885	23,838
Travel and accommodation	80,610	21,983
Office and general	15,662	16,157
Bank and credit card fees	24,019	12,782
Project expenses	16,054	5,064
Insurance	3,671	3,548
Promotion	8,143	3,225
Dues and subscriptions	-	150
	1,845,778	1,082,360
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	(36,534)	120,932
UNRESTRICTED NET ASSETS beginning of year	300,078	179,146
UNRESTRICTED NET ASSETS, end of year	263,544	300,078

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 $	2022 $
CASH FROM OPERATING ACTIVITIES		
Cash receipts from members	16,111	182,097
Cash received from annual conference	307,866	295,116
Cash receipts from corporate sponsorship	344,935	252,521
Cash receipts from projects	1,031,215	338,692
Other cash receipts	1,400	11,741
Cash paid to suppliers and employees	(1,856,524)	(1,083,856)
	(154,997)	(3,689)
Change in cash	(154,997)	(3,689)
Cash, beginning of year	324,857	328,546
Cash, end of year	169,860	324,857

PURPOSE OF THE ORGANIZATION

Electric Mobility Canada is a not-for-profit organization incorporated under the Canada Not-for-profit Corporations Act. The Organization is a not-for-profit entity under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

The purpose of the organization is to enable and accelerate the transition to sustainable electric mobility in Canada through advocacy, collaboration, education, and thought leadership, with the ultimate goal of creating a cleaner, healthier, and more prosperous future for all Canadians..

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies:

Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at cost or amortized cost include cash and accounts receivable.

Financial liabilities measured at cost or amortized cost include accounts payable.

Use of Estimates

The preparation of financial statements in accordance 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 reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and fixed income investments with maturities of less than 90 days.

Prepaid Expenses

Prepaid expenses are recorded for goods and services to be received in the next fiscal year, which were paid for in the current fiscal year.

Continued...

1. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Revenue Recognition

The Organization follows the deferral method of accounting for contributions. All revenues, with the exception of investment income and membership fees, are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership revenue is recorded as revenue in the year for which it applies. Memberships received in advance are recorded as deferred revenue and recognized as revenue over the term covered by the fees.

Projects revenue are a restricted contributions and are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted investment income is recognized as revenue when earned.

Interest is recognized as revenue when received.

All other revenues are recognized when the service is rendered or the good is provided.

Forgivable Loans

Forgivable loans are accounted for based on how the proceeds are utilized. If used for current operations, the amounts are recorded as revenue in the corresponding period. If used for operations in later periods, the amount is deferred until those periods. If used for the acquisition of an asset, the amount is deferred and is recognized as revenue on the same basis as the amortization expense related to the acquired capital asset.

Donated Property and Services

During the year, voluntary services were provided. Because these services are not normally purchased by the Organization, and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

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2. DEFERRED REVENUE

Deferred revenue consist of the following:

	2023 $	2022 $
Membership fees invoiced in advance of the year of membership	160,976	106,662
Special projects	268,881	10,008
	429,857	116,670

3. CANADA EMERGENCY BUSINESS ACCOUNT (CEBA) LOAN

In previous fiscal years, the Organization received $60,000 in Government assistance from the Canada Emergency Business Account (CEBA). The CEBA loan was interest free with $20,000 forgivable if repaid by January 18, 2024. The forgivable portion of $20,000 was recognized as Government assistance revenue in earlier fiscal periods. The Organization repaid the loan balance of $40,000 in January 2024.

4. COMMITMENTS

In fiscal year 2023, the organization entered into a contract for market research and modelling services totaling $403,000 plus HST. A payment of $20,000 was made in 2023. The remaining commitment of $383,000 will be paid in 2024 and 2025, subject to milestone achievements.

For its 2024 EVVE conference, to be held in Halifax, Nova Scotia, the Organization is committed to contracts for its event venue and hotel accommodations, totaling a minimum value of $300,000.

Continued...

5. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following presents the Organization's risk exposures and concentrations as at December 31, 2023.

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 financial loss. The Organization's credit risk would occur with their accounts receivable. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is $ 0, (2022: $ 0)

Liquidity Risk
Liquidity risk is the risk the Organization encounter difficulties in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly with respect to its economic dependence on membership fees and the annual conference. The Organization expects to meet these obligations as they come due by generating sufficient cash flow from operations. There has been no change in the risk assessment from the prior period.

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk.

Currency Risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is not exposed to foreign currency risk.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization has a low interest rate risk.

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 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 is not exposed to other price risk.