

**Global Call for Climate Action**  
**Financial Statements**  
**December 31, 2016**

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# Raymond Chabot Grant Thornton

## Independent Auditor's Report

To the Directors of  
Global Call for Climate Action

**Raymond Chabot Grant Thornton LLP**

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We have audited the accompanying financial statements of Global Call for Climate Action, which comprise the statement of financial position as at December 31, 2016 and the statements of operations and net assets and cash flows for the year 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.

### **Auditor's responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Global Call for Climate Action as at December 31, 2016 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.

*Raymond Chabot Grant Thornton LLP<sup>1</sup>*

Montréal  
June 9, 2017

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<sup>1</sup> CPA auditor, CA public accountancy permit no. A115879

## Global Call for Climate Action Operations and Net Assets

Year ended December 31, 2016

(In U.S. dollars)

|   | <u>2016</u>           | <u>2015</u>      |
|---|-----------------------|------------------|
|   | \$                    | \$               |
| <b>Income</b>   |                       |                  |
| Operating grants from other not-for-profit organizations            | <b>742,953</b>        | 2,123,944        |
| Other   | <b>339</b>            | 778              |
|   | <u><b>743,292</b></u> | <u>2,124,722</u> |
| <b>Expenses</b>   |                       |                  |
| Secretariat and program operations                                  | <b>155,212</b>        | 287,182          |
| Strategic campaign coordination                                     | <b>33,825</b>         | 323,290          |
| Communications  | <b>392,638</b>        | 1,100,739        |
| Global campaign   | <b>161,617</b>        | 413,511          |
|   | <u><b>743,292</b></u> | <u>2,124,722</u> |
| <b>Excess of revenues over expenses and net assets, end of year</b> | <u><b>-</b></u>       | <u><b>-</b></u>  |

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

## Global Call for Climate Action

### Cash Flows

Year ended December 31, 2016  
(In U.S. dollars)

|                                      | <u>2016</u>    | <u>2015</u>    |
|--------------------------------------|----------------|----------------|
|                                      | \$             | \$             |
| <b>OPERATING ACTIVITIES</b>          |                |                |
| Non-cash items                       |                |                |
| Amortization of computer equipment   |                | 553            |
| Net change in working capital items  | <u>446</u>     | <u>23,655</u>  |
| Cash flows from operating activities | <u>446</u>     | <u>24,208</u>  |
| <b>INVESTING ACTIVITIES</b>          |                |                |
| Term deposits                        |                | (36,045)       |
| Receipt of term deposits             | <u>13,734</u>  | <u>55,894</u>  |
| Cash flows from investing activities | <u>13,734</u>  | <u>19,849</u>  |
| <b>Net increase in cash</b>          | <b>14,180</b>  | 44,057         |
| Cash, beginning of year              | <u>135,214</u> | <u>91,157</u>  |
| Cash, end of year                    | <u>149,394</u> | <u>135,214</u> |

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

# Global Call for Climate Action

## Financial Position

December 31, 2016  
(In U.S. dollars)

|   | <u>2016</u>    | <u>2015</u>    |
|---|----------------|----------------|
|   | \$             | \$             |
| <b>ASSETS</b>   |                |                |
| Current   |                |                |
| Cash  | 149,394        | 135,214        |
| Term deposits   | 22,311         | 36,045         |
| Prepaid expenses  |                | 4,446          |
| Other accounts receivable                               |                | 28,599         |
|   | <u>171,705</u> | <u>204,304</u> |
| <b>LIABILITIES AND NET ASSETS</b>                       |                |                |
| Current   |                |                |
| Trade payables and other operating liabilities (Note 4) | 23,482         | 73,593         |
| Deferred contributions (Note 5)                         | 148,223        | 130,711        |
|   | <u>171,705</u> | <u>204,304</u> |

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

On behalf of the Board,

\_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Treasurer

# Global Call for Climate Action

## Notes to Financial Statements

December 31, 2016  
(In U.S. dollars)

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### **1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION**

The Organization is incorporated under Part III of the Companies Act (Quebec) for the purpose of promoting international cooperation between non-government organizations during international climate negotiations. It is a not-for-profit organization under the Income Tax Act.

### **2 - SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of presentation**

The Organization's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### **Accounting estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

#### **Financial assets and liabilities**

##### *Initial measurement*

Upon initial measurement, the Organization's financial assets and liabilities are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. Transaction costs relating to financial assets and liabilities that will be measured subsequently at fair value are recognized in operations in the year they are incurred.

##### *Subsequent measurement*

At each reporting date, the Organization measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets).

With respect to financial assets measured at amortized cost, the Organization assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Organization determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in operations in the year the reversal occurs.

#### **Revenue recognition**

The Organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and 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. Endowment contributions are reported as direct increases in net assets.

# Global Call for Climate Action

## Notes to Financial Statements

December 31, 2016  
(In U.S. dollars)

### 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted interest income is recognized when it is earned. Interest income is calculated based on the number of days the investment was held during the year.

#### Cash and cash equivalents

The Organization's policy is to present in cash and cash equivalents bank balances and investments with a maximum maturity of three months from the acquisition date or redeemable at any time without penalty.

#### Foreign currency translation

The Organization uses the temporal method to translate transactions denominated in a foreign currency. Under this method, monetary assets and liabilities are translated at the exchange rate in effect at the year-end date. Non-monetary assets and liabilities are translated at historical exchange rates, with the exception of those recognized at fair value, which are translated at the exchange rate in effect at the year-end date. Revenue and expenses are translated at the average rate for the period, with the exception of the amortization of assets translated at the historical exchange rates, which is translated at the same exchange rates as the related assets. The related exchange gains and losses are accounted for in operations for the year.

### 3 - CREDIT FACILITY

The Organization has a credit facility in the form of credit cards for an authorized amount of C\$30,000 (C\$50,000 as at December 31, 2015), bearing interest at the flat rate of 19.99% and renewable annually. As at December 31, 2016, term deposits of \$22,311 (\$36,045 as at December 31, 2015) have been deposited as collateral to cover available current credit facility.

### 4 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

|                  | <u>2016</u>   | <u>2015</u>   |
|------------------|---------------|---------------|
|                  | \$            | \$            |
| Trade payables   | 2,461         | 52,904        |
| Salaries payable | 18,193        | 19,041        |
| Other            | 2,828         | 1,648         |
|                  | <u>23,482</u> | <u>73,593</u> |

### 5 - DEFERRED CONTRIBUTIONS

|                                 | <u>2016</u>      | <u>2015</u>        |
|---------------------------------|------------------|--------------------|
|                                 | \$               | \$                 |
| Balance, beginning of year      | 130,711          | 120,971            |
| Amount received during the year | 760,465          | 2,133,684          |
| Amount recognized in operations | <u>(742,953)</u> | <u>(2,123,944)</u> |
| Balance, end of year            | <u>148,223</u>   | <u>130,711</u>     |

# Global Call for Climate Action

## Notes to Financial Statements

December 31, 2016  
(In U.S. dollars)

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### **6 - RELATED PARTY TRANSACTIONS**

During the year, the Organization received an amount of \$137,000 (\$1,169,750 in 2015) for its general operations from an organization of which a board member and an officer are board members of the Organization. As at December 31, 2016, an amount of \$260,711 (\$1,160,010 in 2015) is recognized in operations as contributions.

These transactions were carried out at the exchange amount, which is the value established and accepted by the parties.

### **7 - FINANCIAL INSTRUMENTS**

#### **Financial risks**

The Organization's main financial risk exposure is detailed as follows.

#### *Market risk*

The Organization's financial instruments expose it to market risk, in particular, to currency risk and interest rate risk, resulting from both its operating and its investing activities:

– **Currency risk:**

The Organization is exposed to currency risk due to cash and term deposits denominated in foreign currency. As at December 31, 2016, cash and term deposits denominated in Canadian dollars total respectively \$19,174 and \$30,000 (\$46,665 and \$50,000 as at December 31, 2015);

– **Interest rate risk:**

The term deposits bear interest at a fixed rate and the Organization is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

#### *Liquidity risk*

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.

#### **Carrying amount of financial assets by category**

The Organization's financial assets, totalling \$171,705 (\$199,858 as at December 31, 2015), have all been classified as financial assets measured at amortized cost.

### **8 - COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

# Global Call for Climate Action Schedules

Year ended December 31, 2016

(in U.S. dollars)

(Unaudited)

|   | <b>SCHEDULE A</b> |                  |
|---|-------------------|------------------|
|   | <u>2016</u>       | <u>2015</u>      |
|   | \$                | \$               |
| <b>SECRETARIAT AND PROGRAM OPERATIONS</b> |                   |                  |
| Staff salary and benefits                 | 65,129            | 121,944          |
| Consultant services                       | 26,063            | 5,519            |
| Travel, commission and equipment          | 1,179             | 23,799           |
| Board meetings                            |                   | 5,372            |
| Staff meetings                            | 29,551            | 14,131           |
| Office operations                         | <u>33,290</u>     | <u>116,417</u>   |
|   | <u>155,212</u>    | <u>287,182</u>   |
| <b>SCHEDULE B</b>                         |                   |                  |
|   | <u>2016</u>       | <u>2015</u>      |
|   | \$                | \$               |
| <b>STRATEGIC CAMPAIGN COORDINATION</b>    |                   |                  |
| Consultant services                       | 33,825            | 147,600          |
| Strategic campaign actions                |                   | 68,643           |
| Events                                    |                   | <u>107,047</u>   |
|   | <u>33,825</u>     | <u>323,290</u>   |
| <b>SCHEDULE C</b>                         |                   |                  |
|   | <u>2016</u>       | <u>2015</u>      |
|   | \$                | \$               |
| <b>COMMUNICATIONS</b>                     |                   |                  |
| Consultant services                       | 296,098           | 918,277          |
| Travel, commission and equipment          | 5,585             | 61,334           |
| Digital strategy                          | 87,345            | 81,813           |
| Marketing and communication               | <u>3,610</u>      | <u>39,315</u>    |
|   | <u>392,638</u>    | <u>1,100,739</u> |
| <b>SCHEDULE D</b>                         |                   |                  |
|   | <u>2016</u>       | <u>2015</u>      |
|   | \$                | \$               |
| <b>GLOBAL CAMPAIGN</b>                    |                   |                  |
| Consultant services                       | 158,729           | 304,184          |
| Travel, commission and equipment          | 1,045             | 62,375           |
| Special projects                          | <u>1,843</u>      | <u>46,952</u>    |
|   | <u>161,617</u>    | <u>413,511</u>   |