

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

**Financial Statements**

**Year Ended December 31, 2018**

*(Unaudited)*

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

**Index to Financial Statements**

**Year Ended December 31, 2018**

*(Unaudited)*

---

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Operations	2
Statement of Changes in Net Assets	3
Statement of Financial Position	4
Statement of Cash Flow	5
Notes to Financial Statements	6 - 10



KINGSTON  
ROSS  
PASNAK<sup>LLP</sup>

CHARTERED PROFESSIONAL ACCOUNTANTS

Suite 1500, 9888 Jasper Avenue NW  
Edmonton, Alberta T5J 5C6  
T. 780.424.3000 | F. 780.429.4817 | W. krpgroup.com

May 5, 2019  
Edmonton, Alberta

## **INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

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

We have reviewed the accompanying financial statements of Volunteer Alberta (The Association of Volunteer Centres and Volunteer Engaging Organizations of Alberta) which comprise the statement of financial position as at December 31, 2018 and the statements of operations, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

### **Practitioner's Responsibility for the Financial Statements**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### **Basis for Qualified Conclusion**

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. Our conclusion on the financial statements as at and for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

### **Qualified Conclusion**

Based on our review, except for the effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Volunteer Alberta (The Association of Volunteer Centres and Volunteer Engaging Organizations of Alberta) as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

**Kingston Ross Pasnak LLP**

Chartered Professional Accountants

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

**Statement of Operations**

**Year Ended December 31, 2018**

*(Unaudited)*

	2018	2017
<b>REVENUE</b>		
Contracts, grants and contributions	\$ 1,351,211	\$ 987,763
Vulnerable Sector Check Fee Waiver	415,072	444,477
Memberships, workshops, and donations	82,969	53,545
Interest	4,731	2,298
	<b>1,853,983</b>	<b>1,488,083</b>
<b>EXPENSES</b>		
Wages and benefits	865,287	696,465
Vulnerable Sector Check Fee Waiver	415,072	444,477
Contract services	179,140	21,271
Office rent	73,498	71,755
Capacity building networking	66,000	65,000
Computer	39,615	29,342
Education and development grants	30,000	26,000
Website	29,833	5,753
Professional development	27,940	6,631
Marketing and communications	21,568	2,254
Staff expenses	20,529	18,534
Convening	19,378	-
Office and postage	17,730	20,276
Utilities and telephone	11,334	8,854
Professional fees	7,329	6,643
Events	6,987	6,433
Amortization	3,745	3,447
Travel	3,603	16,725
Board expense	3,485	2,934
Venue rental	3,376	103
Insurance	3,039	2,999
Bank charges	2,288	2,057
Volunteer recognition	290	100
Donations	100	-
	<b>1,851,166</b>	<b>1,458,053</b>
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>2,817</b>	<b>30,030</b>
LOSS ON DISPOSAL OF EQUIPMENT	-	(230)
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 2,817</b>	<b>\$ 29,800</b>

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

**Statement of Changes in Net Assets**

**Year Ended December 31, 2018**

*(Unaudited)*

	Invested in Equipment	Unrestricted	Internally Restricted	<b>2018</b>	2017
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 12,515	\$ 142,248	\$ 50,000	<b>\$ 204,763</b>	\$ 174,963
EXCESS OF REVENUE OVER EXPENSES	(3,503)	6,320	-	<b>2,817</b>	29,800
<b>NET ASSETS - END OF YEAR</b>	\$ 9,012	\$ 148,568	\$ 50,000	<b>\$ 207,580</b>	\$ 204,763

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


**Statement of Financial Position**

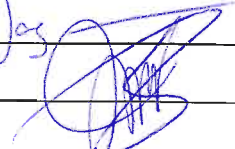
**December 31, 2018**

*(Unaudited)*

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents (Note 3)	\$ 749,434	\$ 865,046
Accounts receivable	3,168	113,829
Interest receivable	1,714	1,166
Goods and Services Tax recoverable	3,800	2,343
Prepaid expenses	19,773	10,725
	<b>777,889</b>	<b>993,109</b>
EQUIPMENT (Note 4)	9,978	13,723
LONG TERM INVESTMENTS (Note 5)	-	10,291
	<b>\$ 787,867</b>	<b>\$ 1,017,123</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 13,025	\$ 50,337
Deferred membership fees	15,740	2,640
Deferred contributions (Note 6)	547,167	751,397
Current portion of deferred capital contributions (Note 7)	193	242
Current portion of lease inducement (Note 8)	3,389	3,389
	<b>579,514</b>	<b>808,005</b>
DEFERRED CAPITAL CONTRIBUTIONS (Note 7)	773	966
LEASE INDUCEMENT (Note 8)	-	3,389
	<b>580,287</b>	<b>812,360</b>
COMMITMENT (Note 9)		
<b>NET ASSETS</b>		
Invested in equipment	9,012	12,515
Unrestricted	148,568	142,248
Internally restricted (Note 10)	50,000	50,000
	<b>207,580</b>	<b>204,763</b>
	<b>\$ 787,867</b>	<b>\$ 1,017,123</b>

**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, 2018**

*(Unaudited)*

	<b>2018</b>	2017
<b>OPERATING ACTIVITIES</b>		
Cash receipts from contracts, grants, and memberships	<b>\$ 1,776,826</b>	\$ 1,787,796
Cash paid to suppliers and employees	<b>(1,897,169)</b>	(1,410,690)
Interest received	<b>4,731</b>	2,298
Cash flows (used by) from operating activities	<b>(115,612)</b>	379,404
<b>INVESTING ACTIVITY</b>		
Purchase of equipment	-	(8,241)
<b>(DECREASE) INCREASE IN CASH</b>	<b>(115,612)</b>	371,163
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<b>865,046</b>	493,883
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 749,434</b>	\$ 865,046

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

## **Notes to Financial Statements**

**Year Ended December 31, 2018**

*(Unaudited)*

---

### **1. PURPOSE OF ORGANIZATION**

Volunteer Alberta (the "Association") strengthens Alberta's nonprofit and voluntary sector organizations through knowledge exchange and strategic connections.

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.

#### 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, 2018**

*(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, 2018**

*(Unaudited)*

**3. CASH AND CASH EQUIVALENTS**

	<b>2018</b>	2017
Guaranteed Investment Certificates	<b>\$ 491,747</b>	\$ 488,772
Operating accounts	<b>186,872</b>	305,734
Savings accounts	<b>70,815</b>	70,540
	<b>\$ 749,434</b>	\$ 865,046

The cashable three-year guaranteed investment certificates bear interest at increasing rates varying between 0.65% to 0.85% (2017 - 0.75% 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	<b>2018 Net book value</b>	2017 Net book value
Computer equipment	\$ 35,063	\$ 28,161	<b>\$ 6,902</b>	\$ 9,878
Video conferencing and phone equipment	22,078	19,002	<b>3,076</b>	3,845
	<b>\$ 57,141</b>	<b>\$ 47,163</b>	<b>\$ 9,978</b>	<b>\$ 13,723</b>

**5. ENDOWMENT INVESTMENTS**

	<b>2018</b>	2017
VSMP Alumni Chapter Endowed Project Fund	<b>\$ -</b>	\$ 10,291

According to the Endowment Agreement with VSMP Alumni Chapter, the \$10,291 principal balance remained endowed until ten years after the establishment date of April 10, 2008. The interest earned from this endowment was used for general operations of the Resource Bank (Resource Centre for Voluntary Organizations), a project managed by the Association. The endowment investment had an annual interest rate of 1.5%. The interest was calculated and paid annually. The balance has been recognized in 2018 upon completion of the contract.

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

**Notes to Financial Statements**

**Year Ended December 31, 2018**

*(Unaudited)*

**6. DEFERRED CONTRIBUTIONS**

During the year, the Association received contributions totaling \$1,307,000 (2017 - \$1,176,523). Deferred contributions represent funds received from donors and sponsors for specific projects and are amortized into income as related expenditures are incurred.

	Endowment	SCiP and Other	2018	2017
Deferred contributions, beginning of year	\$ 10,291	\$ 741,106	\$ 751,397	\$ 357,911
Add: contributions received	-	1,307,000	1,307,000	1,176,523
Less: recognized as revenue	(10,291)	(1,500,939)	(1,511,230)	(783,037)
	\$ -	\$ 547,167	\$ 547,167	\$ 751,397

**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.

	2018	2017
ICCAN Gift	\$ 10,000	\$ 10,000
Less: amortization of deferred capital contributions	(9,034)	(8,792)
Subtotal	966	1,208
Current portion of deferred capital contributions	(193)	(242)
	\$ 773	\$ 966

**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.

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

**Notes to Financial Statements**

**Year Ended December 31, 2018**

*(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 (2017 - \$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, 2018. 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.