The Sustainability Institute of Canada,
operating as Sustainability Network

Financial Statements

December 31, 2021

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March 3, 2022

Independent Auditor's Report

To the Board of Directors of The Sustainability Institute of Canada

Opinion
We have audited the financial statements of The Sustainability Institute of Canada, which comprise the balance sheet as at December 31, 2021, and the statements of operations and revenue and expenses, net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial position of The Sustainability Institute of Canada as at December 31, 2021, and the results of its operations and its cash flows for the year then ended are 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 The Sustainability Institute of 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.

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 organization, 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 Sustainability Institute of Canada'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 Sustainability Institute of Canada or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing The Sustainability Institute of Canada'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.

Roger Chaplin CPA, CA LPA MA (Oxon) Gail Bergman CPA, CA LPA B Comm

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As part of an audit in accordance with Canadian 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 Sustainability Institute of Canada'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 Sustainability Institute of Canada'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 Sustainability Institute of Canada 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.

Chaplin Co. LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario

	Notes	December 31 2021	2020
Assets			
Current			
Cash		$ 503,661	$ 324,495
Accounts receivable		2,126	500
HST recoverable		2,884	1,623
Prepaid expenses and sundry assets		2,905	2,527
		511,576	329,145
Long-term investment	2	20,000	20,000
		$ 531,576	$ 349,145
Liabilities			
Current			
Accounts payable and accrued liabilities		$ 4,621	$ 4,023
Government remittances payable		2,648	2,313
Deferred income	3	344,184	163,280
		351,453	169,616
Long-term			
Loan payable - CEBA	4	40,000	40,000
		391,453	209,616
Net assets			
Net assets invested in operating reserve fund		99,498	99,498
Unrestricted net assets		40,625	40,031
		140,123	139,529
		$ 531,576	$ 349,145

See accompanying notes

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

Anastasia Lintner, Chair

Jeffrey Ma, Treasurer

	Operating reserve fund	Unrestricted	Total Year ended December 31 2021	2020
Balance, beginning of year	$ 99,498	$ 40,031	$ 139,529	$ 144,497
Excess of revenue over expenses (expenses over revenue) for the year	-	594	594	(4,968)
Balance, end of year	$ 99,498	$ 40,625	$ 140,123	$ 139,529

See accompanying notes

Statement of Revenue and Expenses

		Year ended December 31 2021		2020
Revenue				
Grants	$	700,750	$	444,656
Donations		9,799		6,007
Events		48,813		28,621
Interest income		2,790		2,546
Government subsidies		-		8,905
		762,152		490,735
Expenses				
Bank charges		4,173		390
Computer		6,075		5,618
Consulting		583,626		314,648
Event costs		12,403		15,438
Insurance		1,132		1,501
Occupancy		10,858		11,809
Office and general		3,662		2,129
Printing		-		34
Professional fees		3,742		3,638
Salaries and benefits		135,522		139,967
Travel and miscellaneous		365		531
		761,558		495,703
Excess of revenue over expenses (expenses over revenue) for the year	$	594	$	(4,968)

See accompanying notes

	Year ended December 31 2021	2020
Net cash provided by (used in)		
Operations		
Excess of revenue over expenses (expenses over revenue) for the year	$ 594	$ (4,968)
Non-cash working capital items		
Accounts receivable	(1,626)	(500)
HST recoverable	(1,261)	4,237
Prepaid expenses and sundry assets	(378)	(1,195)
Accounts payable and accrued liabilities	598	426
Government remittances payable	335	-
Deferred income	180,904	60,160
Loan payable - CEBA	-	40,000
	179,166	98,160
Net increase in cash during year	179,166	98,160
Cash, beginning of year	324,495	226,335
Cash, end of year	$ 503,661	$ 324,495

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.

Financial assets measured at cost or amortized costs are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indication of impairment the organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset, and recognizes an impairment loss if the carrying value of the asset is greater than the higher of present value of the expected future cash flows, the amount that can be realized by selling the asset or the amount the organization expects to realize by exercising its right to any collateral.

If events and circumstances reverse in a future period, an impairment loss will reversed to the extent of the improvement not exceeding the initial carrying value.

Capital assets
Capital assets are expensed as acquired. During the year $2,170 (2020 - $nil) has 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.

1. **Significant accounting policies** (continued)

Contributions in kind
Volunteers contribute their time to assist the organization in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

Contributed goods are recorded when the fair market value is reasonably determinable or when the goods would otherwise normally be purchased and paid for by the organization.

Short-term investment
Investments, primarily bonds with a term to maturity of less than one year are classified as short-term investments. Short-term investments are stated at cost.

Long-term investments
Investments, primarily bonds, with an original maturity of more than one year are classified as long-term investments. Long-term investments are stated at cost.

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. **Long-term investment**

	2021	2020
Centre for Social Innovation - Series D Bond - due May 15, 2024 bearing interest at 4.5%	$ 20,000	20,000

3. 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 2020	Contributions received	Utilized during the year	Balance December 31 2021
Cambic Ltd.	$ 1,200	$ 5,000	$ (6,200)	$ -
Carthy Foundation	-	59,000	(59,000)	-
Catherine Donnely Foundation	-	7,500	-	7,500
Consecon Foundation	-	25,000	(25,000)	-
Dragonfly	-	16,000	(15,000)	1,000
Echo Foundation	-	130,000	(100,000)	30,000
Emerald Foundation	-	20,000	(16,600)	3,400
Gosling Foundation	-	75,000	(10,000)	65,000
Hewlett Foundation	-	30,607	-	30,607
Ivey Foundation	69,000	75,000	(79,000)	65,000
McCall MacBain Foundation	-	50,000	(50,000)	-
McConnell Foundation	-	75,000	(75,000)	-
McLean Foundation	3,400	20,000	(20,000)	3,400
Metcalf Foundation	9,200	35,000	(40,000)	4,200
North Family Foundation	5,000	85,000	(75,000)	15,000
Quinn Family Future Foundation	-	25,000	(21,000)	4,000
RBC Foundation	31,300	33,000	(34,800)	29,500
Schad Foundation	-	10,000	(8,800)	1,200
Scotiabank	-	9,750	-	9,750
Sitka Foundation	10,000	-	-	10,000
Tides Canada Foundation	19,030	-	(19,030)	-
Toronto Foundation	-	11,320	(11,320)	-
Trottier Family Foundation	14,000	50,000	(35,000)	29,000
VanCity	-	5,000	-	5,000
Wilburforce Foundation	-	30,627	-	30,627
Workshop registration	1,150	-	(1,150)	-
	$ 163,280	$ 882,804	$(701,900)	$ 344,184

4. Loan payable - Canada Emergency Business Account (CEBA)

The CEBA loan is an interest free loan provided by the Government of Canada through the organization's financial institution of up to $40,000, provided the organization applying met the eligibility requirements. In fiscal year 2020, the organization was eligible and received a CEBA loan of $40,000.

If the loan is repaid on or before December 31, 2023, the organization will be forgiven 25% of the loan up to a maximum of $10,000. Any unpaid balance will be converted to a 3 year loan with an interest rate of 5% per annum.

As at December 31, 2021, the organization had not made any repayments.

5. 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.

6. Impact of COVID-19
The outbreak of the COVID-19 virus has resulted in the federal and provincial governments enacting emergency measures to contain the spread of the virus. These measures, including physical and social distancing, stay-at-home orders, and the closure of non-essential businesses, have resulted in an uncertain and challenging economic environment, and caused material disruption to the organization's operations.

As an emerging risk, the duration and impact of the COVID-19 pandemic is unknown at this time. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty. Accordingly, estimates of the extent to which the COVID-19 pandemic may, directly or indirectly, materially and adversely affect the organization's operations, financial results and condition in future periods are also subject to significant uncertainty, and cannot be estimated.