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**ADR INSTITUTE OF ALBERTA**  
**Financial Statements**  
**Year Ended December 31, 2021**

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**ADR INSTITUTE OF ALBERTA**  
**Index to Financial Statements**  
**Year Ended December 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

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To the Management of ADR Institute of Alberta

### *Opinion*

We have audited the financial statements of ADR Institute of Alberta (the Society), which comprise the statement of financial position as at December 31, 2021, and the statements of revenues and expenditures, 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 Society as at December 31, 2021, 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 Society 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 those 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 Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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:

- 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.

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### CONTACT

☎ 780.448.7317 | 1.844.448.7317 (Toll-Free) 🖨 780.448.7300

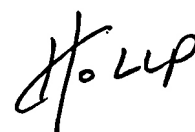
✉ info@hollp.ca 🏠 202B, 1230 - 91 Street SW, EDMONTON, AB | T6X 0P2 [WWW.HOLLP.CA](http://WWW.HOLLP.CA)

Independent Auditor's Report to the Management of ADR Institute of Alberta *(continued)*

- 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 Society'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 Society'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 Society 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.

Edmonton, Alberta  
April 10, 2022



Ho LLP  
Chartered Professional Accountants

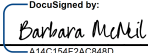
**ADR INSTITUTE OF ALBERTA**  
**Statement of Financial Position**  
**December 31, 2021**


	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 3)	\$ 70,494	\$ 262,819
Investments (Note 4)	153,600	104,119
Accounts receivable	4,862	5,152
Interest receivable	140	385
Prepaid expenses (Note 5)	6,722	7,848
	<b>235,818</b>	<b>380,323</b>
TANGIBLE CAPITAL ASSETS (Note 6)	<b>15,460</b>	<b>19,577</b>
	<b>\$ 251,278</b>	<b>\$ 399,900</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 13,018	\$ 44,732
Wages payable	8,925	4,520
Goods and services tax payable	3,045	4,426
Deferred revenue (Note 8)	64,135	108,920
Due to related party	13,024	17,584
	<b>102,147</b>	<b>180,182</b>
LOAN PAYABLE (Note 11)	-	40,000
	<b>102,147</b>	<b>220,182</b>
NET ASSETS		
General fund	<b>149,131</b>	<b>179,718</b>
	<b>\$ 251,278</b>	<b>\$ 399,900</b>

RELATED PARTY TRANSACTIONS (Note 9)

COMMITMENT (Note 10)

**ON BEHALF OF THE BOARD**


  
 \_\_\_\_\_ Director


  
 \_\_\_\_\_ Director

**ADR INSTITUTE OF ALBERTA**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2021**

	2021	2020
<b>REVENUES</b>		
Professional development and education ( <i>Schedule 1</i> )	\$ 360,658	\$ 276,821
Member services ( <i>Schedule 1</i> )	114,560	113,009
Grants and other ( <i>Note 11</i> )	84,928	135,010
ADR business services ( <i>Schedule 1</i> )	84,704	85,599
Investment income	965	1,519
	<u>645,815</u>	<u>611,958</u>
<b>EXPENSES</b>		
Professional development and education ( <i>Schedule 2</i> )	357,853	298,876
General and administrative ( <i>Schedule 2</i> )	144,883	115,816
ADR business services ( <i>Schedule 2</i> )	89,793	84,594
Member services ( <i>Schedule 2</i> )	53,316	45,838
Governance ( <i>Schedule 2</i> )	26,226	26,861
Amortization	4,331	5,360
	<u>676,402</u>	<u>577,345</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (30,587)</b>	<b>\$ 34,613</b>

**ADR INSTITUTE OF ALBERTA**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2021**

	<b>2021</b>	2020
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 179,718</b>	\$ 145,105
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>(30,587)</u>	34,613
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 149,131</b>	\$ 179,718

**ADR INSTITUTE OF ALBERTA**  
**Statement of Cash Flows**  
**Year Ended December 31, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ (30,587)	\$ 34,613
Item not affecting cash:		
Amortization of tangible capital assets (Note 6)	4,331	5,360
	<u>(26,256)</u>	<u>39,973</u>
Changes in non-cash working capital:		
Accounts receivable	290	376
Interest receivable	247	541
Prepaid expenses (Note 5)	1,126	1,214
Accounts payable and accrued liabilities (Note 7)	(31,714)	23,768
Wages payable	4,405	3,640
Goods and services tax payable	(1,381)	2,938
Deferred revenue (Note 8)	(44,785)	35,646
	<u>(71,812)</u>	<u>68,123</u>
Cash flow from (used by) operating activities	<u>(98,068)</u>	<u>108,096</u>
<b>INVESTING ACTIVITIES</b>		
Additions to capital assets (Note 6)	(216)	(1,021)
Net change of investments (Note 4)	(49,481)	(1,688)
Cash flow used by investing activities	<u>(49,697)</u>	<u>(2,709)</u>
<b>FINANCING ACTIVITIES</b>		
Advances from (to) related parties	(4,560)	6,645
Repayment of CEBA loan (Note 11)	(40,000)	-
Proceeds from CEBA loan (Note 11)	-	40,000
Cash flow from (used by) financing activities	<u>(44,560)</u>	<u>46,645</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(192,325)</b>	<b>152,032</b>
Cash and cash equivalents - beginning of year	<u>262,819</u>	<u>110,787</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR (Notes 1, 3)</b>	<b>\$ 70,494</b>	<b>\$ 262,819</b>
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>		
Cash (Notes 1, 3)	<u>\$ 70,494</u>	<u>\$ 262,819</u>



**ADR INSTITUTE OF ALBERTA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

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PURPOSE OF THE SOCIETY

ADR Institute of Alberta (the "Society") is a non-profit organization incorporated under the Societies Act of Alberta on May 14, 2012. The Society is dedicated to the promotion of alternative dispute resolutions and provides leadership in conflict resolution in the areas of Negotiation, Mediation, and Arbitration, and addressing harm through processes like Restorative Justice.

The Society is exempt from the payment of income tax under Section 149 of the Income Tax Act. It has, therefore, made no provision for income taxes in these financial statements.

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1. 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).

Cash and cash equivalents

Cash and cash equivalents consist primarily of bank balances and term deposits with an original maturity date of purchase of three months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

Donated services and materials

The operations of the Society 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.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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.

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**ADR INSTITUTE OF ALBERTA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Revenue recognition

ADR Institute of Alberta 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.

Revenue from conferences and projects is recorded in the year in which the conference or project takes place.

Fees and services related to the courses and programs are recognized as revenue when such courses and programs are delivered.

Membership fee revenue is recognized in the period in which it is earned.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	30% declining balance method
Classroom furniture and equipment	20% declining balance method
Furniture and fixtures	20% declining balance method

The Society regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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2. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis provides information about the Society's risk exposure and concentration as of December 31, 2021.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from customers. Accounts receivable due from customers of educational programs and ADR business services are not considered to be significant, which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, and accounts payable.

**ADR INSTITUTE OF ALBERTA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

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3. CASH

	<u>2021</u>	<u>2020</u>
Cash - operating	\$ 59,386	\$ 242,037
TD savings account (*)	6,190	6,177
Cash held in trust - symposium	4,918	4,908
50% sublease payments withheld	-	8,673
Cash held in trust - DRN conference	-	1,024
	<u>\$ 70,494</u>	<u>\$ 262,819</u>

(\*) TD savings account - held to facilitate two credit cards used for operation purposes.

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4. INVESTMENTS

Investments consist of the following:

	<u>2021</u>	<u>2020</u>
TD Canada Trust - guaranteed investment certificate (compound interest at 0.45%; matures September 24, 2022)	\$ 53,434	\$ -
TD Canada Trust - guaranteed investment certificate (interest at 0.20%; matures February 9, 2022)	50,083	-
TD Canada Trust - guaranteed investment certificate (interest at 0.20%; matures February 9, 2022)	50,083	-
TD Canada Trust - guaranteed investment certificate (compound interest at 1.20%; matured July 24, 2021)	-	52,694
TD Canada Trust - guaranteed investment certificate (simple interest at 0.20%; matured April 2, 2021)	-	25,764
TD Canada Trust - guaranteed investment certificate (simple interest at 0.20%; matured April 8, 2021)	-	25,661
	<u>\$ 153,600</u>	<u>\$ 104,119</u>

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5. PREPAID EXPENSES

	<u>2021</u>	<u>2020</u>
Insurance - commercial, Board of Directors	\$ 3,305	\$ 3,185
Rent deposit	2,750	2,750
Web conferencing	550	275
IT services	117	1,638
	<u>\$ 6,722</u>	<u>\$ 7,848</u>

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**ADR INSTITUTE OF ALBERTA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Classroom furniture and equipment	\$ 19,581	\$ 11,807	\$ 7,774	\$ 9,718
Furniture and fixtures	13,594	8,777	4,817	6,022
Computer equipment	22,606	19,737	2,869	3,837
	<u>\$ 55,781</u>	<u>\$ 40,321</u>	<u>\$ 15,460</u>	<u>\$ 19,577</u>

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Accounts payable and accrued liabilities	\$ 8,100	\$ 16,250
Symposium fund payable	4,918	4,908
Conflict management coaching payable	-	22,550
DRN conference fund payable	-	1,024
	<u>\$ 13,018</u>	<u>\$ 44,732</u>

8. DEFERRED REVENUE

	2021	2020
Certificate programs	\$ 55,505	\$ 88,850
CAMVAP contract revenue	4,330	11,770
Member services	4,300	3,050
Specialty courses	-	5,250
	<u>\$ 64,135</u>	<u>\$ 108,920</u>

9. RELATED PARTY TRANSACTIONS

During the year, services were rendered by a Board member totalling \$nil (2020 - \$4,550), excluding GST. The account affected was *Instruction fees*. The measurement basis used for recognizing these transactions is the cost method.

10. COMMITMENT

Under the terms of a contract entered in 2018 with BNG Specialized Engineering Services Ltd., the Society is committed to monthly payments of \$2,750, plus taxes, for the use of space and access to services from July 1, 2018 to December 30, 2022.

**ADR INSTITUTE OF ALBERTA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

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11. CORONAVIRUS ("COVID-19")

In January 2020, the World Health Organization declared the outbreak of a strain of the novel coronavirus ("COVID-19") to be a public health emergency of international concern and, subsequently, a global pandemic was declared in March, 2020. A series of public health and emergency measures have been put in place by the Canadian federal government, followed by the provincial and territorial governments, to combat the spread of the virus.

During this difficult time, the Government of Canada offers financial assistance for organizations facing hardship. For the fiscal year then ended December 31, 2021, the Society utilized the following financial assistance programs:

Canada Emergency Business Account (CEBA)

Applying for a CEBA loan of \$40,000, the Society entered into an agreement with Toronto-Dominion Bank. Under the terms and conditions, the loan bears 0% interest during the initial term (April 27, 2020 to December 31, 2023). During the extended term (January 1, 2024 to December 31, 2025), the loan bears interest at 5% per annum, repayable monthly. Repaying the balance of the loan (at least 75 percent or \$30,000) on or before December 31, 2023 will result in loan forgiveness of 25 percent (up to \$10,000).

During the fiscal year then ended December 31, 2021, the Society repaid \$30,000 of the CEBA loan. As result, the remaining balance of \$10,000 was recognized as loan forgiveness under the terms and conditions of the loan.

Canada Emergency Wage Subsidy (CEWS)

During the fiscal year then ended, the Society, which qualified as an eligible employer through the CEWS program during the qualifying periods, received a wage subsidy in the total amount of \$52,689 (2020 - \$106,372) for remuneration paid to eligible employees.

Canada Emergency Rent Subsidy (CERS)

During the fiscal year then ended, the Society, which qualified as an eligible renter through the CERS program during the qualifying periods, received a rent subsidy in the total amount of \$10,516 (2020 - \$2,446) for rent paid to the lessor.

10% Temporary Wage Subsidy (TWS)

During the qualifying period of March 18 to June 19, 2020, the Society as an eligible employer used the 10% TWS assistance program that was made available. Payroll deductions remitted to the Canada Revenue Agency during this same period were reduced by a total amount of \$5,283.

Small and Medium Enterprise Relaunch Grant (SMERG)

In addition to federal assistance, and as a qualifying non-profit organization, the Society applied and received \$20,000 in grants in 2020 from the Government of Alberta through its financial assistance program, SMERG.

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12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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**ADR INSTITUTE OF ALBERTA****Revenues****(Schedule 1)****Year Ended December 31, 2021**

	2021	2020
<b>Professional development and education</b>		
Certificate programs	\$ 322,845	\$ 281,265
Less: ADRIC license	(20,182)	(24,619)
Contract training	46,375	6,000
Designations and accreditation	4,750	7,775
Specialty and professional development	4,700	6,400
Public training	2,170	-
	<u>360,658</u>	<u>276,821</u>
<b>Member services</b>		
Full member	121,680	118,627
Less: ADRIC dues	(41,985)	(40,773)
Associate member	18,960	17,951
Directory	7,780	9,229
Administration fee	5,750	6,050
Networking	1,700	1,220
Retired member	675	705
	<u>114,560</u>	<u>113,009</u>
<b>ADR business services</b>		
CAMVAP	78,430	77,459
Organizational member	3,800	2,500
National rules	1,274	4,290
Roster administration	1,200	1,350
	<u>84,704</u>	<u>85,599</u>
	<u>\$ 559,922</u>	<u>\$ 475,429</u>

**ADR INSTITUTE OF ALBERTA**
**Expenses**
*(Schedule 2)*
**Year Ended December 31, 2021**

	2021	2020
<b>Professional development and education</b>		
Certificate programs ( <i>Note 9</i> )	\$ 196,303	\$ 181,046
Contract training	56,915	23,685
Private training	39,229	24,995
Specialty and professional development	25,689	35,048
Conference	20,719	17,278
Designations and accreditation	18,998	16,824
	<u>357,853</u>	<u>298,876</u>
<b>General and administrative</b>		
Office administration	63,659	42,372
Rent	16,500	16,500
Vacation expense	14,627	7,394
Bank charges, interest and merchant fees	11,108	14,194
IT development, maintenance and software	10,971	7,235
Professional fees	8,000	8,000
Telephone and internet	5,915	5,228
Equipment rental leasing	3,870	3,870
Office supplies	3,768	4,994
Insurance	3,198	3,034
Office cleaning	2,425	2,110
Postage and courier	842	617
Travel and meeting expense	-	268
	<u>144,883</u>	<u>115,816</u>
<b>ADR business services</b>		
CAMVAP	63,441	59,124
Staff support	26,352	25,470
	<u>89,793</u>	<u>84,594</u>
<b>Member services</b>		
Staff support	46,411	40,390
Marketing and promotional materials	6,324	4,454
Networking	581	994
	<u>53,316</u>	<u>45,838</u>
<b>Governance</b>		
Staff support	22,820	20,443
Insurance	2,306	2,307
Annual general meeting	1,100	206
Board meeting and travel	-	1,876
Strategic advocacy	-	1,400
Board committees and projects	-	629
	<u>26,226</u>	<u>26,861</u>
	<u>\$ 672,071</u>	<u>\$ 571,985</u>