

**BILD ALBERTA ASSOCIATION
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Draft for discussion purposes only

Prepared by	Reviewed by
MU 7/21/22	JA 7/26/22



**BILD ALBERTA ASSOCIATION
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YEAR ENDED JUNE 30, 2022**

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ST. ARNAUD PINSENT STEMAN

CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of BILD Alberta Association

We have reviewed the accompanying financial statements of BILD Alberta Association (the Association) that comprise the statement of financial position as at June 30, 2022, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 (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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of BILD Alberta Association as at June 30, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Edmonton, Alberta
July 27, 2022

John H.C. Pinsent Professional Corporation
Chartered Professional Accountant

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BILD ALBERTA ASSOCIATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

	2022	2021
	\$	\$
ASSETS		
CURRENT		
Cash (Note 4)	771,953	393,855
Accounts receivable	367,243	264,738
Prepaid expenses	83,152	22,184
Investments (Note 5)	625,213	204,537
	1,847,561	885,314
INVESTMENTS (Note 5)	761,540	1,070,963
EQUIPMENT (Note 6)	13,220	35,296
TOTAL ASSETS	2,622,321	1,991,573
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	89,976	40,906
Goods and services tax payable	24,066	12,597
Payroll liabilities	15,789	5,811
Deferred revenue (Note 7)	473,395	60,205
TOTAL LIABILITIES	603,226	119,519
COMMITMENTS (Note 8)		
NET ASSETS		
Unrestricted fund	704,225	706,758
Internally restricted fund (Note 9)	1,301,650	1,130,000
Invested in equipment	13,220	35,296
	2,019,095	1,872,054
TOTAL LIABILITIES AND NET ASSETS	2,622,321	1,991,573

ON BEHALF OF THE BOARD

Director

Director

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The accompanying notes form part of these financial statements



BILD ALBERTA ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2022

	Unrestricted Fund \$	Internally Restricted Fund \$	Invested in Equipment \$	2022 \$	2021 \$
BALANCE - BEGINNING OF YEAR	706,758	1,130,000	35,296	1,872,054	1,200,718
Excess of revenues over expenses	147,041	-	-	147,041	671,336
Transfer to internally restricted funds	(171,650)	171,650	-	-	-
Amortization of equipment	5,832	-	(5,832)	-	-
Net invested in equipment	16,244	-	(16,244)	-	-
BALANCE - END OF YEAR	704,225	1,301,650	13,220	2,019,095	1,872,054

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BILD ALBERTA ASSOCIATION
STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED JUNE 30, 2022

	2022 \$	2021 \$
REVENUES		
Membership dues	1,175,300	1,138,535
Conferences and events	73,375	73,281
	<u>1,248,675</u>	<u>1,211,816</u>
EXPENSES		
Salaries and employee benefits	611,482	442,549
Research and technical	223,467	39,600
Board meetings and travel	96,679	35,241
Operations	69,791	51,921
Rent	67,778	27,450
Conference and events	26,984	27,207
Information technology and admin	14,216	16,069
Professional fees	8,403	8,044
Amortization	5,832	6,219
Bank charges and interest	1,915	2,597
	<u>1,126,547</u>	<u>656,897</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>122,128</u>	<u>554,919</u>
OTHER ITEMS		
Loss on disposal of equipment	(19,045)	-
Interest income	13,249	13,861
COVID-19 subsidies (Note 10)	30,709	102,556
	<u>24,913</u>	<u>116,417</u>
EXCESS OF REVENUES OVER EXPENSES	<u>147,041</u>	<u>671,336</u>

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**BILD ALBERTA ASSOCIATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

	2022 \$	2021 \$
OPERATING ACTIVITIES		
Excess of revenues over expenses	147,041	671,336
Items not affecting cash:		
Amortization of equipment	5,832	6,219
Loss on disposal of equipment	19,045	-
	<u>171,918</u>	<u>677,555</u>
Changes in non-cash working capital:		
Accounts receivable	(102,505)	(126,834)
Accounts payable and accrued liabilities	49,071	21,985
Deferred revenue	413,190	(677)
Prepaid expenses	(60,968)	6,716
Goods and services tax payable	11,469	11,524
Payroll liabilities	9,978	1,697
	<u>320,235</u>	<u>(85,589)</u>
Cash flow from operating activities	<u>492,153</u>	<u>591,966</u>
INVESTING ACTIVITY		
Purchase of equipment	<u>(2,802)</u>	<u>(8,081)</u>
FINANCING ACTIVITIES		
Members' contributions	182,062	-
Members' drawings	(182,062)	-
Purchase of investments	(171,650)	(750,000)
Proceeds on disposition of investments	60,397	238,548
Cash flow used by financing activities	<u>(111,253)</u>	<u>(511,452)</u>
INCREASE IN CASH FLOW	378,098	72,433
Cash - beginning of year	<u>393,855</u>	<u>321,422</u>
CASH - END OF YEAR	<u>771,953</u>	<u>393,855</u>

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The accompanying notes form part of these financial statements



BILD ALBERTA ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

1. NATURE OF THE ORGANIZATION

BILD Alberta Association (the "Association" or "BILD") was formed under the Societies Act of Alberta by an amalgamation of the Canadian Home Builders' Association (CHBA) and the Urban Development Institute (UDI) on July 12, 2017. The Association is a not-for-profit organization and is exempt from income taxes pursuant to Section 149 of the Income Tax Act (Canada).

The Association represents the interests of home builders, land developers, professional renovators, suppliers, skilled trades and consultants across the province of Alberta. The Association advances the industry through advocacy, education and research while providing recommendations to effect legislation, regulations, and policies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Cash

The Associations policy is to present bank balances under cash.

Income taxes

The Association is an incorporated not-for-profit organization and as such is exempt from income taxes.

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Computer equipment	30%	declining balance method
Office equipment	20%	declining balance method

Amortization is calculated at one-half of the annual rate in the year the asset is acquired.

Deferred revenue

Deferred revenue represents provincial conference fees received in advance and is recognized upon completion of the conference.

Contributed services

The operations of the Association depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

(continues)



BILD ALBERTA ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

BILD Alberta Association 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.

Conference fees are recognized as revenue when the conferences are held. Membership fees are recognized on an accrual basis determined based on the membership year of each member.

Investment income is recognized as revenue when earned.

Fund accounting

Revenues and expenses related to program delivery and administrative activities are reported in the Unrestricted Fund.

The invested in equipment fund reports the assets, liabilities, revenues, and expenses related to the Association's equipment.

The internally restricted funds are used as follows:

- a) The operating reserve fund is set aside to maintain an operating reserve equivalent to three months of operating costs based on average annual costs;
- b) The restricted or dissolution fund is set aside for the purpose of discontinuing operations and satisfying obligations of the Association; and
- c) The research and development fund is set aside to support unbudgeted expenditures at the discretion of the Board of Directors.

3. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of June 30, 2022.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from customers. In order to reduce its credit risk, the Association reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Association has a significant number of customers which minimizes concentration of credit risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily through its guaranteed investment certificates.



BILD ALBERTA ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

4. CASH

The Association has a revolving operating loan facility available to a maximum of \$135,000. The loan bears interest at the Bank's prime rate plus 2%, is payable on demand and is secured by a general security agreement. As at June 30, 2022, there were no amounts outstanding.

5. INVESTMENTS

Investments consist of mutual funds and GICs held with varying interest rates and maturity dates. Total investments at June 30, 2022, are as follows:

	2022 \$	2021 \$
Current investments (matures in the next fiscal year)	625,213	204,537
Non-current investments (matures thereafter)	761,540	1,070,963
	1,386,753	1,275,500

6. EQUIPMENT

	Cost \$	Accumulated amortization \$	2022 Net book value \$	2021 Net book value \$
Computer equipment	28,798	15,578	13,220	27,399
Office equipment	-	-	-	7,897
	28,798	15,578	13,220	35,296

7. DEFERRED REVENUE

Deferred revenue is comprised of 2022 conference and awards revenues in respect of the 2022 conference, which occurs in September of each year.

8. LEASE COMMITMENTS

The Association has a long term lease with respect to its premises. Future minimum lease payments, exclusive of occupancy costs as at year end, are as follows:

	\$
2023	35,772
2024	11,924
	\$ 47,696



BILD ALBERTA ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

9. INTERNALLY RESTRICTED FUNDS

Internally restricted funds consist of \$650,000 (2021 - \$650,000) in the operating reserve fund, \$350,000 (2021 - \$350,000) in the restricted for dissolution fund, and \$301,650 (2021 - \$130,000) in the special projects fund. These funds are internally restricted and are to be used solely for the designated purposes of each fund. These internally restricted amounts are not available for unrestricted purposes without approval of the Board of Directors.

10. COVID-19 PANDEMIC

The Government of Alberta declared a public health emergency in response to the COVID-19 global pandemic, as of March 17, 2020. Federal and Provincial programs, support, and regulations are continuously developing. The financial impact of this public health emergency has been evolving, which precludes a reasonable estimate of the overall financial or operational impact on the Association.

As a result of COVID-19, federal government assistance was provided under the Canada Emergency Wage Subsidy (CEWS) program. This program provides non-repayable subsidies to entities experiencing a decrease in revenues over the eligibility period to subsidize labour costs.

Further federal government assistance was provided under the Canada Emergency Business Account (CEBA). This program provides interest free loans intended to subsidize non-deferrable expenses in the face of COVID-19. In the previous fiscal year, the Association received a loan of \$60,000 of which \$20,000 is forgivable if the balance of the loan is repaid by December 31, 2022. The CEBA loan was repaid in fiscal 2021.

	2022 \$	2021 \$
Canada Emergency Wage Subsidy	30,709	82,556
Canada Emergency Business Account	-	20,000
	30,709	102,556