

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

Financial Statements

Year Ended December 31, 2019

(Unaudited)

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

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Year Ended December 31, 2019

(Unaudited)

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May 3, 2020

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

Edmonton, Alberta

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) (the Association) that comprise the statement of financial position as at December 31, 2019, 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 (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.

Practitioner's Responsibility

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 not-for-profit organizations, the Association derives revenue from fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2019, current assets and net assets as at December 31, 2019. Our review conclusion on the financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation of scope.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that the 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, 2019, 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 (ASNPO).

Kingston Ross Parnak LLP

Chartered Professional Accountants

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

Statement of Operations

Year Ended December 31, 2019

(Unaudited)

	2019	2018
REVENUE		
Contracts, grants, and contributions	\$ 1,731,636	\$ 1,766,283
Memberships, workshops, and donations	81,274	82,969
Interest	7,150	4,731
	1,820,060	1,853,983
EXPENSES		
Wages and benefits	937,486	865,287
Vulnerable Sector Check Fee Waiver	446,904	415,072
Contract services	97,706	179,140
Office rent	75,064	73,498
Capacity building networking	64,500	66,000
Computer	49,975	39,615
Convening	32,136	19,378
Education and development grants	30,000	30,000
Program travel	29,688	3,603
Office and postage	25,401	17,730
Professional development	21,848	27,940
Staff expenses	20,763	20,529
Marketing and communications	17,913	21,568
Website	12,501	29,833
Utilities and telephone	10,385	11,334
Professional fees	8,396	7,329
Board expense	4,422	3,485
Events	3,464	6,987
Insurance	3,039	3,039
Amortization	2,686	3,745
Bank charges	2,116	2,288
Venue rental	798	3,376
Volunteer recognition	672	290
Donations	100	100
	1,897,963	1,851,166
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	\$ (77,903)	\$ 2,817

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

Statement of Changes in Net Assets

Year Ended December 31, 2019

(Unaudited)

	Invested in Equipment	Unrestricted	Internally Restricted	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 9,012	\$ 148,568	\$ 50,000	\$ 207,580	\$ 204,763
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	(2,492)	(75,411)	-	(77,903)	2,817
NET ASSETS - END OF YEAR	\$ 6,520	\$ 73,157	\$ 50,000	\$ 129,677	\$ 207,580

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



Statement of Financial Position

December 31, 2019

(Unaudited)

	2019	2018
ASSETS		
CURRENT		
Cash and cash equivalents <i>(Note 3)</i>	\$ 633,558	\$ 749,434
Accounts receivable	3,640	3,168
Interest receivable	4,294	1,714
Goods and Services Tax recoverable	4,220	3,800
Prepaid expenses	18,877	19,773
	664,589	777,889
EQUIPMENT <i>(Note 4)</i>	7,293	9,978
	\$ 671,882	\$ 787,867
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 42,598	\$ 13,025
Deferred membership fees	3,800	15,740
Deferred contributions <i>(Note 5)</i>	495,034	547,167
Current portion of lease inducement	-	3,389
	541,432	579,321
DEFERRED CAPITAL CONTRIBUTIONS <i>(Note 6)</i>	773	966
	542,205	580,287
NET ASSETS		
Invested in equipment	6,520	9,012
Unrestricted	73,157	148,568
Internally restricted <i>(Note 7)</i>	50,000	50,000
	129,677	207,580
	\$ 671,882	\$ 787,867

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, 2019

(Unaudited)

	2019	2018
OPERATING ACTIVITIES		
Cash receipts from contracts, grants, and memberships	\$ 1,754,904	\$ 1,776,826
Cash paid to suppliers and employees	(1,868,200)	(1,897,169)
Interest received	(2,580)	4,731
DECREASE IN CASH	(115,876)	(115,612)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	749,434	865,046
CASH AND CASH EQUIVALENTS - END OF YEAR (Note 3)	\$ 633,558	\$ 749,434

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

Notes to Financial Statements

Year Ended December 31, 2019

(Unaudited)

1. PURPOSE OF THE ORGANIZATION

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

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 are recognized when they are earned.

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.

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

Notes to Financial Statements

Year Ended December 31, 2019

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit plus highly liquid short term investments, less cheques issued.

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 and 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, 2019

(Unaudited)

3. CASH AND CASH EQUIVALENTS

	2019	2018
Guaranteed Investment Certificates	\$ 419,502	\$ 491,747
Operating accounts	143,241	186,872
Savings accounts	70,815	70,815
	\$ 633,558	\$ 749,434

Due to their cashable nature, the certificates have been classified as short-term investments that are equivalent to cash. Five cashable one year guaranteed investment certificates bear interest at a rate of prime less 2.70%, or 1.25% (2018 - 0.65% to 0.85%) with maturity dates within the next fiscal year.

One guaranteed investment certificate bears interest at a fixed rate of 1.86% and has a maturity date of August 20, 2021. Due to its cashable nature, it has been classified as a short-term investment that is equivalent to cash.

4. EQUIPMENT

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Computer equipment	\$ 35,063	\$ 30,231	\$ 4,832	\$ 6,902
Video conferencing and phone equipment	22,078	19,617	2,461	3,076
	\$ 57,141	\$ 49,848	\$ 7,293	\$ 9,978

5. DEFERRED CONTRIBUTIONS

During the year, the Association received contributions totaling \$1,685,372 (2018 - \$1,307,000). Deferred contributions represent funds received from donors and sponsors for specific projects and are amortized into income as related expenditures are incurred.

	Youth Services	Other	2019	2018
Deferred contributions, beginning of year	\$ -	\$ 547,167	\$ 547,167	\$ 751,397
Add: contributions received	394,097	1,291,275	1,685,372	1,307,000
Less: recognized as revenue	(276,938)	(1,460,567)	(1,737,505)	(1,511,230)
	\$ 117,159	\$ 377,875	\$ 495,034	\$ 547,167

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

Notes to Financial Statements

Year Ended December 31, 2019

(Unaudited)

6. 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.

	2019	2018
ICCAN Gift	\$ 10,000	\$ 10,000
Less: amortization of deferred capital contributions	(9,227)	(9,034)
	\$ 773	\$ 966

7. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors for the Association has internally restricted \$50,000 (2018 - \$50,000) of its net assets in the event strategic funding is required.

8. 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, 2019. 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.

9. SUBSEQUENT EVENTS

Subsequent to its year end, the Association signed a lease agreement for the currently occupied office space. The lease expires on January 31, 2025 and includes four rent-free months. The minimum base rent payments amount to \$178,602, in aggregate, over the term of the lease:

February 1, 2020 to January 31, 2025: \$2,977 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.

**VOLUNTEER ALBERTA (THE ASSOCIATION OF VOLUNTEER CENTRES AND
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Notes to Financial Statements

Year Ended December 31, 2019

(Unaudited)

10. COVID-19

The recent outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Association or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the Association's business, the continued spread of COVID-19 and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact the Association's business, financial condition or results of operations. The extent to which the COVID-19 outbreak impacts the Association's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

11. COMPARATIVE FIGURES

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