Volunteer Alberta
Financial Statements
December 31, 2022

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

Qualified Opinion

We have audited the financial statements of Volunteer Alberta (the "Association"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2022, 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 Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to contributions, excess (deficiency) of revenue over expenses, and cash flows from operations for the year ended December 31, 2022, current assets as at December 31, 2022, and net assets as at January 1, 2022 and December 31, 2022. Our audit opinion on the financial statements for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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 Association 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 Association’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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association’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 Association'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 Association'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 Association 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

MNP LLP

May 26, 2023

Chartered Professional Accountants

MNP

Volunteer Alberta
Statement of Financial Position
As at December 31, 2022

	2022	*2021*
Assets		
Current		
Cash *(Note 3)*	**692,937**	378,835
Restricted cash *(Note 3)*	**55,489**	55,018
Accounts receivable	**41,778**	35,983
Interest receivable	**342**	342
GST receivable	**2,336**	8,180
Prepaid expenses and deposits	**14,884**	10,815
	807,766	489,173
Capital assets *(Note 4)*	**5,249**	7,843
	813,015	497,016
Liabilities		
Current		
Accounts payable and accruals	**65,080**	123,715
Deferred contributions *(Note 5)*	**745,071**	285,312
	810,151	409,027
Deferred contributions related to capital assets *(Note 6)*	**-**	501
	810,151	409,528
Contractual obligations *(Note 8)*		
Net Assets		
Unrestricted	**(57,874)**	30,146
Internally restricted *(Note 3) (Note 7)*	**55,489**	50,000
Invested in capital assets	**5,249**	7,342
	2,864	87,488
	813,015	497,016

Approved on behalf of the Board

signed by "Hero Laird"
Director

signed by "Ken Okirk"
Director

Volunteer Alberta
Statement of Operations
For the year ended December 31, 2022

	2022	*2021*
Revenue		
Contracts, grants, and contributions	**1,438,875**	1,344,432
Memberships, workshops and donations	**100,162**	89,391
Interest	**2,671**	2,159
	1,541,708	1,435,982
Expenses		
Wages and benefits	**797,756**	759,258
Vulnerable sector check fee waiver	**405,359**	239,509
Contract services	**132,051**	129,274
Computer	**56,552**	57,747
Capacity building networking	**51,000**	64,153
Office rent	**35,147**	64,234
Office and postage	**30,175**	40,567
Education and development grants	**30,000**	30,000
Program travel	**22,398**	20,448
Professional fees	**18,018**	13,062
Utilities and telephone	**13,482**	12,947
Staff expenses	**7,600**	3,502
Events	**5,310**	5,963
Marketing and communications	**4,807**	4,515
Website	**3,219**	25,401
Insurance	**3,050**	3,047
Bank charges	**2,677**	2,560
Amortization	**2,125**	3,080
Professional development	**2,115**	1,771
Venue rental	**1,380**	247
Convening	**1,020**	1,089
Volunteer recognition	**396**	374
Board expense	**226**	-
Travel	**-**	310
	1,625,863	1,483,058
Deficiency of revenue over expenses before other items	**(84,155)**	(47,076)
Other items		
Gain (loss) on disposal of capital asset *(Note 6)*	**(469)**	-
Deficiency of revenue over expenses	**(84,624)**	(47,076)

The accompanying notes are an integral part of these financial statements

Volunteer Alberta
Statement of Changes in Net Assets
For the year ended December 31, 2022

	Invested in capital assets	*Unrestricted*	*Internally restricted*	***2022***	*2021*
Net assets, beginning of year	**7,342**	**30,146**	**50,000**	**87,488**	134,564
Deficiency of revenue over expenses	**(2,093)**	**(82,531)**	**-**	**(84,624)**	(47,076)
Interfund transfers	**-**	**(5,489)**	**5,489**	**-**	-
Net assets, end of year	**5,249**	**(57,874)**	**55,489**	**2,864**	87,488

The accompanying notes are an integral part of these financial statements

Volunteer Alberta
Statement of Cash Flows
For the year ended December 31, 2022

	2022	*2021*
Cash provided by (used for) the following activities		
Operating		
Cash receipts from contracts, grants and memberships	**1,992,673**	1,251,486
Cash paid for program service expenses	**(1,679,297)**	(1,396,075)
Interest received	**726**	492
Increase (decrease) in cash resources	**314,102**	(144,097)
Cash, beginning of year	**378,835**	522,932
Cash, end of year	**692,937**	378,835

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Volunteer Alberta (The Association of Volunteer Centres and Volunteer Engaging Organizations of Alberta) (the "Association") was incorporated under the authority of the *Societies Act* of the Province of Alberta and is registered as a charitable organization and thus is exempt from income taxes under section 149(1)(f) of the *Income Tax Act* ("the Act").

The Association's purpose is to strengthen and create pathways for volunteerism and civic engagement in Alberta.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Net assets

Unrestricted net assets account for the Association's program delivery and administrative activities.

Internally restricted net assets were established by the Board of Directors in the event strategic funding is required.

Net assets invested in capital assets reports the assets, liabilities, revenue and expenses related to the Association's capital assets.

Revenue recognition

The Association 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 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 provision 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. Revenue from interest is recognized when it is earned.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Association's operations and would otherwise have been purchased.

Volunteers contribute a significant amount of time each year to assist the Association in carrying out its programs and services. However, contributed services are not reflected in these financial statements because their fair value cannot be reasonably determined.

Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase some of the Association's equipment. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

Cash

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash and excluded from the statement of cash flows.

2. Significant accounting policies *(Continued from previous page)*

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Capital assets are amortized over its estimated useful life at the following rates and methods:

	Method	Rate
Computer equipment	declining balance	30 %
Office equipment	declining balance	20 %

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Association writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Association's ability to provide goods and services. An asset is also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Association determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Income taxes

The Association is registered as a charitable organization under the *Income Tax Act* (the "Act") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Association must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

Allocation of expenses

The Association engages in various programs in support of its mission. The costs of each program include the costs of personnel, premises, utilities and other expenses that are directly related to providing the program. The Association also incurs a number of general support expenses that are common to the administration of the Association and each of its programs.

The Association allocates certain of its general support expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year. These allocations are governed by the definition of eliglble expenses contained within the relevant funding agreements.

Direct program expenses are not allocated but are coded directly to the relevant program.

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in deficiency of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Related party financial instruments

The Association initially measures investments or debt instruments with a quoted market value or derivatives originated in a related party transaction ("related party financial instruments") at fair value.

All other related party financial instruments are measured at cost on initial recognition.

At initial recognition, the Association may elect to subsequently measure related party debt instruments that are quoted in an active market, or that have observable inputs significant to the determination of fair value, at fair value. The Association has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in deficiency of revenue over expenses.

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year deficiency of revenue over expenses. The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in deficiency of revenue over expenses in the year the reversal occurs.

Measurement uncertainty (use of estimates)

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenue over expenses in the year in which they become known.

3. Cash

	2022	*2021*
Cash	**552,602**	239,975
Guaranteed investment certificates	**140,335**	138,860
	692,937	378,835

Due to their cashable nature, the certificates have been classified as short-term investments that are equivalent to cash. Two (2021 - two) cashable one year guaranteed investment certificates bear interest at a rate of 3.80% (2021 - 0.25%) with a maturity date within the next fiscal year. Restricted cash is comprised of $55,489 (2021 - $55,018) of short-term investments that have been internally restricted by the Board of Directors.

4. Capital assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	**41,618**	**37,230**	**4,388**	6,268
Office equipment	**12,078**	**11,217**	**861**	1,575
	53,696	**48,447**	**5,249**	7,843

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:

	2022	2021
Balance, beginning of year	**285,312**	434,666
Amount received during the year	**1,940,426**	1,249,355
Amount receivable at year-end	**39,878**	35,182
Less: Amount recognized as revenue during the year	**(1,520,545)**	(1,433,891)
	745,071	285,312

6. Deferred contributions related to capital assets

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. The equipment was disposed of in 2022 resulting in a loss of $469 and a corresponding recognition of the remaining deferred contribution related to capital assets of $478.

	2022	2021
ICCAN gift balance, beginning of year	**501**	618
Less: amortization of deferred capital contributions	**(23)**	(117)
Recognized on disposal of equipment	**(478)**	-
	-	501

7. Internally restricted net assets

The Board of Directors for the Association has internally restricted $55,489 (2021 - $50,000) of its net assets in the event strategic funding is required.

8. Contractual obligations

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

2023	17,541
2024	19,136
2025	19,136
2026	19,136
	74,949

9. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Financial instruments that potentially subject the Association to concentrations of credit risk consist primarily of accounts receivable. As at December 31, 2022, three contributors accounted for 96% of the accounts receivable (2021 - two contributors accounted for 99%). The Association believes that there is no unusual exposure associated with the collection of these receivables. The Association performs regular credit assessments of its contributors and provides allowances for potentially uncollectible accounts receivable.

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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through maintaining interest based investments until maturity.

10. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.