

**The Sustainability Institute of Canada,  
operating as Sustainability Network**

**Financial Statements**

**December 31, 2007**

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March 10, 2008

**Auditors' Report**

To the Board of Directors of The Sustainability Institute of Canada

We have audited the balance sheet of The Sustainability Institute of Canada, operating as Sustainability Network, as at December 31, 2007 and the statements of net assets, revenue and expenses and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants  
Licensed Public Accountants

Balance Sheet

	Note	December 31	
		2007	2006
<b>Assets</b>			
Current assets			
Cash		\$ 227,264	\$ 239,595
Accounts receivable		10,549	4,569
Prepaid expenses and sundry assets		5,144	19,073
		<u>\$ 242,957</u>	<u>\$ 263,237</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 17,791	\$ 6,749
Deferred income		133,890	168,680
		<u>151,681</u>	<u>175,429</u>
<b>Net assets</b>			
Net assets invested in operating reserve fund		71,200	71,200
Unrestricted net assets		20,076	16,608
		<u>91,276</u>	<u>87,808</u>
		<u>\$ 242,957</u>	<u>\$ 263,237</u>

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

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Andrew Heintzman, Chair

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Wanda Prochazka, Treasurer

Statement of Net Assets

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	Operating reserve fund	Unrestricted	Total Year ended 2007	Total December 31 2006
Balance, beginning of year	\$ 71,200	\$ 16,608	\$ 87,808	\$ 82,012
Excess of revenue over expenses for the year	-	3,468	3,468	5,796
Balance, end of year	<u>\$ 71,200</u>	<u>\$ 20,076</u>	<u>\$ 91,276</u>	<u>\$ 87,808</u>

Statement of Revenue and Expenses

	<b>Year ended December 31</b>	
	<b>2007</b>	<b>2006</b>
Revenue		
Grants	\$ 225,800	\$ 250,443
Donations	740	
Subscriptions	23,740	23,100
Events	45,544	37,310
Sales and consulting	120	291
Rental income	1,850	1,904
Interest income	7,402	8,269
Sundry	2,836	7,836
	<u>308,032</u>	<u>329,153</u>
Expenses		
Amortization	-	321
Bank charges	66	168
Board meetings and volunteers	456	-
Books	21,291	24,008
Bursaries	-	3,018
Computer	4,417	2,392
Consulting	79,919	83,841
Event costs	23,793	35,199
Insurance	769	746
Occupancy	12,236	11,995
Office and general	5,709	8,865
Printing	1,610	4,520
Professional fees	2,781	2,688
Salaries and benefits	122,206	117,482
Travel	29,311	28,114
	<u>304,564</u>	<u>323,357</u>
Excess of revenue over expenses for the year	<u>\$ 3,468</u>	<u>\$ 5,796</u>

	Year ended December 31	
	2007	2006
Cash provided by (used in)		
Operations		
Excess of revenue over expenses for the year	\$ 3,468	\$ 5,796
Items not involving cash		
Amortization	-	321
Loss on disposal of office equipment	-	1,605
	<u>3,468</u>	<u>7,722</u>
Non-cash working capital		
Accounts receivable	(5,980)	(63)
Prepaid expenses and sundry assets	13,929	(10,826)
Accounts payable and accrued liabilities	11,042	216
Deferred income	(34,790)	(2,458)
	<u>(12,331)</u>	<u>(5,409)</u>
Change in cash during year	(12,331)	(5,409)
Cash, beginning of year	<u>239,595</u>	<u>245,004</u>
Cash, end of year	<u>\$ 227,264</u>	<u>\$ 239,595</u>

**1. Purpose of the Organization**

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.

**2. Summary of significant accounting policies**

**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.

**Revenue recognition**

Funding received is taken into income in the year to which it relates. Amounts received that relate to future fiscal periods are recorded as deferred income.

**Use of estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**3. Commitment**

The organization is committed under a lease for its premises expiring on September 30, 2008. The minimum payment for 2008 is \$8,596.

**4. Financial instruments**

Financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values.