

BIOSPHERE INSTITUTE OF THE BOW VALLEY

Financial Statements

December 31, 2020

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, 2020 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, 2020 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

Banff, Alberta
June 10, 2021

BIOSPHERE INSTITUTE OF THE BOW VALLEY


Statement of Financial Position

December 31, 2020

	2020	2019
ASSETS		
Current		
Cash	\$ 314,364	\$ 227,415
Accounts receivable	12,809	105
Government assistance receivable (note 8)	45,570	-
Temporary investments	118,853	118,107
Prepaid expenses	3,152	-
	<u>\$ 494,748</u>	<u>\$ 345,627</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 16,521	\$ 7,261
Wages payable	15,222	17,607
Employee deductions payable	6,463	7,865
Deferred contributions (note 3)	305,007	195,359
	<u>343,213</u>	<u>228,092</u>
Canada Emergency Business Account loan (note 4)	30,000	-
	<u>373,213</u>	<u>228,092</u>
NET ASSETS		
Unrestricted	<u>121,535</u>	<u>117,535</u>
	<u>\$ 494,748</u>	<u>\$ 345,627</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, 2020

	2020	2019
Revenue		
Grants	\$ 294,493	\$ 374,284
Government assistance (note 8)	89,643	-
Donations	17,648	40,029
Fundraising events	-	21,867
Other	1,746	5,387
	<u>403,530</u>	<u>441,567</u>
Expenses		
Salaries and benefits	291,448	355,101
Contracted services and honorariums	62,462	31,527
Professional fees and consultants	13,456	6,600
Promotion and publications	9,575	9,643
Facility	5,670	6,496
Supplies, materials and equipment	5,449	8,914
Software and licences	3,307	1,270
Telephone and internet	2,452	2,084
Insurance	2,209	2,085
Meals and catering	1,573	518
Travel	745	6,272
Office administrative costs	737	900
Professional development, training and team activities	447	8,010
	<u>399,530</u>	<u>439,420</u>
Excess (deficiency) of revenue over expenses for the year	\$ 4,000	\$ 2,147
Unrestricted net assets, beginning of the year	117,535	115,388
Unrestricted net assets, end of the year	<u>\$ 121,535</u>	<u>\$ 117,535</u>

BIOSPHERE INSTITUTE OF THE BOW VALLEY

Statement of Cash Flows

Year Ended December 31, 2020

	2020	2019
Cash flows from operating activities		
Excess (deficiency) of revenue over expense	\$ 4,000	\$ 2,147
Changes in non-cash working capital:		
Accounts receivable	(12,704)	8,645
Government assistance receivable	(45,570)	-
Canada Emergency Business Account loan forgivable (note 4)	(10,000)	-
Prepaid expenses	(3,152)	-
Accounts payable and accrued liabilities	9,260	(1,319)
Wages payable	(2,385)	17,607
Employee deductions payable	(1,402)	(5,614)
Deferred contributions (note 3)	109,648	138,813
	<u>43,695</u>	<u>158,132</u>
	<u>47,695</u>	<u>160,279</u>
Cash flows from investing activities		
Purchase of investments	(118,853)	(118,107)
Redemption of investments	118,107	-
	<u>(746)</u>	<u>(118,107)</u>
Cash flows from financing activities		
Advance on Canada Emergency Business Account loan (note 4)	40,000	-
	<u>40,000</u>	<u>-</u>
Net cash provided (used)	<u>86,949</u>	<u>42,172</u>
Cash, beginning of the year	<u>227,415</u>	<u>185,243</u>
Cash, end of the year	<u>\$ 314,364</u>	<u>\$ 227,415</u>

BIOSPHERE INSTITUTE OF THE BOW VALLEY

Notes to Financial Statements

December 31, 2020

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 and government assistance 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, 2020

3. Deferred contributions

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

	<u>2020</u>	<u>2019</u>
Balance, beginning of the year	\$ 195,359	\$ 56,546
Restricted funding received in the year	399,440	569,428
Restricted funding spent in the year	(289,792)	(430,615)
Balance, end of the year	<u>\$ 305,007</u>	<u>\$ 195,359</u>

4. Canada Emergency Business Account loan

BIBV received a \$40,000 Canada Emergency Business Account loan provided by the Federal government in April 2020. If \$30,000 is repaid on or before December 31, 2022, the remaining \$10,000 will be forgiven. The loan is non-interest bearing to December 31, 2022 and is unsecured. It is expected that BIBV will have the financial capacity to repay the \$30,000 by December 31, 2022, and accordingly, the \$10,000 forgivable portion of the loan has been recognized as revenue and included in government assistance in the statement of operations. If the loan is not repaid by December 31, 2022, the loan converts to a three-year term loan with a fixed interest rate of 5.00% per year. Principal and interest repayments would be as follows:

	Principal	Interest	Total
2021	\$ -	\$ -	\$ -
2022	-	-	-
2023	12,784	1,545	14,329
2024	13,269	1,059	14,328
2025	13,947	381	14,328
	<u>\$ 40,000</u>	<u>\$ 2,985</u>	<u>\$ 42,985</u>

5. Lease commitments

BIBV leases office space in a building owned by the Town of Canmore, one of its core funders (note 6). 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:

2021	\$ 4,651
2022	4,744
2023	4,839
2024	4,936
2025	3,757
	<u>\$ 22,927</u>

BIOSPHERE INSTITUTE OF THE BOW VALLEY

Notes to Financial Statements

December 31, 2020

6. Economic dependence

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

7. 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.

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 6, 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, 2022 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.

8. Government assistance

As part of the Government of Canada's COVID-19 response, BIBV qualified for the Canada Emergency Wage Subsidy and the Temporary Wage Subsidy for Employers totalling \$89,643 (2019 - \$nil) of which \$45,570 (2019 - \$nil) is included in government assistance receivable. This assistance is paid by the Government of Canada to organizations having significant revenue decline in relevant time periods as a consequence of cessation or reduction in normal activities of the organization due to COVID-19 restrictions. Also, included in government assistance is \$10,000 (2019 - \$nil) related to the forgivable amount of the Canada Emergency Business Account loan as described in note 4.

BIOSPHERE INSTITUTE OF THE BOW VALLEY
Notes to Financial Statements
December 31, 2020

9. 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 eliminate, postpone, or restrict in-person programming. 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.