

BIOSPHERE INSTITUTE OF THE BOW VALLEY

Financial Statements

December 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Biosphere Institute of the Bow Valley

Opinion

I have audited the accompanying financial statements of the Biosphere Institute of the Bow Valley, which comprise the statement of financial position as at December 31, 2021 and the statements of operations and change in net assets and cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Biosphere Institute of the Bow Valley as at December 31, 2021 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 our report. I am independent of the Biosphere Institute of the Bow Valley 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 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.

In preparing the financial statements, management is responsible for assessing the Biosphere Institute of the Bow Valley'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 Biosphere Institute of the Bow Valley or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Biosphere Institute of the Bow Valley'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 judgment and maintain professional skepticism throughout the audit.

I 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 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 Biosphere Institute of the Bow Valley'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 Biosphere Institute of the Bow Valley'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 my auditor's report. However, future events or conditions may cause the Biosphere Institute of the Bow Valley 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.

Manktelow & Company
Chartered Professional Accountant

April 19, 2022
Banff, Alberta

BIOSPHERE INSTITUTE OF THE BOW VALLEY

Statement of Financial Position

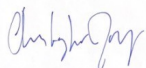
December 31, 2021

	2021	2020
ASSETS		
Current		
Cash	\$ 159,518	\$ 314,364
Accounts receivable	13,541	58,379
Temporary investments	280,000	118,853
Prepaid expenses	7,705	3,152
	<u>\$ 460,764</u>	<u>\$ 494,748</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 24,861	\$ 16,521
Wages payable	19,501	15,222
Employee deductions payable	8,353	6,463
Deferred contributions (note 3)	241,514	305,007
	<u>294,229</u>	<u>343,213</u>
Canada Emergency Business Account loan (note 4)	40,000	30,000
	<u>334,229</u>	<u>373,213</u>
NET ASSETS		
Internally restricted operating reserve (note 5)	80,000	-
Unrestricted	46,535	121,535
	<u>126,535</u>	<u>121,535</u>
	<u>\$ 460,764</u>	<u>\$ 494,748</u>

Approved by the Board of Directors



Director



Director

BIOSPHERE INSTITUTE OF THE BOW VALLEY
Statement of Operations and Change in Net Assets
Year Ended December 31, 2021

	2021	2020
Revenue		
Grants	\$ 386,397	\$ 294,493
Donations	12,856	17,648
Other government assistance (note 6)	10,000	89,643
Other	2,156	1,746
	411,409	403,530
Expenses		
Salaries and benefits	336,332	291,448
Contracted services and honorariums	23,882	62,462
Professional fees and consultants	13,388	13,456
Supplies, materials and equipment	9,987	5,449
Facility	5,811	5,670
Promotion and publications	3,338	9,575
Telephone and internet	3,039	2,452
Software and licences	2,948	3,307
Insurance	2,677	2,209
Travel	1,726	745
Meals and catering	1,254	1,573
Professional development, training and team activities	1,166	447
Office administrative costs	861	737
	406,409	399,530
Excess (deficiency) of revenue over expenses for the year	\$ 5,000	\$ 4,000
Unrestricted net assets, beginning of the year	121,535	117,535
Unrestricted net assets, end of the year	\$ 126,535	\$ 121,535

BIOSPHERE INSTITUTE OF THE BOW VALLEY

Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
Cash flows from operating activities		
Excess (deficiency) of revenue over expense	\$ <u>5,000</u>	\$ <u>4,000</u>
Changes in non-cash working capital:		
Accounts receivable	44,838	(58,274)
Canada Emergency Business Account loan forgivable (note 4)	(10,000)	(10,000)
Prepaid expenses	(4,553)	(3,152)
Accounts payable and accrued liabilities	8,340	9,260
Wages payable	4,279	(2,385)
Employee deductions payable	1,890	(1,402)
Deferred contributions (note 3)	(63,493)	109,648
	<u>(18,699)</u>	<u>43,695</u>
	<u>(13,699)</u>	<u>47,695</u>
Cash flows from investing activities		
Purchase of investments	(280,000)	(118,853)
Redemption of investments	118,853	118,107
	<u>(161,147)</u>	<u>(746)</u>
Cash flows from financing activities		
Advance on Canada Emergency Business Account loan (note 4)	20,000	40,000
	<u>20,000</u>	<u>40,000</u>
Net cash provided (used)	<u>(154,846)</u>	<u>86,949</u>
Cash, beginning of the year	<u>314,364</u>	<u>227,415</u>
Cash, end of the year	<u>\$ <u>159,518</u></u>	<u>\$ <u>314,364</u></u>

BIOSPHERE INSTITUTE OF THE BOW VALLEY

Notes to Financial Statements

December 31, 2021

1. Purpose of the Organization

The Biosphere Institute of the Bow Valley (BIBV) is a regional organization dedicated to empowering Bow Valley residents, visitors and businesses to be active environmental stewards, through education, research and community engagement. BIBV is incorporated under the Alberta Societies Act as a not-for-profit organization and is a registered charity under the federal Income Tax Act.

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following significant accounting policies:

a) Revenue recognition

BIBV follows the deferral method of accounting for contributions. Restricted contributions 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.

b) Property and equipment

Property and equipment assets are expensed on acquisition.

c) Financial instruments

BIBV's financial instruments consist of cash, temporary investments, accounts receivable, accounts payable and accrued liabilities, wages payable, employee deductions payable, and Canada Business Emergency Account loan. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

d) Use of estimates

The preparation of financial statements in conformity with 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. Actual results could differ from those estimates.

e) Contributed goods and services

The work of the organization is dependant on the voluntary services of many individuals and organizations. Because of the difficulty of determining fair value, contributed services are not recognized in these financial statements.

BIOSPHERE INSTITUTE OF THE BOW VALLEY

Notes to Financial Statements

December 31, 2021

3. Deferred contributions

Deferred contributions represent unspent externally restricted contributions for future programs and operations. Changes in deferred contribution balances are as follows:

	<u>2021</u>	<u>2020</u>
Balance, beginning of the year	\$ 305,007	\$ 195,359
Restricted funding received in the year	315,068	387,739
Restricted funding receivable	12,838	11,701
Restricted funding spent in the year	(391,399)	(289,792)
Balance, end of the year	\$ <u>241,514</u>	\$ <u>305,007</u>

4. Canada Emergency Business Account loan

BIBV received a \$40,000 Canada Emergency Business Account loan from the Federal government in April 2020 and a subsequent \$20,000 loan expansion under the same program in March 2021. Of the total \$60,000 loan, if \$40,000 is repaid on or before December 31, 2023 (extended from the original repayment deadline of December 31, 2022 in January 2022), the remaining \$20,000 will be forgiven. The loan is non-interest bearing to December 31, 2023 and unsecured.

As was the case in 2020, it is expected that BIBV will have the financial capacity to repay all amounts required by the repayment deadline. Accordingly, the \$10,000 forgivable portion of the initial \$40,000 loan received in 2020 was recognized as revenue in 2020, and the \$10,000 forgivable portion of the \$20,000 loan expansion received in 2021 has been recognized as revenue in 2021, with both amounts included in government assistance in the statement of operations.

If the loan is not repaid by December 31, 2023, interest payments at 5.0% per annum are required until the full principal is due on December 31, 2025.

5. Internally restricted operating reserve

BIBV's Board of Directors ("Board") has implemented an operating reserve policy for the purpose of accumulating an internal source of funds to respond to varying economic conditions and changes affecting BIBV's financial position. The reserve is funded with surplus unrestricted operating funds at the discretion of the Board.

BIOSPHERE INSTITUTE OF THE BOW VALLEY

Notes to Financial Statements

December 31, 2021

6. Other government assistance

Government assistance includes \$10,000 (2020 - \$10,000) related to the forgivable amount of the Canada Emergency Business Account loan as described in note 4. In 2021, BIBV did not claim or receive any amounts under federal wage subsidy programs provided as part of the Government of Canada's COVID-19 response (2020 - \$105,213). Accounts receivable at December 31, 2021, included \$nil (2020 - \$45,570) amounts related to other government assistance.

7. Lease commitments

BIBV leases office space in a building owned by the Town of Canmore, one of its core funders (note 8). The current lease is effective from October 1, 2020 to September 30, 2025 with an option to renew for the same terms subject to a rate adjustment. The rent is \$4,628 per year for the first year of the lease with a 2% per year increase throughout the term of the lease. There is no common area cost. Minimum annual rent over the term of the lease is as follows:

2022	4,744
2023	4,839
2024	4,936
2025	3,757
	<hr/>
\$	<u>18,276</u>

8. Economic dependence

BIBV receives annual grants from the Town of Canmore to assist with general operating and programming costs and is economically dependent on its agreement with the Town of Canmore to provide the current level of service.

9. Financial risk

a) Credit risk

Credit risk associated with cash and accounts receivable arises from the possibility that parties may default on their financial obligations. The maximum exposure to credit risk is the carrying value of cash and accounts receivable. Cash is deposited with federally regulated, credit worthy financial institutions. Accounts receivable are primarily due from either government or other funding agencies. It is management's opinion that BIBV is not exposed to significant credit risk arising from these financial instruments.

BIOSPHERE INSTITUTE OF THE BOW VALLEY

Notes to Financial Statements

December 31, 2021

9. Financial risk (continued)

b) Liquidity risk

Liquidity risk is the risk that the organization will not be able to meet its financial obligations on a timely basis. Revenue from operations funds the organization's cash requirements. A significant portion of BIBV's revenue is received from the Town of Canmore, as described in note 8, as well as other reputable funders. It is management's opinion that BIBV is not exposed to significant liquidity risk.

c) Currency risk

Currency risk arises from financial instruments, primarily cash, accounts receivable and accounts payable, denominated in a currency other than the Canadian dollar. BIBV receives all of its funding, and pays for all of its operating costs, in Canadian currency and therefore has no exposure to foreign currency fluctuation.

d) Interest rate risk

BIBV maintains its cash balance in a non-interest bearing bank account. The Canada Emergency Business Account loan as described in note 4 is interest-free until December 21, 2023 and then, any balance unpaid converts to a fixed rate term loan. As a result, BIBV is exposed to minimal interest rate risk due to fluctuations in the commercial prime lending rate.

10. Pandemic event

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. Operating within the context of the public health restrictions legislated by the Province of Alberta, BIBV was obligated to cease or restrict in-person programming at various times throughout the fiscal year. The duration of COVID-19 is unknown at this time and it is not possible to reliably estimate the financial and operational impact these developments will have on BIBV.

11. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.