

# **The Environmental Network Collingwood Inc.**

**Financial Statements**

**Year Ended March 31, 2024**

**The Environmental Network Collingwood Inc.**  
**Index to Financial Statements**  
**Year Ended March 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

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To the Board Members of The Environmental Network Collingwood Inc.

### *Qualified Opinion*

We have audited the financial statements of The Environmental Network Collingwood Inc. (the organization), which comprise the balance sheet as at March 31, 2024, and the statements of operations, changes in 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Qualified Opinion*

In common with many organizations, the organization derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets. The predecessor auditor's opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation of scope.

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 organization in accordance with 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 qualified audit opinion.

### *Other Matter*

The financial statements for the year ended March 31, 2023 were audited by another auditor who expressed a qualified opinion on those financial statements on October 29, 2022 for the reasons described in the *Basis for Qualified Opinion* section.

### *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 ASNPO, 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

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Independent Auditor's Report To the Board Members of The Environmental Network Collingwood Inc. *(continued)*

*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.

As part of an audit in accordance with Canadian generally accepted 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 organization'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 organization'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 organization 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.

Collingwood, Ontario  
October 15, 2024

*Caroline & Aschaber LLP*

Caroline & Aschaber LLP  
Chartered Professional Accountants  
Licensed Public Accountants

**The Environmental Network Collingwood Inc.****Balance Sheet****March 31, 2024**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 3)	\$ 157,596	\$ 47,475
Marketable securities (Note 4)	134,831	129,524
Accounts receivable	43,412	139,934
Harmonized sales tax recoverable	15,382	15,882
	<u>351,221</u>	<u>332,815</u>
PROPERTY, PLANT AND EQUIPMENT (Note 5)	<u>222,808</u>	<u>148,783</u>
	<u>\$ 574,029</u>	<u>\$ 481,598</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 29,286	\$ 19,547
Wages payable	1,159	814
Employee deductions payable	2,507	1,555
Deferred income (Note 6)	125,770	107,700
	<u>158,722</u>	<u>129,616</u>
DEFERRED CAPITAL CONTRIBUTIONS (net of accumulated amortization of \$115,706; 2023 - \$100,187)	<u>93,674</u>	<u>88,461</u>
	<u>252,396</u>	<u>218,077</u>
NET ASSETS	<u>321,633</u>	<u>263,521</u>
	<u>\$ 574,029</u>	<u>\$ 481,598</u>

**APPROVED ON BEHALF OF THE BOARD**

Stephanie Hardy Director

Shawna Knight Director

See notes to financial statements

**The Environmental Network Collingwood Inc.****Statement of Operations****Year Ended March 31, 2024**

	2024	2023
<b>REVENUES</b>		
Government funding	\$ 395,127	\$ 794,479
Products and services	239,056	200,815
Donations	26,025	6,365
Deferred capital contribution amortization	15,519	23,346
	<u>675,727</u>	<u>1,025,005</u>
<b>EXPENSES</b>		
Advertising and promotion	1,251	3,422
Amortization	48,101	30,629
Dues and subscriptions	2,896	1,750
Consulting fees	62,198	75,266
Equipment rentals	-	908
Insurance	8,086	7,111
Professional fees	7,793	9,053
Salaries and benefits	279,012	383,604
Security	12,326	8,066
Project costs	123,138	395,689
Office, telephone and utilities	72,697	75,089
Vehicle	117	231
	<u>617,615</u>	<u>990,818</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 58,112</b>	<b>\$ 34,187</b>

**The Environmental Network Collingwood Inc.**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2024**

	<b>2024</b>		<b>2023</b>	
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$</b>	<b>263,521</b>	<b>\$</b>	229,334
<b>EXCESS OF REVENUES OVER EXPENSES</b>		<b>58,112</b>		34,187
<b>NET ASSETS - END OF YEAR</b>	<b>\$</b>	<b>321,633</b>	<b>\$</b>	263,521

**The Environmental Network Collingwood Inc.****Statement of Cash Flows****Year Ended March 31, 2024**

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 58,112	\$ 34,187
Items not affecting cash:		
Amortization of property, plant and equipment	48,101	30,629
Amortization of deferred contributions	(15,519)	(23,346)
	<u>90,694</u>	<u>41,470</u>
Changes in non-cash working capital:		
Accounts receivable	96,522	(113,058)
Accounts payable	9,740	(1,052)
Deferred income	18,070	(107,707)
Harmonized sales tax payable	500	(5,538)
Wages payable	345	609
Employee deductions payable	952	(2,907)
	<u>126,129</u>	<u>(229,653)</u>
Cash flow from (used by) operating activities	<u>216,823</u>	<u>(188,183)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(122,126)	(78,150)
Purchase of marketable securities	(377,726)	(370,730)
Proceeds from sale of marketable securities	372,419	368,072
Cash flow used by investing activities	<u>(127,433)</u>	<u>(80,808)</u>
<b>FINANCING ACTIVITY</b>		
Deferred capital contributions	20,732	36,791
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<u>110,122</u>	<u>(232,200)</u>
Cash - beginning of year	<u>47,474</u>	<u>279,674</u>
<b>CASH - END OF YEAR (Note 3)</b>	<u>\$ 157,596</u>	<u>\$ 47,474</u>



# **The Environmental Network Collingwood Inc.**

## **Notes to Financial Statements**

**Year Ended March 31, 2024**

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### **1. PURPOSE OF THE ORGANIZATION**

The Environmental Network Collingwood Inc. (the "organization") is a not-for-profit organization of Ontario. As a registered charity the organization is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The organization operates to provide environmental enhancement through education, demonstration and direct action. The organization was incorporated under the Ontario Corporations Act on March 24, 1993.

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### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO) and are in accordance with Canadian generally accepted accounting principals.

#### Revenue recognition

The Environmental Network Collingwood Inc. follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Revenue is recognized from products and services when it is delivered and completed. Shoppe revenue is recognized at the time of the sale. Rental revenue is regonized at the time of use. Government subsidies are recognized when they are earned and collectible. Donation revenues are recognized when they are received by the Organization.

#### Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

#### Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

#### Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

#### Deferred capital contributions

Defferred capital contributions reported in the statement of financial position include the estimated fair value of the contributed capital at the time they were received. Deferred capital contributions are amortized on the same basis as the donated asset and recorded as an offset to amortization expense.

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**The Environmental Network Collingwood Inc.**  
**Notes to Financial Statements**  
**Year Ended March 31, 2024**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Use of estimates

The preparation of financial statements 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 amounts of revenues and expenses during the year. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Significant estimates have been made of the useful lives of tangible capital assets as well as net realizable value of inventory. Actual results could differ from those estimates.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Computer equipment	45%	declining balance method
Furniture and fixtures	20%	declining balance method
Leasehold improvements	20%	straight-line method

The organization regularly reviews its property, plant and equipment to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

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**3. CASH**

	2024	2023
Unrestricted	\$ 31,826	\$ -
Restricted	125,770	47,474
	<u>\$ 157,596</u>	<u>\$ 47,474</u>

Restricted cash is comprised of payments to the Organization related to programs and projects to be carried out in a future period.

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**4. TEMPORARY INVESTMENTS**

The Organization has two Guaranteed Investment Certificates (GICs) (2023 - two GICs) earning interest at a rate of 4.65% and 4.00% (2023 - 4.65% and 4.00%), maturing April 14, 2024 and June 4, 2024.

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**The Environmental Network Collingwood Inc.****Notes to Financial Statements****Year Ended March 31, 2024****5. PROPERTY, PLANT AND EQUIPMENT**

Tangible capital assets are comprised of:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Computer equipment	\$ 21,540	\$ 19,549	\$ 1,991	\$ 3,620
Furniture and fixtures	176,932	104,409	72,523	67,330
Leasehold improvements	205,361	57,067	148,294	77,833
	<b>\$ 403,833</b>	<b>\$ 181,025</b>	<b>\$ 222,808</b>	<b>\$ 148,783</b>

**6. DEFERRED REVENUE**

Deferred revenue includes funding received from various organizations for the programs that were still in progress at year end, as follows:

<u>Section heading</u>	2024	2023
Collingwood Youth Centre - Management	\$ 1,307	\$ 12,056
Collingwood Youth Centre - Trillium	-	16,676
Community Services Recovery	17,383	-
Day camp summer 2024	70,576	-
Day camp summer of 2023	-	64,843
Depave	13,277	14,124
EDI Planning	4,844	-
Greenhouse	18,384	-
	<b>\$ 125,771</b>	<b>\$ 107,699</b>

**7. DUE TO RELATED PARTIES**

Consulting fees totalling \$7,945 in fiscal 2023 were paid to a member of the Board of Directors for work in regards to Project Man RED.

**The Environmental Network Collingwood Inc.****Notes to Financial Statements****Year Ended March 31, 2024**

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**8. FINANCIAL INSTRUMENTS**

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2024.

**Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk and other price risk.

**Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate and credit facilities.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

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