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**ECOSPARK ENVIRONMENTAL  
ORGANIZATION**  
(OPERATING AS ECOSPARK)

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of EcoSpark Environmental Organization,

### Opinion

We have audited the financial statements of EcoSpark Environmental Organization, operating as EcoSpark (the organization), which comprise the statement of financial position as at December 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 EcoSpark Environmental Organization as at December 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.

### Basis for Opinion

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 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 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 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.

### 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.

## INDEPENDENT AUDITOR'S REPORT (continued)

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 your 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.

### Other Matter

The financial statements of EcoSpark Environmental Organization as at and for the year ended December 31, 2018 were audited by another auditor who expressed an unqualified opinion on those financial statements on April 23, 2019.

*Pennylegion Chung LLP*

Chartered Professional Accountants  
Licensed Public Accountants

February 25, 2020  
Toronto, Ontario

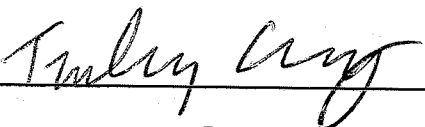
**ECOSPARK ENVIRONMENTAL ORGANIZATION**


**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 137,800	\$ 223,771
Guaranteed investment certificates (note 3)	76,166	10,637
Amounts receivable	44,656	10,655
HST rebate recoverable	3,568	2,781
Prepaid expenses	<u>1,478</u>	<u>6,020</u>
	263,668	253,864
Capital assets (note 4)	<u>-</u>	<u>403</u>
	<u>\$ 263,668</u>	<u>\$ 254,267</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,056	\$ 16,188
Deferred contributions (note 5)	<u>187,762</u>	<u>197,507</u>
	<u>193,818</u>	<u>213,695</u>
Net assets		
Unrestricted	<u>69,850</u>	<u>40,572</u>
	<u>\$ 263,668</u>	<u>\$ 254,267</u>

Approved on behalf of the Board:

  
\_\_\_\_\_, Director

  
\_\_\_\_\_, Director

see accompanying notes

**ECOSPARK ENVIRONMENTAL ORGANIZATION**

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>2019</b>	<b>2018</b>
<b>REVENUE</b>		
Contributions (note 6)	\$ 376,795	\$ 348,123
Workshop fees	29,669	15,080
Fundraising and other	<u>10,749</u>	<u>9,194</u>
	<u>417,213</u>	<u>372,397</u>
<b>EXPENSES</b>		
Personnel	238,811	218,079
Program	101,092	97,337
Rent	16,725	16,716
Communications	11,403	8,025
Office and general	7,654	6,152
Insurance	4,541	4,425
Professional fees	4,156	2,904
Training and development	3,150	5,793
Amortization	<u>403</u>	<u>1,340</u>
	<u>387,935</u>	<u>360,771</u>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	29,278	11,626
Net assets, beginning of year	<u>40,572</u>	<u>28,946</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 69,850</u>	<u>\$ 40,572</u>

see accompanying notes

**ECOSPARK ENVIRONMENTAL ORGANIZATION**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ 29,278	\$ 11,626
Add back (deduct) non-cash items-		
Amortization of capital assets	403	1,340
Net change in non-cash working capital items (see below)	<u>(50,122)</u>	<u>73,085</u>
Cash generated from (used for) operating activities	(20,441)	86,051
<b>INVESTING ACTIVITIES</b>		
Guaranteed investment certificates purchased	<u>(65,530)</u>	<u>(138)</u>
<b>NET INCREASE (DECREASE) IN CASH FOR THE YEAR</b>	(85,971)	85,913
Cash, beginning of year	<u>223,771</u>	<u>137,858</u>
<b>CASH, END OF YEAR</b>	<u>\$ 137,800</u>	<u>\$ 223,771</u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Amounts receivable	\$ (34,001)	\$ 66,385
HST rebate recoverable	(787)	259
Prepaid expenses	4,541	133
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(10,129)	3,328
Deferred contributions	<u>(9,746)</u>	<u>2,980</u>
	<u>\$ (50,122)</u>	<u>\$ 73,085</u>

see accompanying notes

# ECOSPARK ENVIRONMENTAL ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

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EcoSpark Environmental Organization, operating as EcoSpark (the organization) is incorporated without share capital in the Province of Ontario. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

The organization seeks to empower individuals and communities across Ontario to take an active role in monitoring, protecting and restoring their local environment. Through formal and community education, the organization uses experiential learning opportunities to (re)connect people with their local environment and provide them with opportunities to create change.

### 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:

#### **Capital assets**

Capital assets purchases are recorded at cost. Amortization is provided annually at rates calculated to write-off capital assets over estimated useful lives as follows:

Furniture and equipment - straight-line basis over 3 years

#### **Revenue recognition**

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

##### *Contributions*

The organization follows the deferral method of revenue recognition for contributions.

Externally restricted contributions, including grants and restricted donations, related to current expenses are recognized as revenue in the current year. Externally restricted contributions received in the year for expenses to be incurred in the following year are recorded as deferred revenue. Unrestricted contributions, including donations and amounts received from fundraising, is recorded when received.

##### *Contributed materials and services*

Contributed materials and services which are normally purchased by the organization are not recorded in the accounts.

##### *Workshop fees*

Workshop fee revenue is recognized in the period in which the workshop takes place.

##### *Interest income*

Interest income is recognized as revenue over the term of the guaranteed investment certificates.

### 2. FINANCIAL INSTRUMENTS

The organization's financial instruments include cash, guaranteed investment certificates, amounts receivable, accounts payable and accrued liabilities. Amounts receivable, accounts payable and accrued liabilities are initially recorded at fair value and are subsequently recorded net of any provisions for impairment in value. Guaranteed investment certificates are recorded at cost plus accrued interest, which approximates fair value.

**ECOSPARK ENVIRONMENTAL ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**3. GUARANTEED INVESTMENT CERTIFICATES**

Guaranteed investment certificates are issued and held by a major Canadian chartered bank, bear interest rate ranging from 1.65% to 2.10% and mature between February 2020 and August 2020.

**4. CAPITAL ASSETS**

Capital assets are as follows:

	Cost	Accumulated Amortization	2019 Net	2018 Net
Furniture and equipment	<u>\$ 2,542</u>	<u>\$ 2,542</u>	<u>\$ -</u>	<u>\$ 403</u>

**5. DEFERRED CONTRIBUTIONS**

Deferred contributions is composed of the following:

	2019	2018
<b>Government of Canada</b>		
Natural Sciences and Engineering Research Council of Canada	\$ 16,784	\$ 13,673
<b>Government of Ontario</b>		
Ministry of Municipal Affairs and Housing	2,651	3,855
<b>Foundations and corporations</b>		
Lawson Foundation	79,837	-
Ontario Trillium Foundation	34,382	150,834
TD Friends of the Environment Foundation	29,471	2,673
Community Foundation of Mississauga	11,095	1,867
LUSH Charity Pot	7,409	-
Ontario Wildlife Foundation	4,354	-
McLean Foundation	318	10,000
TD Bank	-	6,258
Friends of the Greenbelt Foundation	-	3,337
Tides Canada	-	2,500
<b>Other</b>	<u>1,461</u>	<u>2,510</u>
	<u>\$ 187,762</u>	<u>\$ 197,507</u>

Continuity of deferred contributions for the year is as follows:

Deferred contributions, beginning of year	\$ 197,507	\$ 194,527
Add cash received from contributions	367,050	351,103
Less contribution revenue recognized (note 6)	<u>(376,795)</u>	<u>(348,123)</u>
Deferred contribution, end of year	<u>\$ 187,762</u>	<u>\$ 197,507</u>



# ECOSPARK ENVIRONMENTAL ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

### 6. CONTRIBUTIONS

Contributions recognized in the year were from the following sources:

	2019	2018
<b>Government of Canada</b>		
Natural Sciences and Engineering Research Council of Canada	\$ 21,890	\$ 37,889
Employment and Social Development Canada	-	7,506
<b>Government of Ontario</b>		
Ministry of Municipal Affairs and Housing	1,204	18,345
<b>Foundations and corporations</b>		
Ontario Trillium Foundation	255,151	146,967
Lawson Foundation	26,663	-
TD Friends of the Environment Foundation	13,202	31,138
Chawkers Foundation	10,000	-
McLean Foundation	9,682	-
Colleges and Institutes Canada	7,755	21,125
TD Bank	6,258	12,271
Community Foundation of Mississauga	5,772	10,933
LUSH Charity Pot	3,591	-
Friends of the Greenbelt Foundation	3,337	24,341
Enbridge Inc.	-	20,000
<b>Donations and other</b>	<u>12,290</u>	<u>17,608</u>
	<u>\$ 376,795</u>	<u>\$ 348,123</u>

### 7. LEASE COMMITMENTS

The organization leases office premises from Toronto Artscape under a five year lease ending December 31, 2023 with an option to renew. The organization may terminate the lease early with 180 days written notice. Minimum annual lease payments over the term of the lease are as follows:

2020	\$ 18,165
2021	18,795
2022	19,450
2023	20,130