# VOLUNTEER ALBERTA

## Financial Statements

## For the Year Ended December 31, 2023

# INDEPENDENT AUDITOR'S REPORT

To the Members of Volunteer Alberta

*Opinion*

We have audited the financial statements of Volunteer Alberta (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 a qualified opinion on those financial statements on May 26, 2023 because of the inability to verify completeness of fundraising revenue.

*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.

Metrix Group LLP

Chartered Professional Accountants

Edmonton, Alberta
May 7, 2024

**VOLUNTEER ALBERTA**

**Statement of Financial Position**

**As at December 31, 2023**

| | **2023** | 2022 |
|---|---|---|
| **ASSETS** | | |
| CURRENT | | |
| Cash and cash equivalent | **$ 513,179** | $ 692,936 |
| Restricted cash | **-** | 55,489 |
| Accounts receivable | **7,416** | 41,778 |
| Goods and Services Tax recoverable | **6,957** | 2,336 |
| Interest receivable | **2,515** | 342 |
| Prepaid expenses | **12,172** | 14,885 |
| Investments | **68,577** | - |
| Restricted investments | **55,785** | - |
| | **666,601** | 807,766 |
| TANGIBLE CAPITAL ASSETS *(Note 4)* | **3,755** | 5,249 |
| | **$ 670,356** | $ 813,015 |
| **LIABILITIES** | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | **$ 78,384** | $ 65,080 |
| Deferred contributions | **578,125** | 745,071 |
| | **656,509** | 810,151 |
| **NET ASSETS** | | |
| Unrestricted fund | **(45,694)** | (57,874) |
| Internally restricted | **55,785** | 55,489 |
| Invested in capital assets | **3,756** | 5,249 |
| | **13,847** | 2,864 |
| | **$ 670,356** | $ 813,015 |

**ON BEHALF OF THE BOARD**

Lori Gilchrist ________ *Director*

________ *Director*

**VOLUNTEER ALBERTA**

**Statement of Revenues and Expenditures**

**For the Year Ended December 31, 2023**

| | 2023 | 2022 |
|---|---|---|
| **REVENUE** | | |
| Contracts, grants and contributions | **$ 1,703,145** | $ 1,489,587 |
| Memberships, workshops and donations | **37,915** | 49,450 |
| Interest | **7,093** | 2,671 |
| | **1,748,153** | 1,541,708 |
| **EXPENSES** | | |
| Salaries, wages and benefits | **791,086** | 797,756 |
| Vulnerable sector check fee waiver | **351,911** | 405,359 |
| Contract services | **180,105** | 132,051 |
| Education and development grants | **112,100** | 30,000 |
| Capacity building networking | **67,200** | 51,000 |
| Computer | **53,942** | 57,524 |
| Office rent | **39,002** | 35,147 |
| Professional fees | **27,884** | 18,018 |
| Office | **24,402** | 30,016 |
| Board expense | **23,523** | 226 |
| Program travel | **15,053** | 22,398 |
| Telephone and telecommunications | **13,391** | 13,482 |
| Marketing and communications | **8,232** | 4,807 |
| Staff expenses | **5,335** | 7,600 |
| Professional development | **5,206** | 1,302 |
| Events | **3,308** | 5,310 |
| Venue rental | **3,274** | 1,380 |
| Insurance | **3,069** | 3,050 |
| Website | **2,682** | 3,219 |
| Bank charges | **2,353** | 2,677 |
| Convening | **2,071** | 1,020 |
| Amortization | **1,493** | 2,125 |
| Volunteer recognition | **548** | 396 |
| | **1,737,170** | 1,625,863 |
| **EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS** | **10,983** | (84,155) |
| OTHER INCOME | **-** | (469) |
| **EXCESS OF REVENUE OVER EXPENSES** | **$ 10,983** | $ (84,624) |

**VOLUNTEER ALBERTA**
**Statement of Changes in Net Assets**
**For the Year Ended December 31, 2023**

| | Unrestricted Fund | Internally Restricted | Invested in Capital Assets | **2023** | 2022 |
|---|---|---|---|---|---|
| **NET ASSETS - BEGINNING OF YEAR** | $ (57,874) | $ 55,489 | $ 5,249 | **$ 2,864** | $ 87,488 |
| Excess of revenue over expenses | 12,180 | 296 | (1,493) | **10,983** | (84,624) |
| **NET ASSETS - END OF YEAR** | $ (45,694) | $ 55,785 | $ 3,756 | **$ 13,847** | $ 2,864 |

**VOLUNTEER ALBERTA**

**Statement of Cash Flows**

**For the Year Ended December 31, 2023**

| | 2023 | 2022 |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Cash receipts from customers | **$ 1,610,948** | $ 2,001,357 |
| Cash paid to suppliers and employees | **(1,719,479)** | (1,684,579) |
| Interest paid | **(2,353)** | (2,677) |
| Cash flow from (used by) operating activities | **(110,884)** | 314,101 |
| **INVESTING ACTIVITIES** | | |
| Proceeds on disposal of investments | **55,489** | - |
| Purchase of investments | **(124,362)** | - |
| Cash flow used by investing activities | **(68,873)** | - |
| **INCREASE (DECREASE) IN CASH FLOW** | **(179,757)** | 314,101 |
| Cash - beginning of year | **692,936** | 378,835 |
| **CASH - END OF YEAR** | **$ 513,179** | $ 692,936 |

1. PURPOSE OF THE ORGANIZATION

Volunteer Alberta (the "Organization") is a not-for-profit organization of Alberta, incorporated under the Societies Act of the Province of Alberta. The Organization's principal purpose is to strengthen and create pathways for volunteerism and civic engagement in Alberta.The Association is a registered charity under Income Tax Act (Canada) and, as such, is exempt form income taxes.

2. 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).

Net assets

a) Net assets invested in property and equipment represents the organization’s net investment in property and equipment which is comprised of the unamortized amount of property and equipment purchased with restricted funds.
b) Internally restricted net assets are funds which have been designated for a specific purpose by the organization’s Board of Directors.
c) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year, not of transfers, and are available for general purposes.

Revenue recognition

Volunteer 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. Endowment contributions are recognized as direct increases in net assets.

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

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

Revenue from memberships is 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.

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

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

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

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.

Property and equipment

Purchased capital assets are recorded at cost. The cost of a tangible capital asset is comprised of its purchase price and any directly attributable cost of preparing the asset for its intended use.

Tangible capital assets are stated at cost and are amortized at the following rates and methods:

| | | |
|---|---|---|
| Computer Equipment | 30% | declining balance method |
| Office Equipment | 20% | declining balance method |

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

Financial instruments

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.

When the Organization issues financial instruments that include both a debt and equity component, the entire proceeds are allocated to the debt component, and the equity component is assigned a measurement amount of $nil.

When financial instruments that include both a debt and an equity component are issued, the proceeds are allocated firstly to the component for which the fair value is more readily determinable, and the residual is allocated to the other component.

Preferred shares that would otherwise be classified as liabilities, are classified as equity when issued as part of certain tax planning arrangements.

Contributed services

The operations of the organization 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.

3. CASH AND CASH EQUIVALENTS

| | **2023** | 2022 |
|---|---|---|
| Section heading | | |
| Cash | **$ 513,178** | $ 626,499 |
| GIC - maturing within 90 days | **-** | 66,436 |
| | **$ 513,178** | $ 692,935 |

## 4. TANGIBLE CAPITAL ASSETS

| | Cost | Accumulated amortization | **2023 Net book value** | 2022 Net book value |
|---|---|---|---|---|
| Computer equipment | $ 41,618 | $ 38,547 | **$ 3,071** | $ 4,388 |
| Office equipment | 12,078 | 11,394 | **684** | 861 |
| | $ 53,696 | $ 49,941 | **$ 3,755** | $ 5,249 |

## 5. DEFERRED CONTRIBUTIONS

Deferred contributions consist of membership fees and unspent contributions externally restricted by donors and sponsors. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made or services are rendered. Changes in the deferred contribution balance are as follows:

| | **2023** | 2022 |
|---|---|---|
| Balance, beginning of year | **$ 745,071** | $ 285,312 |
| Amount received during the year | **1,546,697** | 1,940,426 |
| Amount receivable at year-end | **-** | 39,878 |
| Less: Amount recognized as revenue during the year | **(1,713,643)** | (1,520,545) |
| | **$ 578,125** | $ 745,071 |

## 6. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors for the Association has internally restricted $55,785 (2022 - $55,489) of its net assets in the event strategic funding is required.

## 7. CONTRACTUAL OBLIGATIONS

The Association's lease for its office premises has a term of five years expiring March 31, 2026 with annual base rent obligations of:

| | |
|---|---|
| 2024 | $ 19,136 |
| 2025 | 19,136 |
| 2026 | 4,784 |
| | $ 43,056 |

8. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of December 31, 2023.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from customers. In order to reduce its credit risk, the Organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Organization has a significant number of customers which minimizes concentration of credit risk.

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. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through maintaining interest based investments until maturity.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

9. COMPARATIVE FIGURES

The prior year comparative figures were audited by another firm of public accountants.

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