

**LONDON ENVIRONMENTAL INSTITUTE**  
*(Operating as London Environmental Network)*  
**FINANCIAL STATEMENTS**  
**FOR THE 10 MONTH PERIOD ENDED DECEMBER 31, 2018**



**LONDON ENVIRONMENTAL INSTITUTE**  
*(Operating as London Environmental Network)*  
**INDEX TO FINANCIAL STATEMENTS**  
**PERIOD ENDED DECEMBER 31, 2018**

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	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Revenues and Expenditures	3
Statement of Expenditures (Schedule 1)	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9



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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of London Environmental Institute (Operating as London Environmental Network)

We have reviewed the accompanying financial statements of London Environmental Institute, (Operating as London Environmental Network) which comprise the statement of financial position as at December 31, 2018 and the statements of revenues and expenditures, changes in net assets and cash flows for the ten month period 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.

### *Practitioner's Responsibility for the Financial Statements*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the organization, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of London Environmental Institute as at December 31, 2018, and the results of its operations and its cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

London, Ontario  
June 13, 2019

*Valente CPAs LLP*  
Valente CPAs LLP  
Chartered Professional Accountants  
Licensed Public Accountants

**LONDON ENVIRONMENTAL INSTITUTE**  
**(Operating as London Environmental Network)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2018**

	Restricted 2018	General 2018	Total 2018
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	\$ -	\$ 17,285	\$ 17,285
Accounts receivable	-	8,862	8,862
Harmonized sales tax recoverable	-	1,022	1,022
	-	27,169	27,169
<b>FUNDING HELD IN TRUST (Note 5)</b>	-	111,750	111,750
	\$ -	\$ 138,919	\$ 138,919
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT</b>			
Accounts payable	\$ -	\$ 9,608	\$ 9,608
Employee deductions payable	-	3,742	3,742
Due to member organizations (Note 4)	-	2,119	2,119
	-	15,469	15,469
<b>DEFERRED GRANT (Note 5)</b>	-	111,750	111,750
	-	127,219	127,219
<b>NET ASSETS</b>	-	11,700	11,700
	\$ -	\$ 138,919	\$ 138,919

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**LONDON ENVIRONMENTAL INSTITUTE**  
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**STATEMENT OF REVENUES AND EXPENDITURES**  
**FOR THE 10 MONTH PERIOD ENDED DECEMBER 31, 2018**

	Restricted <i>December 31</i> 2018	General <i>December 31</i> 2018	Total <i>December 31</i> 2018
<b>REVENUES</b>			
Grants	\$ 12,736	\$ 29,456	\$ 42,192
Corporate donations	3,500	14,686	18,186
General donations	-	1,125	1,125
Services	-	7,770	7,770
Events	-	2,554	2,554
Other	-	120	120
	16,236	55,711	71,947
<b>EXPENDITURES (SCHEDULE 1)</b>	<b>16,236</b>	<b>45,049</b>	<b>61,285</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS</b>	<b>-</b>	<b>10,662</b>	<b>10,662</b>
<b>OTHER INCOME</b>			
Harmonized sales tax rebate	-	1,022	1,022
Interest income	-	16	16
	-	1,038	1,038
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 11,700</b>	<b>\$ 11,700</b>

**LONDON ENVIRONMENTAL INSTITUTE**  
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**STATEMENT OF EXPENDITURES (SCHEDULE 1)**  
**FOR THE 10 MONTH PERIOD ENDED DECEMBER 31, 2018**

	Restricted <i>December 31</i> 2018	General <i>December 31</i> 2018	Total <i>December 31</i> 2018
Salaries and wages	\$ 5,385	\$ 23,329	\$ 28,714
Event expenditures	8,331	6,750	15,081
Accounting fees	-	4,181	4,181
Memberships	-	2,036	2,036
Rent and cleaning	2,034	-	2,034
Hardware and software	-	2,001	2,001
Advertising and promotion	-	1,804	1,804
Print materials	-	1,481	1,481
Legal fees	-	1,130	1,130
Travel	-	964	964
Sub-contracts	-	440	440
Telephone	-	345	345
Utilities	258	-	258
Office supplies	228	-	228
Training	-	210	210
Bank charges	-	161	161
General and administrative expenses	-	121	121
Postage	-	96	96
	<b>\$ 16,236</b>	<b>\$ 45,049</b>	<b>\$ 61,285</b>

**LONDON ENVIRONMENTAL INSTITUTE**  
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**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE 10 MONTH PERIOD ENDED DECEMBER 31, 2018**

	Restricted	General	2018
<b>NET ASSETS - BEGINNING OF PERIOD</b>	\$ -	\$ -	\$ -
Excess of revenues over expenditures	-	11,700	<b>11,700</b>
<b>NET ASSETS - END OF PERIOD</b>	\$ -	\$ 11,700	<b>\$ 11,700</b>



**LONDON ENVIRONMENTAL INSTITUTE**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE 10 MONTH PERIOD ENDED DECEMBER 31, 2018**

	Restricted 2018	General 2018	Total 2018
<b>OPERATING ACTIVITIES</b>			
Excess of revenues over expenditures	\$ -	\$ 11,700	\$ 11,700
Changes in non-cash working capital:			
Accounts receivable	-	(8,862)	(8,862)
Accounts payable	-	9,608	9,608
Harmonized sales tax rebate	-	(1,022)	(1,022)
Employee deductions payable	-	3,742	3,742
	-	3,466	3,466
Cash flow from operating activities	-	15,166	15,166
<b>FINANCING ACTIVITY</b>			
Funding held for members <i>(Note 4)</i>	-	2,119	2,119
<b>INCREASE IN CASH FLOW</b>	-	17,285	17,285
Cash - beginning of period	-	-	-
<b>CASH - END OF PERIOD</b>	\$ -	\$ 17,285	\$ 17,285



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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE 10 MONTH PERIOD ENDED DECEMBER 31, 2018**

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**1. PURPOSE OF THE ORGANIZATION**

London Environmental Institute (the "organization") is a not-for-profit organization incorporated on March 6, 2018, under the Canada Not-for-profit Corporations Act. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

The organization operates to protect the environment by developing and providing programs designed to protect, steward and preserve the environment.

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**2. BASIS OF PRESENTATION**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Some users may require further information as these statements have not been prepared for general purposes.

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

Revenue recognition

The organization follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Other investment income is recognized as revenue of the General Fund when earned

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.

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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE 10 MONTH PERIOD ENDED DECEMBER 31, 2018**

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

Government grants

Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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**4. DUE TO MEMBER ORGANIZATIONS**

During the year, the organization accepted funding on behalf of its member organizations. Funding is paid out to its member organizations as it is used. At year end, the following balances were held:

Due to London Electric Vehicle Association	\$	1,370
Due to Pollinator Pathways Project		749
	\$	2,119

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**5. FUNDING HELD IN TRUST/DEFERRED GRANT**

London Community Foundation Vitality Grant for Green Economy

During the year, the London Community Foundation (LCF) approved funding for the amount of \$200,000. The funding is payable in two installments, \$111,750 and \$88,250. Installments will be paid to the City of London to be held in trust, and reimbursed to the organization when used.

The funding is to be allocated towards staff remuneration, purchased services, supplies and materials, travel, carbon accounting software, capital; including laptops and cell phones for staff, overhead and current expenses. The funding period is for three years, commencing January 2019.

In November 2018, the City of London, on behalf of the organization, has received \$111,750, which remains unspent and available for 2019.

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**6. SUBSEQUENT EVENTS**

*London Community Grants Program - Innovation Grant*

In November 2018, the organization was approved for an operating grant in the amount of \$50,300. This grant is intended to fund staff salaries, general administration, program supplies, and community events related to projects to set greenhouse gas targets, build business network, and create capacity with the business sector to conduct sustainability projects.

Funding will be received in two installments of \$25,150. The funding period is from January 1, 2019 to December 31, 2019.

*London Community Grants - Multi-year Grant*

In 2016, the London Community Grants Program approved a three year Grant. The grant entitles the organization to receive \$100,000 over the course of three years.

It is to be paid out at \$20,000 in 2017, following \$40,000 in each year, for 2018 and 2019. The monies are paid in two installments, twice a year, at \$20,000 each. The monies are paid to Thames Talbot Land Trust (TTLT), at which time TTLT transfers the fund to the organization. The monies are restricted to staff wages and general operations.

To date, \$20,000 has been received for 2017, \$40,000 has been received for 2018. These amounts have been recorded and appropriately recognized.

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**7. AFFILIATION WITH THAMES TALBOT LAND TRUST**

Prior to incorporation, the organization was a program within Thames Talbot Land Trust (TTLT). In March 2018, the entity incorporated and became a segregated entity from TTLT. The organization received a final payout of \$2,192 from TTLT in March 2019, relating to residual funds from operations held within TTLT.

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**8. REPORTING FOR A SHORTENED FISCAL PERIOD**

The current year figures reflects operations approximating ten months, from the date of incorporation, March 6, 2018 to December 31, 2018.

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