

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY

FINANCIAL STATEMENTS

December 31, 2017

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY

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Chartered Professional Accountant
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INDEPENDENT AUDITOR'S REPORT

To the Members of Alberta Low Impact Development Partnership Society;

I have audited the accompanying financial statements of Alberta Low Impact Development Partnership Society, which comprise the statement of financial position as at December 31, 2017, and the statement of operations, changes in 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 (ASNPO), 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Low Impact Development Partnership Society as at December 31, 2017, and its financial performance and its cash flows for the year ended December 31, 2017 in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta
June 12, 2018

Deborah V. Walker Professional Corporation
Chartered Professional Accountant

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY
STATEMENT OF FINANCIAL POSITION
December 31, 2017

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT		
Cash	\$ 8,190	\$ 50,896
Restricted cash (Note 3)	640,725	175,158
Accounts receivable	22,495	35,717
Prepaid expenses	289	289
Goods and Services Tax recoverable	<u>12,547</u>	<u>-</u>
	684,246	262,060
CAPITAL ASSETS (Note 4)	<u>37,131</u>	<u>4,253</u>
	<u>\$ 721,377</u>	<u>\$ 266,313</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 23,395	\$ 7,034
Goods and services tax payable	-	1,578
Deferred contributions (Note 5)	<u>565,725</u>	<u>100,158</u>
	589,120	108,770
DEFERRED CONTRIBUTIONS RELATING TO CAPITAL ASSETS(Note 6)	<u>30,171</u>	<u>-</u>
	<u>619,291</u>	<u>108,770</u>
NET ASSETS		
Invested in property and equipment	6,960	4,253
Restricted net assets (Note 3)	75,000	75,000
Unrestricted net assets	<u>20,126</u>	<u>78,290</u>
	<u>102,086</u>	<u>157,543</u>
	<u>\$ 721,377</u>	<u>\$ 266,313</u>

Approved by the Directors:


_____, Director


_____, Director

The accompanying notes are an integral part of these financial statements

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY
STATEMENT OF OPERATIONS
For the year ended December 31, 2017

	<u>2017</u>	<u>2016</u>
REVENUE		
Grants	\$ 179,106	\$ -
Projects	53,642	34,608
Memberships	40,103	49,090
Events and courses	8,427	47,995
Sponsorships	<u>1,250</u>	<u>5,000</u>
	<u>282,528</u>	<u>136,693</u>
OPERATION EXPENSES		
Consulting and logistic fees	165,224	59,056
Design and construction	40,916	-
Event and education	23,563	-
Amortization of operating equipment	15,086	-
Equipment expenses	11,837	-
Travel	10,343	4,786
Venue costs	6,661	21,345
Service fees	1,286	2,898
Supplies	<u>528</u>	<u>1,210</u>
	<u>275,444</u>	<u>89,295</u>
GROSS PROFIT	<u>7,084</u>	<u>47,398</u>
ADMINISTRATIVE EXPENSES		
Amortization of tangible assets	19,044	11,398
Management fees	15,530	22,296
Rent & office expenses	9,530	8,066
Professional fees	8,600	5,690
Bad debts	3,650	586
Memberships, dues and subscriptions	2,778	3,673
Insurance	1,175	1,938
Professional development	777	-
Bank charges	<u>268</u>	<u>914</u>
	<u>61,352</u>	<u>54,561</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>(54,268)</u>	<u>(7,163)</u>
OTHER REVENUE		
Gain (loss) on disposal of assets	<u>(1,189)</u>	<u>-</u>
	<u>(1,189)</u>	<u>-</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (55,457)</u>	<u>\$ (7,163)</u>

The accompanying notes are an integral part of these financial statements

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
For the year ended December 31, 2017

NET ASSETS	<u>Invested in capital assets</u>	<u>Restricted</u> (Note 3)	<u>Unrestricted</u>	<u>Total 2017</u>	Total <u>2016</u>
Balance, beginning of year	\$ 4,253	\$ 75,000	\$ 78,290	\$ 157,543	\$ 164,706
Deficiency of revenues over					
Expenses	(20,233)	-	(35,224)	(55,457)	(7,163)
Transfer	<u>22,940</u>	<u>\$ -</u>	<u>(22,940)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 6,960</u>	<u>\$ 75,000</u>	<u>\$ 20,126</u>	<u>\$ 102,086</u>	<u>\$ 157,543</u>

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY
STATEMENT OF CASH FLOWS
For the year ended December 31, 2017

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 746,232	\$ 220,834
Cash paid to suppliers and contractors	<u>(300,431)</u>	<u>(133,596)</u>
Cash flow from operating activities	<u>445,801</u>	<u>87,238</u>
FINANCING ACTIVITIES		
Grants received for capital asset purchase	<u>45,257</u>	<u>-</u>
Cash flow from financing activities	<u>45,257</u>	<u>-</u>
INVESTING ACTIVITIES		
Purchase of capital assets	<u>(68,197)</u>	<u>-</u>
Cash flow from investing activities	<u>(68,197)</u>	<u>-</u>
INCREASE IN CASH	422,861	87,238
CASH, beginning of year	<u>226,054</u>	<u>138,816</u>
CASH, end of year	\$ <u>648,915</u>	\$ <u>226,054</u>
Represented by:		
Cash	\$ 8,190	\$ 50,896
Restricted cash	<u>640,725</u>	<u>175,158</u>
	\$ <u>648,915</u>	\$ <u>226,054</u>

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

1. PURPOSE OF THE ORGANIZATION

The Alberta Low Impact Development Partnership Society ("The Society") was formed to protect and maintain the integrity of the natural environment. The Society was registered under the Societies Act of Alberta on August 27, 2008, and thus is exempt from income tax under section 149(1) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the organization have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) on a going-concern basis that assumes that the organization will be able to realize its assets and discharge its liabilities in the normal course of business and include the following significant accounting policies:

- a) The Alberta Low Impact Development Partnership Society's revenue is recognized when the fees have been collected or when it can be reasonably determined and reasonably assured the revenue will be received. The Society recognizes restricted contributions in accordance with the deferral method.
- b) The Society records purchased capital assets at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which for website, equipment and computers is 3 years.
- c) Volunteers contribute a significant amount of hours per year to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.
- d) The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts 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. Significant areas requiring the use of management estimates relate to the impairment of assets and amortization rates. Actual results could differ from those reported.
- e) Cash and cash equivalents include amounts on deposit with financial institutions, both restricted and non-restricted cash.
- f) Financial assets and liabilities are measured initially at fair value, except for certain non-arm's length transactions. Subsequent measurement is at amortized cost. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost consist of cash, term deposits, accounts receivable.

Financial liabilities measured at amortized cost consist of the accounts payable and accrued liabilities.

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

- g) Financial assets measured at cost are tested for impairment when there are indications of impairment. The amount of the write-down is recognized in excess of revenues over expenses.

3. RESTRICTED NET ASSETS

The Alberta Low Impact Development Partnership Society created a reserve for a contingency fund to be used for future operating deficits or in case of unforeseen circumstances. Funds that have been restricted for this purpose are \$75,000 (2016 - \$75,000) and requires board approval before use. Deferred contributions consist of government grants (Note 5) which require specified spending thus has been classified as restricted cash \$565,725 (2016 - \$100,158). Thus, total restricted cash 2017 - \$640,725 (2016 - \$175,158).

4. CAPITAL ASSETS

	2017		2016	
	Accumulated		Accumulated	
	Cost	Amortization	Cost	Amortization
Website	\$ 52,940	\$ 45,980	\$ 30,000	\$ 28,333
Equipment	45,257	15,086	4,819	2,667
Computer hardware	1,301	1,301	2,095	1,661
	\$ 99,498	\$ 62,367	\$ 36,914	\$ 32,661
Net Book Value		\$ 37,131		\$ 4,253

5. DEFERRED CONTRIBUTIONS

The Society receives funds from government grants for certain specified purposes. These funds may only be used for the specified purpose thus are deferred until spent.

Deferred contributions represents the unexpended portion of the funds as at December 31.

	<u>2017</u>	<u>2016</u>
Deferred Contributions		
Beginning balance	\$ 100,158	\$ -
Received from government grant	644,673	100,158
Funds used	(179,106)	-
Ending balance	\$ 565,725	\$ 100,158

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

6. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent restricted contributions with which the Society's equipment was originally purchased. The changes in the deferred contributions balance for the period are as follows:

	<u>2017</u>	<u>2016</u>
Contributions	\$ 45,257	\$ -
Amounts amortized to revenue	<u>(9,051)</u>	<u>-</u>
Ending balance	<u>\$ 36,206</u>	<u>\$ -</u>

7. RELATED PARTY TRANSACTIONS

During the year the Society was paid consulting fees in the amount of \$5,000 (2016 - \$10,000), for the City of Calgary Module 2 support project, from a company where 1 board member is employed. A company that a board member owns was paid \$3,957 (2016 - \$nil) for developing training on erosion and sediment control. A board member works for and has a minor shareholding in the monitoring consulting company that was paid \$87,170 (2016 - \$nil).

8. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, accounts receivable, accounts payable, deferred revenue and accrued liabilities. Unless otherwise noted, it is management's opinion that there are no significant currency, credit or interest risks arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

9. COMPARATIVE FIGURES

In the prior year comparatives, some of the figures on the statement of operations have been reclassified to conform with the current year's presentation. In administrative expenses rent and office services has been combined with office expenses. In the prior year travel and meals were combined with office expenses. In the prior year the website expense had it's own category in the current year it has been included in memberships, dues and subscriptions.