

**THE CLEAN AIR STRATEGIC ALLIANCE ASSOCIATION**  
**Financial Statements**  
**Year Ended December 31, 2023**

# THE CLEAN AIR STRATEGIC ALLIANCE ASSOCIATION

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Year Ended December 31, 2023

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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of The Clean Air Strategic Alliance Association

### *Opinion*

We have audited the financial statements of The Clean Air Strategic Alliance Association (the organization), which comprise the statement of financial position as at December 31, 2023, 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 organization as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

### *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 organization in accordance with 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.

### *Other Matter*

The financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on .

### *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 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.

In preparing the financial statements, management is responsible for assessing the organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

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*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.
- 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 organization'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 organization'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 organization 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  
February 29, 2024

*Rutwind Brar LLP*  
Rutwind Brar LLP  
Chartered Professional Accountants

# THE CLEAN AIR STRATEGIC ALLIANCE ASSOCIATION

## Statement of Financial Position

December 31, 2023

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents (Note 2)	\$ 712,314	\$ 1,166,246
Accounts receivable (Note 3)	50,793	40,280
Prepaid expenses	3,461	3,611
	<u>766,568</u>	<u>1,210,137</u>
INVESTMENTS (Note 5)	825,000	300,000
	<u>\$ 1,591,568</u>	<u>\$ 1,510,137</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 21,841	\$ 47,265
Deferred contributions (Note 7)	1,174,842	1,067,987
	<u>1,196,683</u>	<u>1,115,252</u>
<b>NET ASSETS</b>		
Internally restricted (Note 8)	242,355	242,355
Unrestricted (available for operations)	152,530	152,530
	<u>394,885</u>	<u>394,885</u>
	<u>\$ 1,591,568</u>	<u>\$ 1,510,137</u>

### ON BEHALF OF THE BOARD

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# THE CLEAN AIR STRATEGIC ALLIANCE ASSOCIATION

## Statement of Revenues and Expenditures

Year Ended December 31, 2023

	2023	2022
<b>REVENUES</b>		
Grants ( <i>Note 7</i> )	\$ 414,624	\$ 475,040
Interest	60,121	21,754
Other income	-	500
	<u>474,745</u>	<u>497,294</u>
<b>EXPENSES</b>		
General and administrative	392,111	361,400
Projects	59,798	124,944
Board support	22,596	10,688
External projects	240	262
	<u>474,745</u>	<u>497,294</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ -</u>

# THE CLEAN AIR STRATEGIC ALLIANCE ASSOCIATION

## Statement of Changes in Net Assets

Year Ended December 31, 2023

	Internally Restricted	Unrestricted	2023	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 242,355	\$ 152,530	\$ 394,885	\$ 394,885
EXCESS OF REVENUES OVER EXPENSES	-	-	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 242,355	\$ 152,530	\$ 394,885	\$ 394,885

# THE CLEAN AIR STRATEGIC ALLIANCE ASSOCIATION

## Statement of Cash Flows Year Ended December 31, 2023

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ -	\$ -
Changes in non-cash working capital:		
Accounts receivable	(10,513)	(24,674)
Accounts payable and accrued liabilities	(25,424)	33,489
Deferred contributions	106,855	49,961
Prepaid expenses	150	(727)
	<u>71,068</u>	<u>58,049</u>
Cash flow from operating activities	<u>71,068</u>	<u>58,049</u>
<b>INVESTING ACTIVITY</b>		
Purchase of investments	<u>(525,000)</u>	<u>(300,000)</u>
<b>DECREASE IN CASH FLOW</b>	<b>(453,932)</b>	<b>(241,951)</b>
Cash and cash equivalents - beginning of year	<u>1,166,246</u>	<u>1,408,197</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 712,314</b>	<b>\$ 1,166,246</b>

# THE CLEAN AIR STRATEGIC ALLIANCE ASSOCIATION

Notes to Financial Statements  
Year Ended December 31, 2023

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## PURPOSE OF THE ORGANIZATION

The Clean Air Strategic Alliance Association (the "Association") is a non-profit organization incorporated March 14, 1994 under the *Societies Act* of Alberta and is not taxable under the Canadian *Income Tax Act*. The Association is comprised of members from three distinct stakeholder categories: industry, government and non-government organization. The Association has been given shares responsibility by its members for strategic air quality planning, organization and coordination of resources, and evaluation of results in Alberta. In support of these objectives, the Association receives cash funding from the Province of Alberta as well as Cash and in-kind support from other members.

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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 (ASNFPPO).

### Cash and Cash Equivalents

Cash and Cash equivalents include cash and investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments have a maturity of one year or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

### Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution. When a tangible capital asset no longer contributes to the Association's ability to provide services or the value of future economic benefits associated with the tangible capital asset is less than its net book value, the carrying value of the tangible capital asset is reduced to reflect the decline in the asset's value.

Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	3 years	straight-line method
Furniture and equipment	5 years	straight-line method

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

### Intangible Assets

Intangible assets consist of website of the Association and are recorded at cost. The website is measured at cost less accumulated amortization. Amortization of the website is using the straight-line method over 5 years.

### Contributed Services

Association members contribute non-monetary support including staff resources, meeting space and publication support. Due to the difficulty in determining their fair value, contributed services are not reflected in these financial statements.

### Revenue Recognition

(continues)

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# THE CLEAN AIR STRATEGIC ALLIANCE ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2023

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

The Association follows the deferral method of accounting for contributions, which include Government grants. Restricted contributions are recognized as revenue during 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.

Restricted contributions for the purchase of tangible capital assets and intangible assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related tangible capital assets and intangible assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred.

#### Financial Instruments

##### *Measurement of Financial instruments*

The Association initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transactions costs directly attributable to the instruments.

The Association subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. changes in fair value are recognized in net income

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Association has no financial instruments measured at fair value.

##### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

#### Measurement Uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimate and assumptions that effect the recorded amounts of 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 these estimates. Significant areas requiring the use of management's estimates include the useful lives of tangible capital assets and the corresponding rates of amortization. All estimates are reviewed periodically and adjustments are made to the statements of operations as appropriate in the year they become known.

### 2. CASH

	<u>2023</u>	<u>2022</u>
Guaranteed Investment Certificates	\$ 701,048	\$ 1,133,310

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# THE CLEAN AIR STRATEGIC ALLIANCE ASSOCIATION

## Notes to Financial Statements Year Ended December 31, 2023

### 2. CASH (continued)

	2023	2022
Operating accounts	11,266	32,936
	<b>\$ 712,314</b>	<b>\$ 1,166,246</b>

Guaranteed Investment Certificates bear interest at rates ranging from 3.25% to 5.12% (2022 - 0.75% to 4.75%) and maturing between May 2024 and November 2024.

### 3. RECEIVABLES

	2023	2022
Accrued interest	\$ 45,482	\$ 16,931
Goods and Services Tax	5,311	2,316
Alberta Water Council Association	-	21,033
	<b>\$ 50,793</b>	<b>\$ 40,280</b>

### 4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Furniture and equipment	\$ 13,773	\$ 13,773	\$ -	\$ -
Computer equipment	33,290	33,290	-	-
	<b>\$ 47,063</b>	<b>\$ 47,063</b>	<b>\$ -</b>	<b>\$ -</b>

### 5. INVESTMENTS

Investments consist of the following Guaranteed Investment Certificates:

	Purchase date	Maturity date	Interest rate %	2023	2022
Non-redeemable GIC	June 10, 2022	June 10, 2024	3.25	\$ 300,000	\$ 300,000
Non-redeemable GIC	May 19, 2023	May 18, 2024	4.95	525,000	-
				<b>\$ 825,000</b>	<b>\$ 300,000</b>

### 6. INTANGIBLE ASSETS

	2023	2022
Website	\$ 21,892	\$ 21,892
Accumulated amortization	(21,892)	(21,892)
	<b>\$ -</b>	<b>\$ -</b>

# THE CLEAN AIR STRATEGIC ALLIANCE ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2023

### 7. DEFERRED CONTRIBUTIONS

#### (a) Core Operations

Deferred core operations contributions are comprised of unexpected monies received for core operations. The purpose of the grants is to provide core funding in support of the Association's objectives as detailed in Note 1. The Regulations to the *Department of the Environment Act*, the *Department of Energy Act*, the *Department of Health Act*, and the *Department of Agriculture and Food Act* under which the grants have been provided, specify the grants must either be used for the purposes specified in the grant, be used for different purposes if such different purposes are agreed to the applicant and the respective Minister, or be returned to the Province of Alberta. Accordingly, in the event the Association does not utilize the funds in pursuit of its objectives, any unexpected grant monies remaining may have to be repaid to the Province of Alberta.

	<u>2023</u>	<u>2022</u>
Balance, Beginning of Year	\$ 836,496	\$ 747,658
Grants received and receivable during the year	501,480	525,000
Revenue recognized to fund expenses during the year	<u>(394,624)</u>	<u>(436,162)</u>
Balance, End of Year	<u>943,352</u>	836,496

#### (b) External Projects

Deferred external project contributions are comprised of monies received for specific external projects, which have not been expended for the purposes specified in the mandate of the projects.

	<u>2023</u>	<u>2022</u>
Balance, Beginning of Year	231,490	270,368
Grants received and receivable during the year	20,000	-
Revenue recognized to fund expenses during the year	<u>(20,000)</u>	<u>(38,878)</u>
Balance, End of Year	<u>231,490</u>	231,490
Total Deferred Revenues	<u>\$ 1,174,842</u>	<u>\$ 1,067,986</u>

### 8. INTERNALLY RESTRICTED

The balance of \$228,835 (2022 - \$ 228,835) has been internally restricted by the Board in the event of a wind down.

As a result of excess grant funding contributed to the Association's 20th Anniversary program the External Projects fund balance contains registration fees sold for this event. The balance of \$13,520 (2022 - \$ 13,520) has been internally restricted to assist with future expenses.

### 9. ECONOMIC DEPENDENCE

The Association's primary source of revenue is grants from the Province of Alberta. The Association's ability to continue viable operations is dependent on this funding.

# THE CLEAN AIR STRATEGIC ALLIANCE ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2023

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### 10. FINANCIAL INSTRUMENTS

It is management's opinion that the Association is not exposed to significant credit, market, currency, or other price risk through its financial instruments. The following analysis provides information about the Association's risk exposure and concentration as of December 31, 2023.

#### Liquidity risk

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

The Association mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

#### Interest rate risk

Interest rate risk is the risk that the fair 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 investments.

#### Change in risk

There have been no significant changes in the Associations risk exposures from the 2022 fiscal year.

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### 11. TRANSACTIONS WITH THE GOVERNMENT OF ALBERTA

The Government of Alberta provides office space to the Association at no charge.

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# THE CLEAN AIR STRATEGIC ALLIANCE ASSOCIATION

## Schedule of Expenses By Object (Schedule 1)

Year Ended December 31, 2023

	2023 (Budget)	2023 Actual	2022 (Actual)
<b>Supplies and Services</b>			
Stakeholder honoraria	\$ 25,000	\$ 24,137	\$ 13,288
Meetings	17,500	12,009	759
Office supplies	23,000	11,995	6,031
Computer equipment	12,000	11,750	14,578
Travel	30,500	11,259	2,808
Printing	12,000	6,520	5,105
Insurance	4,000	4,804	3,582
Telecommunications	-	3,681	3,264
Parking, rent and utilities	-	3,444	4,121
Indigenous relations	5,000	1,132	7,035
Subscriptions	-	519	1,017
Bank charges	250	240	263
	129,250	91,490	61,851
<b>Professional Fees</b>			
Consulting	96,125	89,508	168,843
Audit and legal	7,700	6,458	6,355
	103,825	95,966	175,198
<b>Human Resources</b>			
Salaries and wages	248,650	264,706	218,696
Benefits	32,000	12,046	39,723
Staff development (recovery)	7,500	8,349	1,643
Employee recognition	2,500	2,191	-
Recruiting	1,000	-	183
	291,650	287,292	260,245
<b>Total Expenses</b>	\$ 524,725	\$ 474,748	\$ 497,294