
**CANADIAN ENVIRONMENTAL
GRANTMAKERS' NETWORK**

FINANCIAL STATEMENTS

DECEMBER 31, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members,
Canadian Environmental Grantmakers' Network

We have audited the accompanying financial statements of Canadian Environmental Grantmakers' Network which comprise the statement of financial position as at December 31, 2017, 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.

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.

Auditor's 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 auditor's 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 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 Canadian Environmental Grantmakers' Network as at December 31, 2017, and the results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Cowperthwaite Mehta

Chartered Professional Accountants
Licensed Public Accountants

April 19, 2018
Toronto, Ontario

CANADIAN ENVIRONMENTAL GRANTMAKERS' NETWORK

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

	2017	2016
ASSETS		
Current assets		
Cash	\$ 299,063	\$ 115,098
Accounts receivable	2,997	5,625
Sales taxes recoverable	2,474	16,030
Prepaid expenses and deposits (note 3)	<u>19,977</u>	<u>7,079</u>
	<u>\$ 324,511</u>	<u>\$ 143,832</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4,717	\$ 10,638
Prepaid membership fees (note 4)	1,650	12,967
Deferred revenue (note 5)	<u>300,772</u>	<u>67,500</u>
	<u>307,139</u>	<u>91,105</u>
Net assets		
Unrestricted	<u>17,372</u>	<u>52,727</u>
	<u>\$ 324,511</u>	<u>\$ 143,832</u>

Approved on behalf of the Board:

_____, Director

_____, Director

see accompanying notes

CANADIAN ENVIRONMENTAL GRANTMAKERS' NETWORK

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
REVENUE		
Membership fees	\$ 201,451	\$ 210,093
Foundation grants	123,866	311,778
Members' meetings	<u>109,695</u>	<u>138,481</u>
	<u>435,012</u>	<u>660,352</u>
EXPENSES (note 6)		
Members' meetings	154,294	165,996
Research projects	151,585	330,332
General and administration	81,330	65,431
Communications and outreach	61,286	64,686
Rent	16,800	16,346
Professional fees	<u>5,072</u>	<u>5,399</u>
	<u>470,367</u>	<u>648,190</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	(35,355)	12,162
Net assets, beginning of year	<u>52,727</u>	<u>40,565</u>
NET ASSETS, END OF YEAR	<u>\$ 17,372</u>	<u>\$ 52,727</u>

see accompanying notes

CANADIAN ENVIRONMENTAL GRANTMAKERS' NETWORK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ (35,355)	\$ 12,162
Net change in non-cash working capital items:		
(Increase) decrease in accounts receivable	2,628	(5,625)
(Increase) decrease in sales taxes recoverable	13,556	(8,444)
Increase in prepaid expenses and deposits	(12,898)	(2,079)
Increase (decrease) in accounts payable and accrued liabilities	(5,921)	5,374
Increase (decrease) in prepaid membership fees	(11,317)	(12,967)
Increase (decrease) in deferred revenue	<u>233,272</u>	<u>(1,965)</u>
NET INCREASE (DECREASE) IN CASH FOR THE YEAR	183,965	(13,544)
Cash, beginning of year	<u>115,098</u>	<u>128,642</u>
CASH, END OF YEAR	<u>\$ 299,063</u>	<u>\$ 115,098</u>

see accompanying notes

CANADIAN ENVIRONMENTAL GRANTMAKERS' NETWORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

Canadian Environmental Grantmakers' Network (the "organization") is a not-for-profit organization incorporated without share capital under the Canada Corporations Act and continued under the Canada Not-for-profit Corporations Act. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

The aim of the organization is to expand the scope and effectiveness of grantmaking in support of the Canadian environment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial instruments

Financial instruments include cash, accounts receivable and accounts payable and accrued liabilities. Cash is measured at fair value. All other financial instruments are recorded at cost.

Prepaid expenses and deposits

Prepaid expenses are recorded for goods and services that have been paid for but which will be received the following year.

Capital assets

Equipment and furniture is charged to operations in the year the expenditures are incurred.

Revenue recognition

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

- i) The organization follows the deferral method of revenue recognition. Grants related to current expenditures are reflected in the accounts as a revenue item in the current year. Grants received in the year for expenses to be incurred in the following fiscal year are recorded as deferred revenue. Grants related to the purchase of capital assets are recorded as revenue in the same period the related capital assets are charged to operations.
- ii) Fee revenue from member meetings and service contracts are recognized when the service is provided.
- iii) Membership fees, fundraising and donation revenue are recorded when funds are received or collection for the current year is reasonably assured. Donated materials and services which are normally purchased by the organization are not recorded in the accounts.

Allocation of expenses

The organization allocates personnel expenses to programs based on the estimated time spent working in each activity. Corporate governance and general management expenses are not allocated.

CANADIAN ENVIRONMENTAL GRANTMAKERS' NETWORK

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DECEMBER 31, 2017

2. FINANCIAL RISKS

Financial instruments expose the organization to risks which may affect the cash flows of the organization. Specifically:

Liquidity risk is the risk that the organization will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the organization's cash requirements.

3. PREPAID EXPENSES AND DEPOSITS

The organization makes payments for conference facilities and travel when planning the conference for the next fiscal year. The composition of prepaid expenses and deposits is as follows:

	2017	2016
Conference venue deposits	\$ 18,800	\$ 5,000
Prepaid services	<u>1,177</u>	<u>2,079</u>
	<u>19,977</u>	<u>7,079</u>

4. PREPAID MEMBERSHIP FEES

The organization received membership fees which are applicable for future years. The prepaid membership fees will be taken into revenue next year.

5. DEFERRED REVENUE

Deferred revenue is composed of funds restricted for the following program areas:

	2017	2016
Energy Funders Group projects	\$ 287,000	\$ 67,500
Members meetings - conference	<u>13,772</u>	<u> </u>
Deferred revenue, end of year	<u>\$ 300,772</u>	<u>\$ 67,500</u>

Continuity of deferred revenue for the year is as follows:

Deferred revenue, beginning of year	\$ 67,500	\$ 69,465
Add contributions received for activities and projects in year	357,138	309,813
Less contributions spent on activities and projects in year	<u>(123,866)</u>	<u>(311,778)</u>
Deferred revenue, end of year	<u>\$ 300,772</u>	<u>\$ 67,500</u>

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6. PERSONNEL EXPENSE ALLOCATION

Personnel expenses are allocated proportionately based on estimated time spent on each specific function.

	2017	2016
General and administration	\$ 51,856	\$ 51,360
Research projects	47,111	50,462
Members' meetings	56,709	44,407
Communications and outreach	<u>35,297</u>	<u>33,976</u>
Allocated personnel expenses	<u>\$ 190,973</u>	<u>\$ 180,205</u>

7. LEASE COMMITMENTS

The organization shares space with another organization and pays rent under a month to month arrangement.