

**VOLUNTEER ALBERTA (THE ASSOCIATION OF
VOLUNTEER CENTRES AND VOLUNTEER
ENGAGING ORGANIZATIONS OF ALBERTA)**

Financial Statements

Year Ended December 31, 2016

(Unaudited)

**VOLUNTEER ALBERTA (THE ASSOCIATION OF VOLUNTEER CENTRES AND
VOLUNTEER ENGAGING ORGANIZATIONS OF ALBERTA)**

Index to Financial Statements

Year Ended December 31, 2016

(Unaudited)

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April 7, 2017
Edmonton, Alberta

REVIEW ENGAGEMENT REPORT

To the Members of Volunteer Alberta (The Association of Volunteer Centres and Volunteer Engaging Organizations of Alberta)

We have reviewed the statement of financial position of Volunteer Alberta (The Association of Volunteer Centres and Volunteer Engaging Organizations of Alberta) as at December 31, 2016 and the statements of operations, changes in net assets and cash flow for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Association.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

In common with many charitable organizations, the Association derives some of its revenue from donations. The nature of these revenues limits our review procedures with respect to completeness of the amounts recorded in the records of the Association, and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenue over expenses, current assets, and net assets.

Except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to complete our review of contribution revenue, as described in the preceding paragraph, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Kingston Ross Pasnak LLP

Kingston Ross Pasnak LLP
Chartered Professional Accountants

**VOLUNTEER ALBERTA (THE ASSOCIATION OF VOLUNTEER CENTRES AND
VOLUNTEER ENGAGING ORGANIZATIONS OF ALBERTA)**

Statement of Operations

For the Year Ended December 31, 2016

(Unaudited)

| | 2016 | 2015 |
|--|------------------|------------------|
| REVENUE | | |
| Contracts, grants and contributions | \$ 1,010,428 | \$ 931,129 |
| Memberships, workshops and donations | 44,034 | 92,117 |
| Interest | 2,481 | 2,965 |
| | 1,056,943 | 1,026,211 |
| EXPENSES | | |
| Wages and benefits | 656,110 | 613,855 |
| Contract services | 103,917 | 98,442 |
| Office rent | 68,644 | 77,699 |
| Capacity building networking | 65,000 | 65,000 |
| Staff expenses | 29,349 | 23,120 |
| Computer | 28,205 | 23,696 |
| Office and postage | 14,241 | 16,446 |
| Travel | 11,908 | 4,930 |
| Utilities and telephone | 10,599 | 10,189 |
| Marketing and communications | 9,640 | 23,305 |
| Professional development | 7,786 | 10,870 |
| Professional fees | 7,183 | 8,088 |
| Events | 6,603 | 17,491 |
| Website | 6,323 | 9,993 |
| Board expense | 5,837 | 3,945 |
| Venue rental | 4,484 | 5,063 |
| Amortization | 3,067 | 4,167 |
| Insurance | 2,936 | 2,731 |
| Bank charges | 1,485 | 2,297 |
| Volunteer recognition | 346 | 1,422 |
| | 1,043,663 | 1,022,749 |
| EXCESS OF REVENUE OVER EXPENSES | \$ 13,280 | \$ 3,462 |

**VOLUNTEER ALBERTA (THE ASSOCIATION OF VOLUNTEER CENTRES AND
VOLUNTEER ENGAGING ORGANIZATIONS OF ALBERTA)**

Statement of Changes in Net Assets

Year Ended December 31, 2016

(Unaudited)

| | Invested in Equipment | Unrestricted | Internally Restricted | 2016 | 2015 |
|--|--------------------------|--------------|--------------------------|------------|------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 10,339 | \$ 101,344 | \$ 50,000 | \$ 161,683 | \$ 158,221 |
| (Deficiency) excess of revenue over expenses | (2,690) | 15,970 | - | 13,280 | 3,462 |
| NET ASSETS - END OF YEAR | \$ 7,649 | \$ 117,314 | \$ 50,000 | \$ 174,963 | \$ 161,683 |

**VOLUNTEER ALBERTA (THE ASSOCIATION OF VOLUNTEER CENTRES AND
VOLUNTEER ENGAGING ORGANIZATIONS OF ALBERTA)**

Statement of Financial Position

December 31, 2016

(Unaudited)

| | 2016 | 2015 |
|---|-------------------|-------------------|
| ASSETS | | |
| CURRENT | | |
| Cash and cash equivalents <i>(Note 3)</i> | \$ 493,883 | \$ 530,095 |
| Accounts receivable | 25,552 | 7,760 |
| Interest receivable | 1,414 | 895 |
| Goods and Services Tax recoverable | 3,238 | 7,216 |
| Prepaid expenses | 17,662 | 11,368 |
| | 541,749 | 557,334 |
| EQUIPMENT <i>(Note 4)</i> | 9,159 | 12,226 |
| ENDOWMENT INVESTMENTS <i>(Note 5)</i> | 10,291 | 10,291 |
| | \$ 561,199 | \$ 579,851 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | \$ 9,969 | \$ 13,210 |
| Deferred membership fees | 6,680 | 13,225 |
| Deferred contributions <i>(Note 6)</i> | 357,911 | 376,291 |
| Current portion of deferred capital contributions <i>(Note 7)</i> | 302 | 377 |
| Current portion of lease inducement <i>(Note 8)</i> | 3,389 | 3,389 |
| | 378,251 | 406,492 |
| DEFERRED CAPITAL CONTRIBUTIONS <i>(Note 7)</i> | 1,208 | 1,510 |
| LEASE INDUCEMENT <i>(Note 8)</i> | 6,777 | 10,166 |
| | 386,236 | 418,168 |
| COMMITMENTS <i>(Note 9)</i> | | |
| NET ASSETS | | |
| Invested in equipment | 7,649 | 10,339 |
| Unrestricted | 117,314 | 101,344 |
| Internally restricted <i>(Note 10)</i> | 50,000 | 50,000 |
| | 174,963 | 161,683 |
| | \$ 561,199 | \$ 579,851 |

ON BEHALF OF THE BOARD

Director

Director

**VOLUNTEER ALBERTA (THE ASSOCIATION OF VOLUNTEER CENTRES AND
VOLUNTEER ENGAGING ORGANIZATIONS OF ALBERTA)**

Statement of Cash Flow

Year Ended December 31, 2016

(Unaudited)

| | 2016 | 2015 |
|---|---------------------|-------------|
| OPERATING ACTIVITIES | | |
| Cash receipts from contracts, grants, and memberships | \$ 1,014,828 | \$ 916,618 |
| Cash paid to suppliers and employees | (1,053,521) | (1,006,339) |
| Interest received | 2,481 | 2,965 |
| DECREASE IN CASH | (36,212) | (86,756) |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR | 530,095 | 616,851 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 493,883 | \$ 530,095 |

**VOLUNTEER ALBERTA (THE ASSOCIATION OF VOLUNTEER CENTRES AND
VOLUNTEER ENGAGING ORGANIZATIONS OF ALBERTA)**

Notes to Financial Statements

Year Ended December 31, 2016

(Unaudited)

1. PURPOSE OF ORGANIZATION

Volunteer Alberta (the "Association") promotes voluntarism within the Province of Alberta by providing funding and supportive services in the voluntary sector around the province.

The Association is incorporated under the Societies Act of the Province of Alberta and registered as a Canadian charitable organization under the Income Tax Act (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit plus highly liquid short term investments, less cheques issued and outstanding and net of draws on the operating line of credit.

Revenue recognition

Deferred contributions represent funds that are externally restricted for specific projects other than the purchase of property and equipment. The Association follows the deferral method of accounting for grants, contracts, contributions and donations. Restricted contributions that meet the criteria of a liability, other than those received for the purchase of property and equipment, are recognized as revenue in the year in which the related expenses are incurred. In the case of revenues received for the purchase of equipment having a limited life, these amounts are amortized to revenue over the useful lives of the related assets.

Revenues from direct program contributions are recognized when received, or when receivable if the amount can be reasonably estimated and collection is reasonably assured.

Revenues for the provision of goods or services are recognized in the period in which the goods are provided or the services are substantially rendered and collection is reasonably assured.

Revenues from memberships are recognized when the related membership services are provided. Membership fees received in advance are deferred and recognized as revenue in the fiscal period to which they relate.

Revenues received from donations and contributions-in-kind are recorded at fair value when such value can be reasonably determined.

Revenues from interest and other income are recognized when earned.

(continues)

**VOLUNTEER ALBERTA (THE ASSOCIATION OF VOLUNTEER CENTRES AND
VOLUNTEER ENGAGING ORGANIZATIONS OF ALBERTA)**

Notes to Financial Statements

Year Ended December 31, 2016

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Donated goods and services

Donated goods and services are recorded at their fair market value at the time of the donation, which is the amount the Association would normally pay for the service. During the year, volunteer time was contributed to assist the Association in carrying out its service delivery activities. The value of the volunteer time is not recognized in the financial statements.

Financial instruments

All financial instruments are initially measured at fair value, and, unless otherwise noted, the Association subsequently measures its financial instruments at amortized cost.

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization. Equipment is amortized over its estimated useful life at the following rates and methods:

| | | |
|---|-----|--------------------------|
| Video conferencing and phone equipment | 20% | declining balance method |
| Computer equipment | 30% | declining balance method |

The Association regularly reviews its equipment to eliminate obsolete items.

Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

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. The significant estimates pertain to collectability of accounts receivable and the physical and economic lives of equipment.

**VOLUNTEER ALBERTA (THE ASSOCIATION OF VOLUNTEER CENTRES AND
VOLUNTEER ENGAGING ORGANIZATIONS OF ALBERTA)**

Notes to Financial Statements

Year Ended December 31, 2016

(Unaudited)

3. CASH AND CASH EQUIVALENTS

| | 2016 | 2015 |
|------------------------------------|-------------------|-------------------|
| Guaranteed Investment Certificates | \$ 413,167 | \$ 412,717 |
| Savings accounts | 50,144 | 49,757 |
| Operating accounts | 30,572 | 67,621 |
| | \$ 493,883 | \$ 530,095 |

The cashable three-year guaranteed investment certificates bear interest at increasing rates varying between 0.75% to 1.35% (2015 - 0.85% to 1.35%) with each increase occurring on their anniversary dates. Due to their cashable nature, the certificates have been classified as short-term investments that are equivalent to cash.

4. EQUIPMENT

| | Cost | Accumulated amortization | 2016 Net book value | 2015 Net book value |
|---|------------------|-----------------------------|------------------------------------|---------------------------|
| Video conferencing and phone equipment | \$ 22,078 | \$ 17,271 | \$ 4,807 | \$ 6,008 |
| Computer equipment | 31,417 | 27,065 | 4,352 | 6,218 |
| | \$ 53,495 | \$ 44,336 | \$ 9,159 | \$ 12,226 |

5. ENDOWMENT INVESTMENTS

| | 2016 | 2015 |
|--|-------------|-------------|
| VSMP Alumni Chapter Endowed Project Fund | \$ 10,291 | \$ 10,291 |

According to the Endowment Agreement with VSMP Alumni Chapter, the \$10,291 principal balance must remain endowed until ten years after the establishment date of April 10, 2008. The interest earned from this endowment should be used for general operations of the Resource Bank (Resource Centre for Voluntary Organizations), a project managed by the Association. The endowment investment has an annual interest rate of 1.5%. The interest is calculated and paid annually.

**VOLUNTEER ALBERTA (THE ASSOCIATION OF VOLUNTEER CENTRES AND
VOLUNTEER ENGAGING ORGANIZATIONS OF ALBERTA)**

Notes to Financial Statements

Year Ended December 31, 2016

(Unaudited)

6. DEFERRED CONTRIBUTIONS

During the year, the Association received contributions totaling \$851,060 (2015 - \$668,500). Deferred contributions represent funds received from donors and sponsors for specific projects and are amortized into income as related expenditures are incurred.

| | Endowment | Volunteer Week | SCiP and Other | Total |
|---|-----------|-------------------|-------------------|------------|
| Deferred contributions, beginning of year | \$ 10,291 | \$ - | \$ 366,000 | \$ 376,291 |
| Add: contributions received | - | 160,500 | 690,560 | 851,060 |
| Less: recognized as revenue | - | (160,500) | (708,940) | (869,440) |
| | \$ 10,291 | \$ - | \$ 347,620 | \$ 357,911 |

7. DEFERRED CAPITAL CONTRIBUTIONS

In 2009, the Association received a donation of equipment valued at \$10,000. Deferred capital contributions are amortized into revenue to match the amortization of the related equipment.

| | 2016 | 2015 |
|--|-----------|-----------|
| ICCAN Gift | \$ 10,000 | \$ 10,000 |
| Less: amortization of deferred capital contributions | (8,490) | (8,113) |
| Subtotal | 1,510 | 1,887 |
| Current portion of deferred capital contributions | (302) | (377) |
| | \$ 1,208 | \$ 1,510 |

8. LEASE INDUCEMENT

In the initial five month rent free portion of the lease, ended June 30, 2015, the recognition of rent expense results in a deferred lease liability. This deferred liability is then reduced over the remaining 55 months of the lease term, when the monthly base rent increases.

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VOLUNTEER ENGAGING ORGANIZATIONS OF ALBERTA)**

Notes to Financial Statements

Year Ended December 31, 2016

(Unaudited)

9. COMMITMENT

The current lease on the Association's premises expires on January 31, 2020 and provides for the following minimum base rent payments which amount to \$195,947, in aggregate, over the term of the lease:

February 1, 2015 to June 30, 2015: rent free

July 1, 2015 to January 31, 2017: \$3,389 per month

February 1, 2017 to January 31, 2019: \$3,588 per month

February 1, 2019 to January 31, 2020: \$3,787 per month

In addition to the monthly base rent payments, the Association is responsible for paying common area costs that vary from year to year and are presented as part of rent expense.

10. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors for the Association has internally restricted \$50,000 (2015 - \$50,000) of its net assets in the event strategic funding is required.

11. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis provides information about the Association's risk exposure and concentration as of December 31, 2016. Unless otherwise noted, the Association's risk exposure has not changed from the prior year.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The maximum exposure to credit risk is the carrying value of accounts receivable on the balance sheet. The Association is exposed to credit risk from its grants, contracts, memberships, programs, and donations. Management assesses the need for an allowance for potential credit losses by considering the credit risk of specific contracts, historical trends and other information.

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. The Association is exposed to interest rate risk with respect to the amount of interest earned annually from cash funds on deposit with financial institutions.

12. COMPARATIVE FIGURES

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