

Canadian Institute for Environmental Law and Policy

Financial Statements
June 30, 2002

September 13, 2002

Auditors' Report

To the Directors of the Canadian Institute for Environmental Law and Policy

We have audited the statement of financial position of the **Canadian Institute for Environmental Law and Policy** as at June 30, 2002 and the statements of financial activities and surplus and cash flows for the year then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Institute as at June 30, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

Canadian Institute for Environmental Law and Policy

Statement of Financial Position

As at June 30, 2002

	2002 \$	2001 \$
Assets		
Cash and short-term deposits	106,193	173,446
Accounts receivable - net (note 3)	53,987	38,364
Prepaid expenses	6,666	5,147
Accrued interest	1,706	186
Inventory of publications - at lower of cost and market	1,505	2,822
	<u>170,057</u>	<u>219,965</u>
Liabilities		
Accounts payable and accrued charges	52,201	34,391
Deferred revenue (note 3)	71,176	135,082
	123,377	169,473
Surplus (note 2)	46,680	50,492
	<u>170,057</u>	<u>219,965</u>

Approved by the Board of Directors

_____ Director

_____ Director

Canadian Institute for Environmental Law and Policy

Statement of Financial Activities and Surplus

For the year ended June 30, 2002

	2002 \$	2001 \$
Revenue		
Project revenue		
Environment Canada	72,653	98,207
CIDA	73,234	76,123
CEC	2,829	42,299
IDRC	18,209	14,189
CURA	29,688	12,762
Other government revenue	29,083	12,864
Foundation grants	79,645	146,811
Corporate and individual donations	60,632	52,817
Other income	15,707	28,127
Government and foundation grants	26,187	86,189
Corporate and individual donations	16,636	52,257
Publications	4,988	6,286
Interest	2,922	5,199
Royalties and other income	47,375	13,070
	<hr/> 479,788	<hr/> 647,200
Expenditure		
Direct project expenditures (note 3)	167,933	208,270
Salaries and benefits	180,860	213,909
Rent	31,876	32,543
Publications	2,665	3,542
Fundraising	5,990	46,118
General	5,190	10,485
Professional fees	44,858	52,433
Printing	4,805	718
Office	32,322	18,457
Telephone	5,404	6,204
Courier and postage	462	940
Insurance	1,235	1,372
	<hr/> 483,600	<hr/> 594,991
Excess (deficiency) of revenue over expenditure for the year	(3,812)	52,209
Surplus (deficit) - Beginning of year	50,492	(1,717)
Surplus - End of year	<hr/> 46,680	<hr/> 50,492

Canadian Institute for Environmental Law and Policy

Statement of Cash Flows

For the year ended June 30, 2002

	2002 \$	2001 \$
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenditure for the year	(3,812)	52,209
Net change in non-cash working capital balances related to activities		
Decrease in deferred revenue	(63,906)	(186,160)
Increase (decrease) in accounts payable and accrued charges	17,810	(27,057)
Decrease in inventory of publications	1,317	15,875
Decrease (increase) in accounts receivable	(15,623)	141,086
Decrease (increase) in prepaid expenses	(1,519)	300
Decrease (increase) in accrued interest	(1,520)	676
Decrease in cash and short-term deposits	(67,253)	(3,071)
Cash and short-term deposits - Beginning of year	173,446	176,517
Cash and short-term deposits - End of year	106,193	173,446

Canadian Institute for Environmental Law and Policy

Notes to Financial Statements

June 30, 2002

1 Mission

Background

Founded in 1970 as the Canadian Environmental Law Research Foundation (CELRF), the Canadian Institute for Environmental Law and Policy (CIELAP) is an independent, not-for-profit, professional research and educational institute providing environmental law and policy analysis. CIELAP is incorporated under the laws of the Province of Ontario and is registered with the Canada Customs and Revenue Agency as a charity.

Mission statement

CIELAP provides leadership in the research and development of environmental law and policy that promotes the public interest and sustainability.

Vision statement

CIELAP's vision is a world in which basic human rights include the provision of a safe and healthy environment, achieved through the respect for, and preservation of, nature's integrity and diversity.

Focus

- to identify emerging environmental law and policy issues facing Canada and the world;
- to analyze current environmental law and policy issues;
- to research and evaluate policy options for public and private sector responses; and
- to communicate the conclusions of its research results to lay and professional audiences in a clear, non-partisan manner.

Operating principles

CIELAP is unique among environmental groups. The organization's approach and philosophy have always been in-depth research combined with consultation. CIELAP believes that for change to occur, all of the affected parties must be involved and therefore the organization promotes dialogue among governments, the private sector and non-government groups with a view to reaching consensus.

CIELAP will cooperate with government, the private sector and non-government organizations in Canada and internationally to develop laws and policies to protect the environment.

CIELAP will ensure that its programs are administered efficiently and effectively by implementing appropriate administrative and control procedures.

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2 Summary of significant accounting policies

The accounting policies followed by CIELAP and the disclosure of its financial information conform with Canadian generally accepted accounting principles. These financial statements have been prepared on a going concern basis. As a not-for-profit organization, CIELAP's ability to continue as a going concern is dependent upon continuing to balance its budget and receiving adequate funding support for its projects.

The significant accounting policies followed by CIELAP are summarized below:

Grants, donations and deferred revenue

Project revenue and donations are recorded as revenue in the statement of financial activities and surplus on an accrual basis. Accordingly, contract revenue and donations received for specific projects are accounted for as deferred revenue until the related costs are incurred.

When it is anticipated that the expenditures incurred will exceed the funding available for a specific project, the loss on the project is recognized in the year that it is identified.

Inventory of publications

CIELAP maintains an inventory of publications for sale resulting from its research projects.

The valuation basis for the inventory reflects the incurred cost, not otherwise recovered, for which there is an expectation of recovery through sale after taking into account a provision for slow-moving and obsolete publications.

Financial instruments

CIELAP's financial instruments recognized in the statement of financial position consist of cash and short-term deposits, accounts receivable and accounts payable and accrued charges. The fair values of these instruments approximate their carrying amounts due to their short-term maturities.

Volunteer support

These financial statements do not reflect the substantial value of services contributed by volunteers and other interested parties.

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3 Deferred revenue

CIELAP has received donations and contract revenue for specific purposes, of which \$64,409 was deferred at June 30, 2002 (2001 - \$97,891). In addition to funds received, certain project funding is received following project completion and a review process. These amounts are reflected in accounts receivable, of which \$6,767 (2001 - \$25,991) was deferred at year-end.

Expenditures on research projects are charged to expenditure as incurred with the related amount of funding being shown under project revenue. Revenue from projects where CIELAP's involvement is essentially complete has been recognized, except for amounts deferred to cover the costs of promoting and distributing final project reports. Any balance of deferred revenue is recognized in the year these activities occur.

At year-end, deferred revenue represents funding available for the following projects:

	2002	2001
	\$	\$
Pollution Watch	34,661	-
WSSD	18,151	-
Hazardous Waste 2	6,637	5,650
NPRI Map (2000)	3,834	9,929
Ontario State of the Environment Report/Sustainable Toronto	2,650	22,364
Mining	2,504	6,980
Capacity Building	1,380	-
Making CIELAP Loud and Clear	576	8,789
Conservation Authorities	500	-
Sustainability Conference Proceedings	283	-
Partnership with Fundacion Ambio in Costa Rica	-	23,234
CSR 6	-	19,653
City of Toronto	-	11,200
CURA Steering Committee	-	9,594
Federal Agenda	-	7,285
WIN: TEA/Riverside	-	7,000
PRTR Workshop	-	3,404
	<hr/>	<hr/>
	71,176	135,082

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4 Tax status

Income taxes

CIELAP is registered as a charitable organization under the Income Tax Act (Canada) (the Act) and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a charitable organization registered under the Act, CIELAP must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

Goods and services tax

As a registered charity, CIELAP does not collect GST and is eligible to apply for a 50% refund of GST amounts paid.

5 Commitments

CIELAP has lease commitments for its office premises, voice mail system and computer equipment. The minimum annual cost of these lease commitments is as follows:

Year ending	\$
2003	32,983
2004	32,522
2005	33,151
2006	34,161
2007	<u>32,203</u>
	<u>165,020</u>