

**BILD ALBERTA ASSOCIATION
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Draft for discussion purposes only

| Prepared by | Reviewed by |
|---------------|---------------|
| VT 8/28/23 | MU 8/28/23 |

**BILD ALBERTA ASSOCIATION
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YEAR ENDED JUNE 30, 2023**

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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, 2023, 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, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Edmonton, Alberta

John H.C. Pinsent Professional Corporation
Chartered Professional Accountant

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BILD ALBERTA ASSOCIATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

| | 2023 | 2022 |
|------------------------------------------|------------------|-----------|
| | \$ | \$ |
| ASSETS | | |
| CURRENT | | |
| Cash | 692,278 | 771,953 |
| Accounts receivable | 318,460 | 367,243 |
| Prepaid expenses | 146,904 | 83,152 |
| Investments (Note 4) | 505,858 | 625,213 |
| | 1,663,500 | 1,847,561 |
| INVESTMENTS (Note 4) | 1,021,003 | 761,540 |
| EQUIPMENT (Note 5) | 12,969 | 13,220 |
| TOTAL ASSETS | 2,697,472 | 2,622,321 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | 109,649 | 89,976 |
| Goods and services tax payable | 16,412 | 24,066 |
| Payroll liabilities | 18,025 | 15,789 |
| Deferred revenue | 484,706 | 473,395 |
| TOTAL LIABILITIES | 628,792 | 603,226 |
| COMMITMENTS (Note 7) | | |
| NET ASSETS | | |
| Unrestricted fund | 729,061 | 704,225 |
| Internally restricted fund (Note 8) | 1,326,650 | 1,301,650 |
| Invested in equipment | 12,969 | 13,220 |
| | 2,068,680 | 2,019,095 |
| TOTAL LIABILITIES AND NET ASSETS | 2,697,472 | 2,622,321 |

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, 2023

| | Unrestricted Fund \$ | Internally Restricted Fund \$ | Invested in Equipment \$ | 2023 \$ | 2022 \$ |
|--------------------------------------------|----------------------------|----------------------------------------|--------------------------------|-------------------|------------------|
| BALANCE - BEGINNING OF YEAR | 704,225 | 1,301,650 | 13,220 | 2,019,095 | 1,872,054 |
| Excess of revenues over expenses | 49,585 | - | - | 49,585 | 147,041 |
| Transfer to internally restricted funds | (25,000) | 25,000 | - | - | - |
| Amortization of equipment | 4,334 | - | (4,334) | - | - |
| Net invested in equipment | (4,083) | - | 4,083 | - | - |
| BALANCE - END OF YEAR | 729,061 | 1,326,650 | 12,969 | 2,068,680 | 2,019,095 |

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BILD ALBERTA ASSOCIATION
STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED JUNE 30, 2023

| | 2023 \$ | 2022 \$ |
|---------------------------------------------------------|------------------|------------------|
| REVENUES | | |
| Membership dues | 1,143,629 | 1,175,300 |
| Conferences and events | 556,150 | 73,375 |
| | <u>1,699,779</u> | <u>1,248,675</u> |
| EXPENSES | | |
| Salaries and employee benefits | 718,078 | 611,482 |
| Conference and events | 397,073 | 26,984 |
| Research and technical | 245,411 | 223,467 |
| Operations | 125,350 | 69,791 |
| Rent | 97,009 | 67,778 |
| Board meetings and travel | 87,000 | 96,679 |
| Information technology and admin | 14,740 | 14,216 |
| Professional fees | 5,718 | 8,403 |
| Amortization | 4,334 | 5,832 |
| Bank charges and interest | 1,641 | 1,915 |
| | <u>1,696,354</u> | <u>1,126,547</u> |
| EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS | <u>3,425</u> | <u>122,128</u> |
| OTHER ITEMS | | |
| Interest income | 46,160 | 13,249 |
| COVID-19 subsidies | - | 30,709 |
| Loss on disposal of equipment | - | (19,045) |
| | <u>46,160</u> | <u>24,913</u> |
| EXCESS OF REVENUES OVER EXPENSES | <u>49,585</u> | <u>147,041</u> |

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The accompanying notes form part of these financial statements

**BILD ALBERTA ASSOCIATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023**

| | 2023 \$ | 2022 \$ |
|------------------------------------------|-----------------------|-----------------------|
| OPERATING ACTIVITIES | | |
| Excess of revenues over expenses | 49,585 | 147,041 |
| Items not affecting cash: | | |
| Amortization of equipment | 4,334 | 5,832 |
| Loss on disposal of equipment | - | 19,045 |
| | <u>53,919</u> | <u>171,918</u> |
| Changes in non-cash working capital: | | |
| Accounts receivable | 48,783 | (102,505) |
| Accounts payable and accrued liabilities | 19,671 | 49,071 |
| Deferred revenue | 11,311 | 413,190 |
| Prepaid expenses | (63,752) | (60,968) |
| Goods and services tax payable | (7,654) | 11,469 |
| Payroll liabilities | 2,236 | 9,978 |
| | <u>10,595</u> | <u>320,235</u> |
| Cash flow from operating activities | <u>64,514</u> | <u>492,153</u> |
| INVESTING ACTIVITY | | |
| Purchase of equipment | <u>(4,082)</u> | <u>(2,802)</u> |
| FINANCING ACTIVITIES | | |
| Members' contributions | 16,583 | 182,062 |
| Members' drawings | (16,583) | (182,062) |
| Purchase of investments | (140,107) | (171,650) |
| Proceeds on disposition of investments | - | 60,397 |
| | <u>(140,107)</u> | <u>(111,253)</u> |
| Cash flow used by financing activities | <u>(140,107)</u> | <u>(111,253)</u> |
| INCREASE (DECREASE) IN CASH FLOW | (79,675) | 378,098 |
| Cash - beginning of year | <u>771,953</u> | <u>393,855</u> |
| CASH - END OF YEAR | <u>692,278</u> | <u>771,953</u> |

**BILD ALBERTA ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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.

(continues)

BILD ALBERTA ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2023.

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. The Association has a significant number of customers which minimizes concentration of credit risk.

(continues)

BILD ALBERTA ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

3. FINANCIAL INSTRUMENTS (continued)

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.

4. INVESTMENTS

Investments consist of mutual funds and GICs held with varying interest rates and maturity dates. Total investments at June 30, 2023, are as follows:

| | 2023 \$ | 2022 \$ |
|-------------------------------------------------------|------------|------------|
| Current investments (matures in the next fiscal year) | 505,858 | 625,213 |
| Non-current investments (matures thereafter) | 1,021,003 | 761,540 |
| | 1,526,861 | 1,386,753 |

5. EQUIPMENT

| | Cost \$ | Accumulated amortization \$ | 2023 Net book value \$ | 2022 Net book value \$ |
|--------------------|------------|-----------------------------------|---------------------------------|---------------------------------|
| Computer equipment | 32,880 | 19,911 | 12,969 | 13,220 |

**BILD ALBERTA ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

6. DEFERRED REVENUE

Deferred revenue is comprised of 2023 conference, awards, sponsorships and exhibitor revenues in respect of the 2023 conference, which occurs in September of each year.

| | 2023 |
|--------------------------|----------------|
| | \$ |
| Award entry fee | 61,605 |
| Conference registrations | 185,501 |
| Sponsorships | 206,400 |
| Exhibitor | 31,200 |
| Total | 484,706 |

7. LEASE COMMITMENTS

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

| | \$ |
|------------|-------------------|
| 2024 | 35,772 |
| 2025 | 35,772 |
| 2026 | 35,772 |
| 2027 | 35,772 |
| 2028 | 35,772 |
| Thereafter | 11,924 |
| | \$ 190,784 |

8. INTERNALLY RESTRICTED FUNDS

Internally restricted funds consist of \$650,000 (2022 - \$650,000) in the operating reserve fund, \$350,000 (2022 - \$350,000) in the restricted for dissolution fund, and \$326,650 (2022 - \$301,650) 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.