

**DRAFT FOR DISCUSSION
PURPOSES ONLY**

September 3, 2019

SUSTAINABILITY ACTION FUND

Financial Statements

May 31, 2019

SUSTAINABILITY ACTION FUND

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INDEPENDENT AUDITORS' REPORT

To the Members of
SUSTAINABILITY ACTION FUND

Opinion - We have audited the financial statements of SUSTAINABILITY ACTION FUND (the Entity), which comprise the balance sheet as at May 31, 2019, and the statements of operations and 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at May 31, 2019, and the results of its operations and its cash flows for the year then ended 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 Entity 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 audit 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 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.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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. 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 Entity'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 Entity'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 Entity 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.

By R. Amstutz, CPA auditor, CA
August 22, 2019
Montreal, Quebec
Permit No: A105202

**SUSTAINABILITY ACTION FUND
BALANCE SHEET
as at May 31, 2019**

	<u>2 0 1 9</u>	<u>2 0 1 8</u>
ASSETS		
CURRENT ASSETS		
Cash accounts		
Caisse Desjardins		
Chequing	\$ 16,652	\$ -
Savings	120,063	126,089
Concordia University		
Millenium AG1072	64,815	60,551
Millenium AG1089	23,271	17,497
Millenium T20890	3,500	-
Petty cash	55	56
Accounts receivable	<u>2,631</u>	<u>431</u>
	230,987	204,624
PROPERTY AND EQUIPMENT (Note 3)	<u>1,030</u>	<u>1,047</u>
	<u>\$ 232,017</u>	<u>\$ 205,671</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Bank indebtedness		
Caisse Desjardins		
Chequing	\$ -	\$ 1,221
Accounts payable and accrued charges	6,010	9,683
Deferred revenues	<u>26,549</u>	<u>26,022</u>
	<u>32,559</u>	<u>36,926</u>
NET ASSETS		
Unrestricted	<u>199,458</u>	<u>168,745</u>
	<u>199,458</u>	<u>168,745</u>
	<u>\$ 232,017</u>	<u>\$ 205,671</u>

COMMITMENTS (Note 7)

ON BEHALF OF THE BOARD

.....Director

.....Director

The accompanying notes form an integral part of the financial statements.

SUSTAINABILITY ACTION FUND
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
year ended May 31, 2019

	<u>2 0 1 9</u>	<u>2 0 1 8</u>
REVENUES		
Undergraduate - Student fee levies	\$ 187,953	\$ 187,378
Graduate - Student fee levies	25,086	23,428
Interest	1,475	1,030
Research Awards - FAS Reimbursement	5,000	5,000
Research Awards - Fine Arts Reimbursement	2,000	-
Eric St-Pierre Partnership	5,000	-
Other	<u>278</u>	<u>4,229</u>
	<u>226,792</u>	<u>221,065</u>
EXPENSES		
Salaries and fringe benefits	79,723	68,998
Funding allocations (Note 6)	85,204	94,437
Curriculum Project / research Awards	12,300	10,721
Operating expenses (Note 4)	9,473	8,295
Marketing / IT	2,086	2,171
Events, Outreach and internal projects	3,730	1,867
Office expenses	<u>3,563</u>	<u>1,720</u>
	<u>196,079</u>	<u>188,209</u>
EXCESS OF REVENUES OVER EXPENSES	30,713	32,856
NET ASSETS, BEGINNING OF YEAR	<u>168,745</u>	<u>135,889</u>
NET ASSETS, END OF YEAR	\$ <u>199,458</u>	\$ <u>168,745</u>

The accompanying notes form an integral part of the financial statements.

**SUSTAINABILITY ACTION FUND
STATEMENT OF CASH FLOWS
year ended May 31, 2019**

	<u>2 0 1 9</u>	<u>2 0 1 8</u>
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 30,713	\$ 32,856
Item not affecting cash		
Amortization	<u>977</u>	<u>827</u>
	31,690	33,683
Changes in non cash operating working capital		
Accounts receivable	(2,200)	(431)
Accounts payable and accrued charges	(3,673)	646
Deferred revenues	<u>527</u>	<u>454</u>
	<u>26,344</u>	<u>34,352</u>
INVESTING ACTIVITIES		
Acquisition of property and equipment	<u>(960)</u>	<u>-</u>
	<u>(960)</u>	<u>-</u>
INCREASE IN CASH AND CASH EQUIVALENTS	25,384	34,352
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>202,972</u>	<u>168,620</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>228,356</u>	\$ <u>202,972</u>

Cash and cash equivalents are comprised of cash and bank indebtedness.

The accompanying notes form an integral part of the financial statements

**SUSTAINABILITY ACTION FUND
NOTES TO THE FINANCIAL STATEMENTS
as at May 31, 2019**

1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

The organization, incorporated on October 4, 2007 under Part III of the Quebec Companies Act, is a not-for-profit organization and is exempt from income taxes.

The organization's objective is to support projects to develop sustainable infrastructure, urban agriculture, community building, and education surrounding environmental and community issues, with the goal of inspiring and developing a culture of sustainability at Concordia University.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Accounting estimates

The preparation of financial statements in conformity with Canadian accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions related to general operations 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.

Cash and cash equivalents

The organization's policy is to disclose cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

Property and equipment

Property and equipment are recorded at cost. They are amortized over their estimated useful lives using the declining-balance method at the annual rate of 15%.

SUSTAINABILITY ACTION FUND
NOTES TO THE FINANCIAL STATEMENTS
as at May 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include bank indebtedness and accounts payable and accrued charges.

3. PROPERTY AND EQUIPMENT

		<u>2 0 1 9</u>	<u>2 0 1 8</u>
	Accumulated Amort- ization	Net Book Value	Net Book Value
<u>Cost</u>	<u>ization</u>	<u>Value</u>	<u>Value</u>
Furniture and equipment	\$ <u>4,690</u>	\$ <u>1,030</u>	\$ <u>1,047</u>
	\$ <u><u>4,690</u></u>	\$ <u><u>1,030</u></u>	\$ <u><u>1,047</u></u>

4. OPERATING EXPENSES

	<u>2 0 1 9</u>	<u>2 0 1 8</u>
Professional fees	\$ 3,047	\$ 3,289
Board facilitator	1,450	900
Insurance	1,143	1,135
Amortization	977	827
Bank charges and government expenses	956	945
Other	826	-
Honorariums	750	350
Professional development	292	775
Human resources	<u>32</u>	<u>74</u>
	\$ <u><u>9,473</u></u>	\$ <u><u>8,295</u></u>

5. FINANCIAL INSTRUMENTS

Risks and concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the balance sheet date.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued charges.

SUSTAINABILITY ACTION FUND
NOTES TO THE FINANCIAL STATEMENTS
as at May 31, 2019

6. FUNDING ALLOCATIONS	<u>2 0 1 9</u>	<u>2 0 1 8</u>
Human Right to Breathe	\$ 6,329	\$ 1,471
Concordia Greenhouse - Plant Growth	7,146	-
SAE Formula Electric 2017- 2018	518	-
Rap Battles 4 SJ	2,476	-
Queer Cats	200	-
Post-Capitalist Archive	1,931	-
PAAS	2,500	-
Fierté en Hiver	943	-
Entomo Collective	234	-
Cute Magazine	2,000	-
Concordia Underground Tours	727	-
Concordia Black History Month	250	-
CFF	1,985	-
Animating the Future	2,200	-
A Conversation	1,303	-
Women and Homelessness Symposium	2,140	-
Waste Not Want Not	2,025	-
Unsettling	3,869	-
The PhD	893	-
Show 450	1,142	-
SEIZE - Social Economy Incubator Basic Curriculum	3,000	-
School Schmool - the Organizer	5,000	-
REEF	219	-
RB4SJ Black History Month	5,081	-
RB4SJ	3,000	-
QBTC - Queer Between the Covers/Queer entre les couvertures 2018 Bookfair	1,350	-
PV Optimization	500	-
Power Networking	-	-
Poverty Panel	300	-
Pledge to Lead	6,070	-
PlantBox	186	-
JMSBG	1,028	-
Ineffable	1,472	-
ICOP	1,410	-
Green Pod	35	-
First Voices	5,001	-
Environmental Racism Event	3,000	-
CUJAH	300	-
Concordia Farmer's Market	702	-
Colours of Activism	823	-
Cinema Politica II	1,000	-
Cinema Politica	2,500	-
AntiColonial Week	1,200	-
African Development Conference	<u>1,216</u>	<u>-</u>
Total funding allocations, carried forward	\$ <u>85,204</u>	\$ <u>1,471</u>

SUSTAINABILITY ACTION FUND
NOTES TO THE FINANCIAL STATEMENTS
as at May 31, 2019

6. FUNDING ALLOCATIONS (cont'd)	<u>2 0 1 9</u>	<u>2 0 1 8</u>
Total funding allocations, carried forward	\$ <u>85,204</u>	\$ <u>1,471</u>
Beacon Project	-	1,907
Enamel	-	1,385
Concordia Film Festival	-	900
Recentering indigenious experience	-	949
Resist Trump Montreal	-	2,459
Petit Vélo Rouge	-	3,254
Creative Reuse Center	-	4,558
Concordia Farmers' Market Funding #2	-	979
iCOP	-	2,940
Waste Not Want Not	-	2,000
Women in Engineering	-	550
JSEC Sustainable Conference	-	2,085
Transitions Contract	-	2,520
SCPA Panel on the Right to Die	-	500
Business Beyond Tomorrow	-	1,500
Campus Potager	-	3,000
Loyola Farmer's Market	-	2,495
Little Socks in the Air	-	2,604
Living Soil Symposium	-	10,000
Black Speculative Art Movement	-	2,260
25th Anniversary Edition of Concordia Lecture	-	1,717
Gaea	-	1,860
Concordia Underground Tours	-	775
Feminist Hip Hop Show	-	1,200
Food Against Fascism	-	1,867
Fierté en Hiver	-	2,552
Concordia Black History Month	-	2,654
Cinema Politica	-	2,500
Synapses MDes Colloquium	-	2,085
Curveball	-	426
From the Source	-	1,740
Rap Battle for Social Justice	-	4,024
Formula One	-	6,769
Motor Controller	-	1,000
Hydroflora	-	548
School Shmool	-	5,000
Canada Pride	-	1,200
Ethical Textile Design	-	877
SCPA 301 - Peack	-	435
Electrode	-	1,000
Education Department Graduate Symposium	-	1,000
Entomo Collective	-	915
CEED	-	662
Queer Bookfare	-	1,315
Total funding allocations	\$ <u>85,204</u>	\$ <u>94,437</u>

SUSTAINABILITY ACTION FUND
NOTES TO THE FINANCIAL STATEMENTS
as at May 31, 2019

7. COMMITMENTS

2 0 1 9

2 0 1 8

The organization has undertaken to pay the following amounts to the below mentioned projects.

SP - Tired Students	\$ 3,740	\$ -
SP - QBTC Bookfair	31	-
SP - Resisting Dispossession	1,500	-
SP - SAE Electric Car Revival	2,400	-
SP - Solar Capstone	1,500	-
SP - Tax Clinic	5,000	-
SP - School Schmool	3,000	-
SP - Pledge to Lead	1,930	-
SP - Unsettling	1,956	-
SP - SHED	5,000	-
SP - SEIZE	2,000	-
SP - The Chill Painters	1,500	-
SP - SAE	10,000	-
SP - Take Heed	2,580	-
SP - Power Networking	500	-
SP - Cinema in the Midst	500	-
SP - Winter Pride	1,500	-
SP - FaisenPour2	1,500	-
SP - Green Pod	242	-
SP - Focal Points	600	-
SP - Queering the Map	2,030	-
SP - Connect Concordia	1,850	-
SP - Cure BIPOC	7,770	-
SP - ConcordAI	3,050	-
SP - Beacon Project	-	8,093
SP - Human Right to Breathe	-	6,329
SP - Petit Vélo Rouge	-	629
SP - Concordia Greenhouse -Plant Growth	-	10,263
SP - Curriculum Project / Research Awards	-	10,648
SP - Little Socks in the Air	-	396
SP - 25th Anniversary Edition of Concordia Lecture	-	1,890
SP - Concordia Underground Tours	-	2,225
SP - From the Source	-	616
SP - Rap Battles for Social Justice	-	2,576
SP - Formula One	-	516
SP - Entomo Collective	-	585
SP - A Conversation	-	1,000
SP - Animating the Future	-	2,500
SP - CFF Festival	-	5,000
SP - Chirps for Thought	-	1,500
SP - CUTE Magazine	-	2,000
SP - PAAS	-	4,000
SP - Post-Capitalist Archive	-	4,500
SP - Queer Cats	-	350
	<u> </u>	<u> </u>
	\$ <u>61,679</u>	\$ <u>65,616</u>