

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY

FINANCIAL STATEMENTS

December 31, 2018

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY

INDEX

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9

***Deborah V. Walker Professional Corporation
Chartered Professional Accountant
127 Cranwell Close SE
Calgary, Alberta T3M 1B1
587-353-0525 or 403-399-7742***

INDEPENDENT AUDITOR'S REPORT

To the Members of Alberta Low Impact Development Partnership Society;

Opinion

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, 2018, and the statements of operations, 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 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, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Society in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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. As part of an audit, in accordance with Canadian generally accepted auditing standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

***Deborah V. Walker Professional Corporation
Chartered Professional Accountant
127 Cranwell Close SE
Calgary, Alberta T3M 1B1
587-353-0525 or 403-399-7742***

- 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 my 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 Society'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 Society's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My 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 Society 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.

I 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 I identify during my audit.

Deborah V. Walker Professional Corporation
127 Cranwell Close SE
Chartered Professional Accountant

May 24, 2019
Calgary, Alberta

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY
STATEMENT OF FINANCIAL POSITION
December 31, 2018

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT		
Cash	\$ 10,671	\$ 8,190
Restricted cash (Note 3)	557,104	640,725
Accounts receivable	38,482	19,830
Prepaid project expenses	4,762	2,665
Prepaid expenses	289	289
Goods and services tax receivable	<u>3,256</u>	<u>12,547</u>
	614,564	684,246
CAPITAL ASSETS (Note 4)	<u>18,253</u>	<u>37,131</u>
	<u>\$ 632,817</u>	<u>\$ 721,377</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 23,460	\$ 23,395
Deferred contributions (Note 5)	<u>482,104</u>	<u>565,725</u>
	505,564	589,120
DEFERRED CONTRIBUTIONS RELATING TO CAPITAL ASSETS (Note 6)	<u>18,253</u>	<u>30,171</u>
	<u>523,817</u>	<u>619,291</u>
NET ASSETS		
Invested in property and equipment	-	6,960
Restricted net assets (Note 3)	75,000	75,000
Unrestricted net assets	<u>34,000</u>	<u>20,126</u>
	<u>109,000</u>	<u>102,086</u>
	<u>\$ 632,817</u>	<u>\$ 721,377</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, 2018

	<u>2018</u>	<u>2017</u>
REVENUE		
Events and courses	\$ 98,333	\$ 8,427
Grants	94,957	179,106
Memberships	36,335	40,103
Projects	26,885	53,642
Sponsorships	5,500	1,250
Interest and other	<u>2,294</u>	<u>-</u>
	<u>264,304</u>	<u>282,528</u>
OPERATION EXPENSES		
Consulting and logistic fees	112,474	165,224
Venue costs	39,660	6,661
Amortization of operating equipment	16,669	15,086
Design and construction	10,331	40,916
Event and education	10,272	23,563
Travel	8,266	10,343
Service fees	6,852	1,286
Supplies and other	4,786	528
Equipment expenses	<u>1,469</u>	<u>11,837</u>
	<u>210,779</u>	<u>275,444</u>
GROSS PROFIT	<u>53,525</u>	<u>7,084</u>
ADMINISTRATIVE EXPENSES		
Management fees	12,424	16,307
Rent & office expenses	9,628	9,530
Professional fees	9,129	8,600
Amortization of tangible assets	6,960	19,044
Bad debts	3,255	3,650
Insurance	2,435	1,175
Memberships, dues and subscriptions	2,426	2,778
Bank charges	<u>354</u>	<u>268</u>
	<u>46,611</u>	<u>61,352</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>6,914</u>	<u>(54,268)</u>
OTHER REVENUE		
Gain (loss) on disposal of assets	<u>-</u>	<u>(1,189)</u>
	<u>-</u>	<u>(1,189)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 6,914</u>	<u>\$ (55,457)</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, 2018

NET ASSETS	<u>Invested in capital assets</u>	<u>Restricted</u> (Note 3)	<u>Unrestricted</u>	<u>Total 2018</u>	Total <u>2017</u>
Balance, beginning of year	\$ 6,960	\$ 75,000	\$ 20,126	\$ 102,086	\$ 157,543
Excess (deficiency) of revenues over					
Expenses	(11,711)	-	18,625	6,914	(55,457)
Transfer	<u>4,751</u>	<u>\$ -</u>	<u>(4,751)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 34,000</u>	<u>\$ 109,000</u>	<u>\$ 102,086</u>

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY
STATEMENT OF CASH FLOWS
For the year ended December 31, 2018

	<u>2018</u>	<u>2017</u>
OPERATING ACTIVITIES		
Cash receipts from customers and grants	\$ 144,368	\$ 746,232
Cash paid to suppliers and contractors	(226,502)	(300,431)
Interest received	<u>994</u>	<u>-</u>
Cash flow from operating activities	<u>(81,140)</u>	<u>445,801</u>
FINANCING ACTIVITIES		
Grants received for capital asset purchase	<u>4,751</u>	<u>45,257</u>
Cash flow from financing activities	<u>4,751</u>	<u>45,257</u>
INVESTING ACTIVITIES		
Purchase of capital assets	<u>(4,751)</u>	<u>(68,197)</u>
Cash flow from investing activities	<u>(4,751)</u>	<u>(68,197)</u>
(DECREASE) INCREASE IN CASH	(81,140)	422,861
CASH, beginning of year	<u>648,915</u>	<u>226,054</u>
CASH, end of year	<u>\$ 567,775</u>	<u>\$ 648,915</u>
Represented by:		
Cash	\$ 10,671	\$ 8,190
Restricted cash	<u>557,104</u>	<u>640,725</u>
	<u>\$ 567,775</u>	<u>\$ 648,915</u>

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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 equipment 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 and accounts receivable.

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

- 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.

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

3. RESTRICTED CASH

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 (2017- \$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 \$482,104 (2017 - \$565,725). Thus, total restricted cash 2018- \$557,104 (2017- \$640,725).

4. CAPITAL ASSETS

	2018		2017	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Website	\$ 52,940	\$ 52,940	\$ 52,940	\$ 45,980
Equipment	50,008	31,755	45,257	15,086
Computer hardware	1,301	1,301	1,301	1,301
	<u>\$ 104,249</u>	<u>\$ 85,996</u>	<u>\$ 99,498</u>	<u>\$ 62,367</u>
Net Book Value		\$ 18,253		\$ 37,131

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.

	2018	2017
Deferred Contributions		
Beginning balance	\$ 565,725	\$ 100,158
Received from government grant and interest	584	644,673
Funds used	(84,205)	(179,106)
Ending balance	<u>\$ 482,104</u>	<u>\$ 565,725</u>

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:

	2018	2017
Beginning balance	\$ 30,171	\$ -
Contributions	4,751	45,257
Amounts amortized to revenue	(16,669)	(15,086)
Ending balance	<u>\$ 18,253</u>	<u>\$ 30,171</u>

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

7. RELATED PARTY TRANSACTIONS

A company that a board member owns was paid \$1,500 (2017 - \$3,957) for developing and delivering training on erosion and sediment control. A board member works for and has a minor shareholding in the monitoring consulting company that was paid \$43,099, (2017 - \$87,170).

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 prior year the professional development was on a Separate line. In the current year the professional development has been grouped with the management fees.