

THE RESILIENCE INSTITUTE

FINANCIAL STATEMENTS

For the year ended March 31, 2023

THE RESILIENCE INSTITUTE
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March 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors of
The Resilience Institute

Opinion

We have audited the financial statements of The Resilience Institute, which comprise the statement of financial position as at March 31, 2023, and the statements of operations and 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 the Institute as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Institute in accordance with the 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 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 Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute'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. 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:

INDEPENDENT AUDITOR'S REPORT, continued

Auditor's Responsibilities for the Audit of the Financial Statements, continued

- ◆ 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 Institute'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 Institute'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 Institute 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.



Lethbridge, Alberta

June 19, 2023

Chartered Professional Accountants

THE RESILIENCE INSTITUTE
STATEMENT OF FINANCIAL POSITION
As at March 31, 2023

	2023	2022
ASSETS		
Current		
Cash	\$ 233,109	\$ 79,233
Short term investments (note 3)	10,052	-
Accounts receivable (note 4)	95,847	164,016
Prepaid expenses	6,634	2,089
	\$ 345,642	\$ 245,338
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 39,622	\$ 32,709
Deferred revenue (note 5)	242,273	158,883
	281,895	191,592
Net assets	63,747	53,746
	\$ 345,642	\$ 245,338

Approved on behalf of the board:

Director DocuSigned by:
Shawn Marshall
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Director DocuSigned by:
Barrie Nault
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THE RESILIENCE INSTITUTE
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
For the year ended March 31, 2023

	2023	2022
Revenue		
Foundation grants	\$ 329,800	\$ 319,270
Education and research services	182,401	67,801
Government grants	154,535	144,152
Donations	4,861	11,745
Interest	2,407	336
	674,004	543,304
Expenses		
Programming	257,554	168,722
Personnel - programming	237,969	178,943
Personnel - general and administrative	141,265	144,022
Professional fees	6,618	11,174
Software and licences	5,354	7,047
Communication and outreach	4,509	4,184
Travel	3,379	-
Insurance	2,457	1,452
Facility rental	1,847	2,458
Supplies and materials	1,321	3,598
Other general and administrative	867	1,306
Banking and financial costs	796	815
Meals and catering	67	213
	664,003	523,934
Excess of revenue over expenses	10,001	19,370
Net assets, beginning of year	53,746	34,376
Net assets, end of year	\$ 63,747	\$ 53,746

THE RESILIENCE INSTITUTE
STATEMENT OF CASH FLOWS
For the year ended March 31, 2023

	2023	2022
Cash flows from operating activities		
Excess of revenue over expenses	\$ 10,001	\$ 19,370
Change in non-cash working capital items		
Accounts receivable	68,169	(146,934)
Prepaid expenses	(4,545)	9,687
Accounts payable and accrued liabilities	6,913	(15,698)
Deferred contributions	83,390	(67,026)
Net increase (decrease) in cash	163,928	(200,601)
Cash, beginning of year	79,233	279,834
Cash, end of year	\$ 243,161	\$ 79,233
Cash consists of:		
Cash	\$ 233,109	\$ 79,233
Short term investments	10,052	-
	\$ 243,161	\$ 79,233

THE RESILIENCE INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2023

1. Nature of operations

The Resilience Institute is a not for profit organization and is a registered charity under the Income Tax Act. The Institute was formed to advance education and research on climate change and sustainability. The Institute is exempt from paying income tax under section 149 (1) (f) of the Income Tax Act.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

- (a) **Cash and cash equivalents**
Cash consists of amounts held by financial institutions in operating accounts and short term investments.
- (b) **Revenue recognition**
All revenues are reported using the accrual basis of accounting. Amounts received in advance for consultancy fees are classified as unearned revenue and recognized as revenue at the time the goods are delivered or the services are provided. The Institute follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.
- (c) **Financial instruments**
The Institute initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Institute subsequently measures all its financial assets and financial liabilities at amortized cost.
- (d) **Contributed services**
Directors and committee members volunteer their time to assist in the Institute's activities. While these services benefit the Institute considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.
- (e) **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 disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

3. Short term investments

Short term investments consists of two non-redeemable guaranteed investment certificates held with RBC Royal Bank and bearing interest at 4.75% with maturity dates in January 2024.

THE RESILIENCE INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2023

4. **Accounts receivable**

	2023	2022
Grants receivable	\$ 42,569	\$ 137,666
Trade receivables	48,480	21,488
Goods and services tax receivable	4,798	4,862
	\$ 95,847	\$ 164,016

5. **Deferred contributions**

Deferred contributions relate to unspent externally restricted gifts or grants received in the current period that is related to the subsequent period. Changes in the deferred contributions balance are as follows:

	Balance, beginning of year	Received	Recognized	Balance, end of year
Foundation grants	\$ 158,491	\$ 204,320	\$ (329,800)	\$ 33,011
Education and research services	-	391,271	(182,401)	208,870
Government grants	-	154,535	(154,535)	-
Other	392	-	-	392
	\$ 158,883	\$ 750,126	\$ (666,736)	\$ 242,273

6. **Economic dependence**

The Institute receives the majority of its revenue through government and foundation grants. The Institute's continued operations are dependent on this funding.

7. **Comparative figures**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.