

Alberta Low Impact Development Partnership Society
Financial Statements
Year Ended December 31, 2022

Alberta Low Impact Development Partnership Society
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Year Ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Alberta Low Impact Development Partnership Society

Opinion

We have audited the financial statements of Alberta Low Impact Development Partnership Society ("Society"), which comprise the statement of financial position as at December 31, 2022, 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 Society as at December 31, 2022, 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 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 6, 2023





Mahmud Khalfan Professional Corporation
Chartered Professional Accountants

Alberta Low Impact Development Partnership Society
Statement of Financial Position
December 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 119,854	\$ 17,666
Restricted cash (Note 4)	468,434	213,971
Accounts receivable	6,381	94,946
Goods and services tax recoverable	5,719	11,632
Prepaid expenses	5,112	1,371
	605,500	339,586
PROPERTY AND EQUIPMENT (Note 5)	2,280	-
	\$ 607,780	\$ 339,586
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 50,341	\$ 20,469
Deferred contributions (Note 6)	363,366	64,504
Deferred revenue (Note 7)	30,068	74,467
	443,775	159,440
NET ASSETS		
Unrestricted net assets	89,005	105,146
Internally restricted net assets (Note 4)	75,000	75,000
	164,005	180,146
	\$ 607,780	\$ 339,586

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, 2022

	2022	2021
REVENUES		
Grants (<i>Note 6</i>)	\$ 96,313	\$ 400,833
Projects	62,922	16,314
Membership fees	38,088	44,665
Interest and others	4,834	1,475
Events and courses	483	1,650
	<u>202,640</u>	<u>464,937</u>
OPERATING EXPENSES		
Consulting and logistic fees	156,843	118,814
Supplies	10,076	16,526
Design and construction	6,770	256,727
Travel	1,780	1,266
Service fees	100	485
	<u>175,569</u>	<u>393,818</u>
	<u>27,071</u>	<u>71,119</u>
ADMINISTRATIVE EXPENSES		
Management fees	19,634	21,490
Professional fees	12,404	8,550
Memberships, dues and subscriptions	9,053	8,482
Insurance	1,285	1,217
Amortization of capital assets	105	-
Bank charges	505	173
Rent and office expenses	226	410
Bad debts	-	5,917
	<u>43,212</u>	<u>46,239</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	<u>\$ (16,141)</u>	<u>\$ 24,880</u>

See notes to financial statements

Alberta Low Impact Development Partnership Society
Statement of Changes in Net Assets
Year Ended December 31, 2022

	Unrestricted net assets	Internally restricted net assets	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 105,146	\$ 75,000	\$ 180,146	\$ 155,266
(Deficiency) Excess of revenues over expenses	(16,141)	-	(16,141)	24,880
NET ASSETS - END OF YEAR	\$ 89,005	\$ 75,000	\$ 164,005	\$ 180,146

See notes to financial statements

Alberta Low Impact Development Partnership Society
Statement of Cash Flows
Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 540,833	\$ 116,613
Cash paid to suppliers and employees	(186,631)	(439,049)
Interest and others	4,834	1,475
Cash flow from (used by) operating activities	<u>359,036</u>	<u>(320,961)</u>
INVESTING ACTIVITY		
Purchase of property and equipment	<u>(2,385)</u>	-
INCREASE (DECREASE) IN CASH FLOW	356,651	(320,961)
Cash - beginning of year	<u>231,637</u>	<u>552,598</u>
CASH - END OF YEAR	<u>\$ 588,288</u>	<u>\$ 231,637</u>
CASH CONSISTS OF:		
Cash	\$ 119,854	\$ 17,666
Restricted cash	468,434	213,971
	<u>\$ 588,288</u>	<u>\$ 231,637</u>

See notes to financial statements

Alberta Low Impact Development Partnership Society
Notes to Financial Statements
Year Ended December 31, 2022

1. PURPOSE OF THE SOCIETY

The Alberta Low Impact Development Partnership Society ("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 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

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.

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	4 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, 2022

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

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

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

Society's internally restricted contingency fund was at \$75,000 in 2022 (2021 - \$75,000). This fund requires board approval before use.

Society's deferred contributions consist of government grants and project funds (as shown in Note 6 and Note 7) which require specified spending and have been classified as restricted cash of \$393,434 (2021 - \$138,971).

Total restricted cash for 2022 is \$468,434 (2021- \$213,971).

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 2,385	\$ 105	\$ 2,280	\$ -
Website redevelopment	52,940	52,940	-	-
Monitoring equipment	50,008	50,008	-	-
	\$ 105,333	\$ 103,053	\$ 2,280	\$ -

Alberta Low Impact Development Partnership Society
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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, 2022.

	2022	2021
Beginning balance	\$ 64,504	\$ 408,635
Received from government grant and interest	365,646	953
Funding used	(66,784)	(345,084)
Ending balance	\$ 363,366	\$ 64,504

7. DEFERRED REVENUE

The Society has received funds from The City of Calgary for certain project. These funds may only be used for Low Impact Development monitoring and analysis and unused funds are deferred until spent.

Deferred revenue represents the unexpended portion of the funds as at December 31, 2022

	2022	2021
Beginning balance	\$ 74,467	\$ -
Funds received from the City of Calgary	-	80,000
Funds used	(44,399)	(5,533)
	\$ 30,068	\$ 74,467

8. RELATED PARTY TRANSACTIONS

In 2022 a board member worked for and had a minor shareholding in a vendor that was paid \$35,125 + GST for services rendered (2021 - \$4,995).

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, 2022

10. 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.

11. 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.
