

LOW ENTROPY FOUNDATION

FINANCIAL INFORMATION

MARCH 31, 2023

Compilation Engagement Report

Statement of Financial Position

Statement of Operations

Statement of Changes in Net Assets

Notes to Financial Information

Kustner & Associates

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COMPILATION ENGAGEMENT REPORT

To Management,
Low Entropy Foundation,
Vancouver, BC

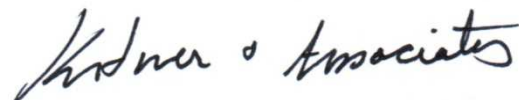
On the basis of information provided by management, we have compiled the statement of financial position of Low Entropy Foundation as at March 31, 2023 and the statements of operations and changes in net assets for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information.

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.



Burnaby, BC
June 9, 2023

Chartered Professional Accountants

LOW ENTROPY FOUNDATION
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2023

\$

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash	198,087	278,429
Accounts and funding receivable	58,719	-
GST refundable	899	296
Prepaid expenses	<u>14,261</u>	<u>154,000</u>
	271,966	432,725
 EQUIPMENT AND FURNITURE (Note 2)	 11,772	 345
	<u>283,738</u>	<u>433,070</u>
 LIABILITIES		
CURRENT LIABILITIES		
Accounts, payable and accrued	15,315	203,325
Government remittance payable	11,515	-
Un-expensed grant funds	97,042	223,920
Un-expensed restricted donations	<u>11,875</u>	<u>-</u>
	135,747	427,245
 NET ASSETS		
 NET ASSETS	 <u>147,991</u>	 <u>5,825</u>
	<u>283,738</u>	<u>433,070</u>

APPROVED BY THE MEMBERS


 _____ **Member**


 _____ **Member**

LOW ENTROPY FOUNDATION
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2023

\$

	<u>2023</u>	<u>2022</u>
REVENUE		
Donations	52,982	32,338
Federal Grants	97,373	50,000
Provincial Grants	1,362,516	99,720
Municipal Grants	-	15,000
Thrift store	6,114	-
Other grants and income	<u>135,763</u>	<u>29,120</u>
	<u>1,654,748</u>	<u>226,178</u>
 EXPENDITURES		
Amortization	3,902	377
Bank charges	648	165
Contractor costs	144,306	17,609
Director fees	35,946	22,080
Legal and accounting	23,651	1,155
Insurance	1,256	1,340
Membership and dues	1,025	90
Office expenses	19,134	10
Phone and internet	4,398	1,868
Program administration	4,575	6,045
Program delivery costs	69,555	12,995
Program manager	117,498	60,520
Rent	49,861	-
Training and education	25,116	3,615
Training providers	791,745	54,544
Travel	1,764	245
Wages and benefits	<u>218,204</u>	<u>42,662</u>
	<u>1,512,583</u>	<u>225,320</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 <u>142,165</u>	 <u>858</u>

STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2023

\$

	<u>2023</u>	<u>2022</u>
NET ASSETS, BEGINNING	5,826	4,968
Excess revenues over expenditures	<u>142,165</u>	<u>858</u>
NET ASSETS, ENDING	<u>147,991</u>	<u>5,826</u>

LOW ENTROPY FOUNDATION
NOTES TO FINANCIAL INFORMATION
MARCH 31, 2023

\$

1. BASIS OF ACCOUNTING

Items recognized in financial information are accounted for in accordance with the accrual basis of accounting. The accrual basis of accounting recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent.

i. Equipment and furniture and amortization

Equipment and furniture and fixtures are recorded at cost and are amortized over their estimated useful life using the following rates and methods:

Computer equipment	-	20%	declining balance
Office equipment	-	30%	declining balance
Furniture and fixtures	-	20%	declining balance

i. Revenue recognition

The Foundation 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.

Grants are recognized as revenue for the fiscal period to which they apply.

Donations and thrift store receipts are recognized as income in the period in which they are earned.

ii. Contributed services

Volunteers contribute a significant number of hours per year to assist the Foundation in carrying out its services delivery activities. Contributed services are not reflected in the financial statements.

ii. Income taxes

The Foundation is a not-for-profit, it is not subject to federal or provincial income taxes.

LOW ENTROPY FOUNDATION
NOTES TO FINANCIAL INFORMATION
MARCH 31, 2023

\$

2. EQUIPMENT AND FURNITURE

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2023</u>	<u>2022</u>
Computer equipment	4,548	2,612	1,936	345
Office equipment	4,313	1,363	2,949	-
Furniture and fixtures	<u>8,351</u>	<u>1,465</u>	<u>6,886</u>	<u>-</u>
	<u>17,212</u>	<u>5,440</u>	<u>11,772</u>	<u>345</u>

Amortization in the amount of \$ 3,902 (2023 - \$377) has been recorded in the accounts for the year as described in Note 1.