The Sustainability Institute of Canada

Financial Statements

December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors The Sustainability Institute of Canada:

Opinion
We have audited the financial statements of The Sustainability Institute of Canada (the Organization), which comprise the balance sheet as at December 31, 2025, and the statements of revenue and expenses, net assets and statement of 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 Organization as at December 31, 2025, 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 organzations.

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.

Other Matter
The financial statements for the year ended December 31, 2024 were audited by Chaplin & Co. LLP who expressed an unmodified opinion on these financial statements on February 20, 2025.

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 accounting standards for not-for-profit organziations 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 Responsibility 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 non-consolidated 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.

Melo LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario
April 29, 2026

The Sustainability Institute of Canada
Balance Sheet
As at December 31, 2025

	2025	2024
Assets		
Current		
Cash and cash equivalents	**$ 684,492**	$ 857,059
Accounts receivable	**30,000**	-
HST recoverable	**41,658**	18,482
Government remittances receivable	**-**	149
Prepaid and other assets	**43,212**	1,340
	799,362	877,030
Long-term investments (note 2)	**21,276**	20,409
	$ 820,638	$ 897,439
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 8,845**	$ 8,018
Deferred income	**19,500**	-
Deferred grant income (note 3)	**580,004**	703,664
	608,349	711,682
	608,349	711,682
Net assets		
Net assets invested in operating reserve fund	**99,498**	99,498
Unrestricted net assets	**112,791**	86,259
	212,289	185,757
	$ 820,638	$ 897,439

Approved on behalf of the Board of Directors

Emily Mcmillan

Emily McMillan, Chair

Tooba Shakeel

Tooba Shakeel, Treasurer

(see accompanying notes)

The Sustainability Institute of Canada
Statement of Net Assets
Year Ended December 31, 2025

	Operating reserve fund	Unrestricted	Total Year Ended December 31 2025	Total Year Ended December 31 2024
			2025	2024
Balance at beginning of year	99,498	86,259	$ 185,757	$ 146,376
Excess of revenue over expenses for the year	-	26,532	26,532	39,381
Balance at end of year	$ 99,498	$ 112,791	$ 212,289	$ 185,757

(see accompanying notes)

The Sustainability Institute of Canada
Satement of Revenue and Expenses
Year Ended December 31, 2025

	2025	2024
Revenue		
Grants	**$ 706,664**	$ 507,400
Donations	**7,141**	7,156
Events	**89,195**	78,669
Interest and other income	**8,284**	18,322
	811,284	611,547
Expenses		
Bank Charges	**8,790**	4,800
Computer	**11,982**	10,164
Consulting	**439,191**	298,824
Event costs	**85,358**	13,528
Insurance	**1,668**	1,635
Occupancy	**16,314**	15,541
Office	**6,389**	13,539
Professional fees	**5,185**	5,621
Salaries and benefits	**202,929**	193,257
Sponsorships	**750**	5,158
Travel and miscellaneous	**6,196**	10,099
	784,752	572,166
Excess of revenue over expenses for the year	**$ 26,532**	$ 39,381

(see accompanying notes)

The Sustainability Institute of Canada
Statement of Cash Flows
Year Ended December 31, 2025

	2025	2024
Net cash provided by (used in) Operations		
Excess of Revenue over expenses for the year	**$ 26,532**	$ 39,382
Changes in non-cash working capital balances related to operations:		
Accounts receivable	**(30,000)**	1,255
HST recoverable	**(23,176)**	(12,751)
Prepaid expenses and sundry assets	**41,872**	(149)
Accounts payable and accrued liabilities	**827**	(202)
Deferred income	**19,500**	-
Deferred grant income	**(123,660)**	(18,624)
	(88,105)	8,911
Financing activities		
Maturity of long-term investments	**-**	20,000
Purchase of long-term investments	**-**	(20,409)
	-	(409)
Increase (decrease) in cash and cash equivalent	**(88,105)**	8,502
Cash and cash equivalents at beginning of year	**819,812**	811,310
Cash and cash eqivalents at end of year	**$ 731,707**	$ 819,812

(see accompanying notes)

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, 2022.

The organization's goal is to strengthen the capacity of the enviornmental community in Canada by improving organizational management, planning and fundraising skills of non-profit organizations.

1. Significant Accounting Policies

a) *Basis of presentation*
These financial statments have been prepared using the standards of Part III of the CPA Canada Accounting Handbook, Accounting Standards for Not-For-Profit Organziations.

b) *Fund accounting*
These financial statements are prepared on a defferal method of accounting.

c) *General fund*
The general fund accounts for the organization's programming and administrative activites
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d) *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 origanization'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.

e) *Cash and cash equivalents*
Cash and cash equivalents include highly liquid investments with maturity of within one year of the date of purchase.

e) *Measurement of financial instruments*
The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilites at amortized cost. Financial assets measured at amortized cost include cash, accounts receivable and HST recoverable. Financial liabilites measured at amortized cost include acocunts payable and accrued liabilites. The organization has not designated any financial assests or financial liability to be measured at fair value.

Financial assets measured at cost or amortized costs are assessed for impairment on an annual basis at the end of the fiscal year if there are no indicators or impairment. If there is an indication of impairment the organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset, and recognizes an impairment loss if the carrying value of the asset is greater than the higher of present value of the expected future cash flow, the amount that can be realized by selling the asset or the amount the organization expects to realize by exercising its right to any collateral.

If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement not exceeding the initial carrying value.

1. Significant Accounting Policies (continued)

f) Capital assets
Capital assets are expensed as acquired.

g) Revenue recognition
Grants, sales and consulting, rentals and events revenue are taken into income in the year to which it relates. Amounts received that relate to future fiscal periods are recorded as deferred income

Revenues which are derived from donations are recorded on a cash basis.

h) Contributions in kind
Volunteers contribute their time to assist the organization in carrying out its activites. Due to the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

Contributed goods are recorded when the fair market value is reasonably determinable or when goods would otherwise normally be purchased and paid for by the organization.

i) Short-term investment
Investments, primarily bonds with a term to maturity less than one year are classified as short-term investments. Short-term investments are stated at cost.

j) Long-term investments
Investments, primarily bonds, with an original maturity of more than one year are classified as long-term investments. Long-term investments are stated at cost.

k) Use of estimates
The preparation of financial statements requires management to make estimtes and assumptions that affect the reported amounts of assets and liabilites and disclosure of contingent assets and liabilites at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions are allowance for doubtful accounts, accrued liabilities and the allocation to deferred income. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Long-term investment

	2025	2024
Centre for Social Innovation - Series D Bond - Due May 15, 2027 bearing interest at 4.5%	**$ 21,276**	$ 20,409
	$ 21,276	$ 20,409

3. Deferred grant income

Deferred contributions represent unspent resources for specific projects as directed by the contributors. Changes in the deferred income balances are as follows:

	Balance December 31 2024	Grants received	Utilitzed during the year	Balance December 31 2025
Definity Insurance Foundation	$ 90,000	$ 90,000	$ (90,000)	$ 90,000
Echo Foundation	30,000	90,000	(80,000)	40,000
Gosling Foundation	5,000	10,000	(15,000)	-
Ivey Foundation	190,000	150,000	(150,000)	190,000
McConnelly Foundation	107,000	70,000	(90,000)	87,000
Sitka Foundation	7,500	7,500	(7,500)	7,500
Trottier Foundation	35,000	-	(35,000)	-
Wilburforce Foundation	239,164	165,504	(239,164)	165,504
	$ 703,664	$ 583,004	$ (706,664)	$ 580,004

4.Financial risks

a) *Credit risk*
The organization's exposure to credit risk is on its cash and accounts receivable. The organization mitigates its exposure to credit loss by ensuring that credit is only entended to those entities that management believes has the financial capacity to pay obligations as they come due. There is no provision for doubtful accounts in these financial statements. There has been no change in risk exposure from 2024.

b) *Liquidity risk*
The organization considers that it has sufficient credit facilities to ensure that funds are available to meet its current and long-term financial needs at a reasonable cost. The organization expects to meet these obligations as they come by generating sufficient cash flow from operations. There has been no change in risk exposure from 2024.

c) *Interest rate risk*
The organization is exposed to interest rate cash flow risk arising from flucuation in interest rates on its savings accounts.