The Sustainability Institute of Canada,
operating as Sustainability Network

Financial Statements

December 31, 2014

Chaplin & co
CHARTERED ACCOUNTANTS

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March 11, 2015

Independent Auditors' Report

To the Board of Directors of The Sustainability Institute of Canada

We have audited the accompanying financial statements of The Sustainability Institute of Canada, which comprise the balance sheet as at December 31, 2014 and the statements of net assets, revenue and expenses and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Sustainability Institute of Canada as at December 31, 2014, 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.

Chaplin & Co.

Chartered Accountants
Licensed Public Accountants
Toronto, Ontario

Roger Chaplin CPA, CA LPA MA [Oxon] Gail Bergman CPA, CA LPA B Comm

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The Sustainability Institute of Canada,
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	Note		December 31 2014		2013
Assets					
Current assets					
Cash		$	248,518	$	206,573
Accounts receivable			2,398		7,196
HST recoverable			8,627		8,851
Prepaid expenses and sundry assets			7,590		2,068
		$	267,133	$	224,688
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities		$	5,369	$	3,708
Government remittances payable			-		2,823
Deferred income	2		129,666		97,991
			135,035		104,522
Net assets					
Net assets invested in operating reserve fund			99,498		88,498
Unrestricted net assets			32,600		31,668
			132,098		120,166
		$	267,133	$	224,688

See accompanying notes

Approved on behalf of the Board of Directors of The Sustainability Institute of Canada

David Love, Chair

Kathleen Padulo, Co-Chair

Chaplin & co Chartered Accountants

Statement of Net Assets

	Operating reserve fund	Unrestricted	Total Year ended December 31 2014	2013
Balance, beginning of year	$ 88,498	$ 31,668	$ 120,166	$ 142,100
Excess of revenue over expenses (expenses over revenue) for the year	-	11,932	11,932	(21,934)
Transfer between funds (note 3)	11,000	(11,000)	-	-
Balance, end of year	$ 99,498	$ 32,600	$ 132,098	$ 120,166

See accompanying notes

Statement of Revenue and Expenses

	Year ended December 31 2014	2013
Revenue		
Grants	$ 314,625	$ 283,609
Donations	7,966	7,779
Events	17,208	11,355
Sales and consulting	25,475	26,350
Rental income	322	500
Interest income	2,817	2,131
Sundry	6,577	500
	374,990	332,224
Expenses		
Bank charges	729	640
Board meetings and volunteers	864	142
Computer	2,768	1,568
Consulting	170,322	146,447
Event costs	28,060	19,853
Insurance	904	634
Occupancy	17,176	17,073
Office and general	7,259	5,473
Printing	2,569	468
Professional fees	3,346	4,325
Salaries and benefits	109,332	143,722
Travel	19,729	13,813
	363,058	354,158
Excess of revenue over expenses (expenses over revenue) for the year	$ 11,932	$ (21,934)

See accompanying notes

	Year ended December 31 2014	2013
Net cash provided by (used in)		
Operations		
Excess of revenue over expenses (expenses over revenue) for the year	$ 11,932	$ (21,934)
Non-cash working capital items		
Accounts receivable	4,798	(7,196)
HST recoverable	224	(687)
Prepaid expenses and sundry assets	(5,522)	(773)
Accounts payable and accrued liabilities	1,661	(2,900)
Government remittances payable	(2,823)	2,823
Deferred income	31,675	30,991
	41,945	324
Net increase in cash during year	41,945	324
Cash, beginning of year	206,573	206,249
Cash, end of year	$ 248,518	$ 206,573

See accompanying notes

The Sustainability Institute of Canada received its Letters Patent as a corporation without share capital under the Canada Corporations Act on September 13, 2001 and became a registered charity under the Income Tax Act effective January 1, 2002.

The organization's goal is to strengthen the capacity of the environmental community in Canada by improving organizational management, planning and fundraising skills of non-profit organizations.

1. Significant accounting policies

Basis of presentation
These financial statements have been prepared using the standards of Part III of the CPA Canada Accounting Handbook, Accounting Standards for Not-For-Profit Organizations.

Fund accounting
These financial statements are prepared on a restricted fund basis:

General fund
The general fund accounts for the organizations programming and administrative activities.

Operating reserve fund
The organization has determined that an operating reserve fund to cover six months of the salaries and administrative expenses included in the organization's budget for the following fiscal year should be established as an operating reserve fund. A transfer is made to or from this fund annually to reflect the amount required in the fund.

Measurement of 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 costs. Financial assets measured at amortized cost include cash accounts receivable and HST recoverable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and government remittances payable. The entity has not designated any financial assets or financial liability to be measured at fair value.

Capital assets
Capital assets are expensed as acquired. During the year $1,562 (2013 - $nil) have been expensed.

Revenue recognition
Grants, sales and consulting, rentals and events revenue are taken into income in the year to which it relates. Amounts received that relate to future fiscal periods are recorded as deferred income.

Revenue which are derived from donations are recorded on a cash basis.

Use of estimates
The preparation of financial statements 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 amount of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions are allowance for doubtful accounts, accrued liabilities and the allocation to deferred income. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Deferred income

Deferred contributions represent unspent resources for specific projects as directed by the contributors. Changes in the deferred income balances are as follow:

	Balance December 31 2013	Contributions received	Utilized during the year	Balance December 31 2014
Alberta Real Estate Foundation	$ 2,500	$ -	$ (2,500)	$ -
Echo Foundation	-	10,000	(5,000)	5,000
Ivey Foundation	-	60,000	(10,000)	50,000
Metcalf Foundation	26,125	-	(26,125)	-
Suncor Energy Foundation	3,355	-	-	3,355
Ontario Trillium Foundation - Good to Great Program (Phase 2)	38,511	205,800	(182,500)	61,811
The Nature Conservancy	5,000	5,000	(4,500)	5,500
Winnipeg Foundation	22,500	2,500	(25,000)	-
The J.W. McConnell Family Foundation	-	55,000	(55,000)	-
Gosling Foundation	-	8,000	(4,000)	4,000
	$ 97,991	$ 346,300	$(314,625)	$ 129,666

3. Interfund transfers

During the year, the directors approved a transfer of $11,000 from the unrestricted fund to the operating reserve fund.

4. Financial risks

Credit risk

The organization's exposure to credit risk is on cash and accounts receivable. The organization mitigates its exposure to credit loss by placing its cash in major Canadian chartered banks.

Liquidity risk

The organization considers that it has sufficient credit facilities to ensure that funds are available to meet its current and long-tem financial needs at a reasonable cost.

Interest rate risk

The organization is exposed to interest rate cash flow risk arising from fluctuation in interest rates on its savings accounts.