

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY

Financial Statements

Year Ended December 31, 2021

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY

Index to Financial Statements

Year Ended December 31, 2021

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenses	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Alberta Low Impact Development Partnership Society

Opinion

We have audited the financial statements of Alberta Low Impact Development Partnership Society (the Society), which comprise the statement of financial position as at December 31, 2021, and the statements of revenues and expenses, 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 Society in accordance with 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.

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 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.

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

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 financial statements.

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Independent Auditor's Report to the Members of Alberta Low Impact Development Partnership Society
(continued)

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 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 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 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.

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.

Calgary, Alberta
June 22, 2022


Mahmud Khalfan Professional Corporation
Chartered Professional Accountants

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY

Statement of Financial Position

December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 17,666	\$ 69,350
Restricted cash (Note 4)	213,971	483,248
Accounts receivable	94,946	17,375
Prepaid expenses	1,371	1,057
Goods and services tax recoverable	11,632	8,796
	<u>339,586</u>	579,826
PROPERTY AND EQUIPMENT (Note 5)	<u>-</u>	<u>-</u>
	<u>\$ 339,586</u>	\$ 579,826
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 20,469	\$ 16,312
Deferred contributions (Note 6)	138,971	408,248
	<u>159,440</u>	424,560
NET ASSETS		
Unrestricted net assets	105,146	80,266
Internally restricted net assets (Note 4)	75,000	75,000
	<u>180,146</u>	155,266
	<u>\$ 339,586</u>	\$ 579,826

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

See notes to financial statements

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY**Statement of Revenues and Expenses****Year Ended December 31, 2021**

	2021	2020
REVENUES		
Grants	\$ 400,833	\$ 278,563
Membership fees	44,665	37,605
Projects	16,314	1,159
Events and courses	1,650	135
Interest and others	1,475	3,254
Amortization of deferred contributions related to capital assets	-	1,584
	-	-
	464,937	322,300
OPERATING EXPENSES		
Design and construction	256,727	75,962
Consulting and logistic fees	118,814	157,885
Supplies	16,526	12,187
Travel	1,266	795
Service fees	485	115
Equipment expenses	-	96
Amortization of capital assets (Note 7)	-	1,584
	393,818	248,624
	71,119	73,676
ADMINISTRATIVE EXPENSES		
Bad debts	5,917	-
Management fees	21,490	13,811
Memberships, dues and subscriptions	8,482	2,709
Professional fees	8,550	9,073
Insurance	1,217	1,305
Rent and office expenses	410	1,795
Bank charges	173	232
Travel and meals	-	50
	46,239	28,975
EXCESS OF REVENUES OVER EXPENSES	\$ 24,880	\$ 44,701

See notes to financial statements

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY

Statement of Changes in Net Assets

Year Ended December 31, 2021

	Unrestricted net assets	Internally restricted net assets	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 80,266	\$ 75,000	\$ 155,266	\$ 110,565
Excess of revenues over expenses	24,880	-	24,880	44,701
NET ASSETS - END OF YEAR	\$ 105,146	\$ 75,000	\$ 180,146	\$ 155,266

See notes to financial statements

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY

Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Cash receipts from customers and grants	\$ 116,613	\$ 136,770
Cash paid to suppliers and contractors	(439,049)	(299,457)
Interest received	1,475	3,254
DECREASE IN CASH FLOW	(320,961)	(159,433)
Cash - beginning of year	552,598	712,031
CASH - END OF YEAR	\$ 231,637	\$ 552,598
CASH CONSISTS OF:		
Cash	\$ 17,666	\$ 69,350
Restricted cash	213,971	483,248
	\$ 231,637	\$ 552,598

See notes to financial statements

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY

Notes to Financial Statements

Year Ended December 31, 2021

1. PURPOSE OF THE SOCIETY

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. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) on a going-concern basis that assumes that the Society will be able to realize its assets and discharge its liabilities in the normal course of business.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash includes amounts on deposit with financial institutions, both restricted and non-restricted cash.

Revenue recognition

The 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.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Computer equipment	3 years	straight-line method
Website redevelopment	3 years	straight-line method
Monitoring equipment	3 years	straight-line method

Contributed services

Volunteers contribute a significant amount of hours per year to assist the Society in carrying out its service delivery activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Financial instruments

Financial assets and liabilities are measured initially at fair value, except for certain non-arm's length transactions. Subsequent measurement is at amortized cost.

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.

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ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY

Notes to Financial Statements

Year Ended December 31, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement uncertainty

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.

In particular, the estimates are used to determine if assets may be impaired, the useful life of tangible capital assets, and the valuation of accrued liabilities. Actual results could differ from those reported.

Impairment of financial assets

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

4. RESTRICTED CASH

The Society created an internally restricted contingency fund to be used for future operating deficits and unforeseen circumstances.

The Society's restricted cash consists of the internally restricted contingency fund and deferred contributions.

The Society's internally restricted contingency fund was at \$75,000 in 2021 (2020- \$75,000). This fund requires board approval before use.

The Society's deferred contributions consist of government grants and project funds (as shown in Note 6) which require specified spending and have been classified as restricted cash of \$138,971 (2020 - \$408,248).

Total restricted cash for 2021 is \$213,971 (2020- \$483,248).

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Website redevelopment	\$ 52,940	\$ 52,940	\$ -	\$ -
Monitoring equipment	50,008	50,008	-	-
	<u>\$ 102,948</u>	<u>\$ 102,948</u>	<u>\$ -</u>	<u>\$ -</u>

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY

Notes to Financial Statements

Year Ended December 31, 2021

6. DEFERRED CONTRIBUTIONS

The Society receives funds from funders for certain specified purposes. These funds may only be used for the specified purpose and unused funds are deferred until spent.

Deferred contributions represent the unexpended portion of the funds as at December 31, 2021.

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 408,248	\$ 593,840
Received from government grant and interest	953	38,185
Received for projects	80,000	-
Funding used	<u>(350,230)</u>	<u>(223,777)</u>
Ending balance	<u>\$ 138,971</u>	<u>\$ 408,248</u>

7. 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>2021</u>	<u>2020</u>
Beginning balance	\$ -	\$ 1,584
Contributions	-	-
Recognized as revenue during the year	-	<u>(1,584)</u>
Ending balance	<u>\$ -</u>	<u>\$ -</u>

8. RELATED PARTY TRANSACTIONS

In 2021, a board member worked for and had a minor shareholding in a vendor that was paid \$4,995 + GST for services rendered (2020 - \$47,038).

9. FINANCIAL INSTRUMENTS

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

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from its partners. A significant portion of the accounts receivable are with well-known organizations and are subject to normal credit risk. As such, the Society views credit risk as minimal.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

ALBERTA LOW IMPACT DEVELOPMENT PARTNERSHIP SOCIETY

Notes to Financial Statements

Year Ended December 31, 2021

10. COMPARATIVE FIGURES

In the prior year comparatives, some of the figures on the statement of revenues and expenses have been reclassified to conform with the current year's presentation.

11. HEALTH PANDEMIC

In early 2020, Covid-19 was identified as a world-wide pandemic. In response, the Government of Alberta declared a public health emergency, and during 2020 and 2021 varying restrictions on the activities of organizations and individuals in the province were enacted. The financial impact these measures had on the Association cannot be quantified with certainty nor separated from other cyclical factors and normal organizational changes.
