
**CANADIAN ENVIRONMENTAL
GRANTMAKERS' NETWORK**

FINANCIAL STATEMENTS

DECEMBER 31, 2016

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, 2016, 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, 2016, 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.

Chartered Accountants
Licensed Public Accountants

Toronto, Ontario

CANADIAN ENVIRONMENTAL GRANTMAKERS' NETWORK

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

	2016	2015
ASSETS		
Current assets		
Cash	\$ 115,098	\$ 128,642
Accounts receivable	5,625	
Sales taxes recoverable	16,030	7,586
Prepaid expenses	<u>7,079</u>	<u>5,000</u>
	<u>\$ 143,832</u>	<u>\$ 141,228</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 10,638	\$ 5,264
Prepaid membership fees (note 3)	12,967	25,934
Deferred revenue (note 4)	<u>67,500</u>	<u>69,465</u>
	<u>91,105</u>	<u>100,663</u>
Net assets		
Unrestricted	<u>52,727</u>	<u>40,565</u>
	<u>\$ 143,832</u>	<u>\$ 141,228</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, 2016

	2016	2015
REVENUE		
Foundation grants	\$ 311,778	\$ 100,710
Membership fees	210,093	193,017
Members' meetings	<u>138,481</u>	<u>105,600</u>
	<u>660,352</u>	<u>399,327</u>
EXPENSES (note 5)		
Research projects	330,332	145,666
Members' meetings	165,996	121,788
General and administration	65,431	49,345
Communications and outreach	64,686	57,801
Rent	16,346	8,106
Professional fees	<u>5,399</u>	<u>4,919</u>
	<u>648,190</u>	<u>387,625</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	12,162	11,702
Net assets, beginning of year	<u>40,565</u>	<u>28,863</u>
NET ASSETS, END OF YEAR	<u>\$ 52,727</u>	<u>\$ 40,565</u>

see accompanying notes

CANADIAN ENVIRONMENTAL GRANTMAKERS' NETWORK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 12,162	\$ 11,702
Net change in non-cash working capital items:		
Decrease in accounts receivable	(5,625)	
(Increase) decrease in sales taxes recoverable	(8,444)	2,938
(Increase) decrease in prepaid expenses	(2,079)	2,113
Increase in accounts payable and accrued liabilities	5,374	1,481
Increase (decrease) in prepaid membership fees	(12,967)	24,434
Increase (decrease) in deferred revenue	<u>(1,965)</u>	<u>59,465</u>
NET INCREASE (DECREASE) IN CASH FOR THE YEAR	(13,544)	102,133
Cash, beginning of year	<u>128,642</u>	<u>26,509</u>
CASH, END OF YEAR	<u>\$ 115,098</u>	<u>\$ 128,642</u>

see accompanying notes

CANADIAN ENVIRONMENTAL GRANTMAKERS' NETWORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

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.

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.

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.

CANADIAN ENVIRONMENTAL GRANTMAKERS' NETWORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

3. PREPAID MEMBERSHIP FEES

The organization received membership fees which are applicable for future years. The prepaid membership fees at December 31, 2016 are to be taken into revenue in 2017.

4. DEFERRED REVENUE

Deferred revenue is composed of grants for the following program areas:

	2016	2015
Energy Funders Group projects	\$ 67,500	\$ 7,000
Water Funders Group projects		46,590
Conference		12,875
Environmental Database		<u>3,000</u>
Deferred revenue, end of year	<u>\$ 67,500</u>	<u>\$ 69,465</u>

Continuity of deferred revenue for the year is as follows:

Deferred revenue, beginning of year	\$ 69,465	\$ 10,000
Add grants received for activities and projects in year	309,813	160,175
Less grants spent on activities and projects in year	<u>(311,778)</u>	<u>(100,710)</u>
Deferred revenue, end of year	<u>\$ 67,500</u>	<u>\$ 69,465</u>

5. PERSONNEL EXPENSE ALLOCATION

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

	2016	2015
General and administration	\$ 51,360	\$ 34,370
Research projects	50,462	31,498
Members' meetings	44,407	27,021
Communications and outreach	<u>33,976</u>	<u>32,548</u>
Allocated personnel expenses	<u>\$ 180,205</u>	<u>\$ 125,437</u>

6. LEASE COMMITMENTS

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