

# Financial Statements

Camrose Association For Community Living

March 31, 2023

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# Independent Auditor's Report

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To the Board of Directors of  
Camrose Association For Community Living

## Opinion

We have audited the financial statements of Camrose Association For Community Living ("the Association"), which comprise the statement of financial position as at March 31, 2023, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2023, 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 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 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 opinion.

## Other information

Management is responsible for the other information. The other information comprises:

The Annual Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

## 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.

## Independent Auditor's Report (continued)

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.

### **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, Canada  
Date to be determined

Chartered Professional Accountants

## Camrose Association For Community Living Statement of Operations

Year ended March 31	2023	2022
<b>Revenues</b>		
Government contracts and grants	\$ 5,334,730	\$ 5,224,414
Investment income	164,784	223,806
Other grants	192,478	138,907
Rent	157,660	152,900
Other income	84,950	90,408
Amortization of deferred capital contributions	77,473	83,435
Fundraising (Note 5)	76,125	7,862
Donations	19,776	24,039
Fees and recoveries	10,589	12,029
Membership dues	2,555	2,807
	<b>6,121,120</b>	<b>5,960,607</b>
<b>Expenditures</b>		
Wages and employee benefits	5,268,944	5,124,007
Program materials, projects and recreation	143,243	123,499
Telephone and utilities	114,995	104,621
Amortization	91,704	94,528
Repairs and maintenance	79,108	72,617
Travel	57,377	45,228
Insurance and licenses	50,381	39,612
Development and training	46,091	36,017
Rent and repayments	41,703	40,814
Professional fees	35,489	24,516
Investment management fees	29,573	30,772
Office supplies and postage	22,641	30,924
Bank charges and interest	7,614	9,405
Memberships	5,093	6,398
Scholarships	4,350	4,600
Advertising and promotion	3,375	7,939
Janitorial supplies	3,121	1,536
Meetings	1,035	434
	<b>6,005,837</b>	<b>5,797,467</b>
Excess of revenues over expenses before other item	115,283	163,140
Decrease in fair value of investments	(231,480)	(5,537)
(Deficiency) excess of revenues over expenses	<b>\$ (116,197)</b>	<b>\$ 157,603</b>

See accompanying notes to the financial statements.

# Camrose Association For Community Living Statement of Financial Position

March 31

2023

2022

**Assets**

Current

Cash	\$ 807,343	\$ 1,126,866
Investments (Note 3)	2,759,648	2,856,640
Accounts receivable	504,170	411,107
Prepaid expenses	53,306	4,363
Goods and services tax receivable	<u>12,932</u>	<u>8,673</u>
	4,137,399	4,407,649

Capital assets (Note 4)

	<u>2,111,640</u>	<u>2,120,521</u>
	<u>\$ 6,249,039</u>	<u>\$ 6,528,170</u>

**Liabilities**

Current

Accounts payable and accrued liabilities	\$ 105,369	\$ 100,525
Wages, vacation and benefits payable	340,962	355,633
Deferred contributions (Note 5)	<u>149,198</u>	<u>242,953</u>
	595,529	699,111

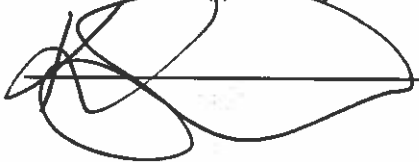
Deferred capital contributions (Note 6)

	<u>1,004,870</u>	<u>1,064,222</u>
	<u>1,600,399</u>	<u>1,763,333</u>

**Net Assets**

Invested in capital assets	1,106,770	1,056,299
Internally restricted (Note 7)	3,321,291	3,346,818
Unrestricted	<u>220,579</u>	<u>361,720</u>
	4,648,640	4,764,837
	<u>\$ 6,249,039</u>	<u>\$ 6,528,170</u>

Reviewed and Approved by:



President



Treasurer

**Camrose Association For Community Living**  
**Statement of Changes in Net Assets**

Year ended March 31

	Invested in Capital Assets	Internally Restricted	Unrestricted	Total 2023	Total 2022
Balance, beginning of year	\$ 1,056,299	\$ 3,346,818	\$ 361,720	\$ 4,764,837	\$ 4,607,234
(Deficiency) excess of revenues over expenses	-	-	(116,197)	(116,197)	157,603
Purchase of capital assets	82,823	-	(82,823)	-	-
Amortization of capital assets	(91,704)	-	91,704	-	-
Receipt of deferred capital contributions	(18,121)	-	18,121	-	-
Amortization of deferred capital contributions	77,473	-	(77,473)	-	-
Transfers to (from) reserves	-	(25,527)	25,527	-	-
Balance, end of year	<u>\$ 1,106,770</u>	<u>\$ 3,321,291</u>	<u>\$ 220,579</u>	<u>\$ 4,648,640</u>	<u>\$ 4,764,837</u>

See accompanying notes to the financial statements.

## Camrose Association For Community Living Statement of Cash Flows

Year ended March 31

2023

2022

(Decrease) increase in cash

**Operating**

(Deficiency) excess of revenues over expenses	\$ (116,197)	\$ 157,603
Items not affecting cash		
Amortization	91,704	94,528
Amortization of deferred capital contributions	(77,473)	(83,435)
Fair market value adjustment of investments	<u>231,480</u>	<u>5,537</u>
	<b>129,514</b>	<b>174,233</b>
Change in non-cash working capital items		
Accounts receivable	(93,063)	(353,142)
Prepaid expenses	(48,943)	(2,782)
Goods and services tax	(4,259)	1,562
Accounts payable and accrued liabilities	4,844	29,682
Wages, vacation and benefits payable	(14,671)	(86,360)
Deferred contributions	<u>(78,072)</u>	<u>87,305</u>
	<u>(104,650)</u>	<u>(149,502)</u>

**Financing**

Deferred contributions for capital assets	<u>2,438</u>	<u>-</u>
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**Investing**

Purchase of capital assets	(82,823)	-
Purchase of investments, net	<u>(134,488)</u>	<u>(192,274)</u>
	<u>(217,311)</u>	<u>(192,274)</u>

Decrease in cash	(319,523)	(341,776)
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**Cash**

Beginning of year	<u>1,126,866</u>	<u>1,468,642</u>
End of year	<u>\$ 807,343</u>	<u>\$ 1,126,866</u>



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# **Camrose Association For Community Living**

## **Notes to the Financial Statements**

March 31, 2023

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### **1. Authority and purpose**

Camrose Association For Community Living ("the Association") is a local organization serving Camrose and area, operating programs to provide service to and advocate for persons with developmental disabilities, acquired brain injury and families facing barriers.

The Association is incorporated under the Societies Act, Alberta as a not for profit organization and is a registered charity under the Income Tax Act (Canada). As such it is exempt from income taxes, able to issue donation receipts for income tax purposes and is annually required to disburse a minimum amount.

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### **2. Significant accounting policies**

The Association applies the Canadian accounting standards for not-for-profit organizations ("ASNPO").

#### **Revenue recognition**

The Association follows the deferral method of accounting for contributions.

Government operating grants are recognized as revenue either in the period received, or, where the grants relate to a future period, they are deferred and recognized in a subsequent period. Revenues received for the provision of goods and services are recognized in the period in which the goods are provided or the services rendered.

Contributions restricted for purposes other than the acquisition of capital assets are deferred and recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the acquisition of capital assets having a limited life are deferred and recorded as deferred capital contributions in the period in which they are expended. Deferred capital contributions are amortized to revenue over the useful lives of the related assets.

Interest income is recognized when earned, dividend income when received and realized gains and losses on investments on the actual settlement date.

#### **Cash**

Cash includes cash on hand and balances with banks, net of outstanding cheques and deposits.

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# Camrose Association For Community Living

## Notes to the Financial Statements

March 31, 2023

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### 2. Significant accounting policies (continued)

#### Capital assets

Capital assets are stated at original cost. Amortization is recorded on the straight line method over the useful life of the assets as follows:

Buildings	40 years
Automotive	5 years
Furniture and equipment	5 years
Suites	20 years
Computer hardware	5 years
Computer software	5 years

The amortization method and estimated useful life is reviewed on a regular basis.

#### Impairment of long-lived assets

The Association tests for impairment when events or changes in circumstances indicate the carrying amount of an item or class of capital assets may not be recoverable. The recoverability of long-lived assets is based on the net recoverable amounts determined on an undiscounted cash flow basis. If the carrying amount of an asset exceeds its net recoverable amount, an impairment loss is recognized to the extent that fair value is below the asset's carrying amount. Fair value is determined based on quoted market prices where available, otherwise on discounted cash flows over the life of the asset.

#### Contributed services

The Association benefits from the value of service donated by members interested in furthering its objectives. No amount is recorded for the year ended March 31, 2023 since the value is not readily determinable.

#### Financial instruments

The Association considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Association accounts for the following as financial instruments:

- Cash
- Investments
- Accounts receivable
- Accounts payable and accrued liabilities
- Blank

A financial asset or liability is recognized when the Association becomes party to contractual provisions of the instrument.

The Association's financial instruments except for those with non-arm's length parties are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

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# Camrose Association For Community Living

## Notes to the Financial Statements

March 31, 2023

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### 2. Significant accounting policies (continued)

#### Financial instruments (continued)

Financial assets and financial liabilities are subsequently measured according to the following methods:

<u>Financial instrument</u>	<u>Subsequent measurement</u>
Cash	Amortized cost
Accounts receivable	Amortized cost
Investments	Fair value
Accounts payable and accrued liabilities	Amortized cost

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

#### Financial instruments in related party transactions

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Association does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Association initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the Association has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

#### **Use of estimates and measurement uncertainty**

In preparing the Association's financial statements in conformity with ASNPO, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Accrual results could differ from those estimates.

Items subject to significant estimates are allowance for uncollectible accounts receivable and useful lives of capital assets, and fair value of investments.

## Camrose Association For Community Living Notes to the Financial Statements

March 31, 2023

### 3. Investments

	2023 Cost	2023 Market	2022 Market
Equities quoted in an active market	\$ 982,864	\$ 1,275,218	\$ 1,499,352
Bonds and preferred shares quoted in an active market	1,546,711	1,400,177	1,277,766
Cash and cash equivalents	84,253	84,253	79,522
	<b>\$ 2,613,828</b>	<b>\$ 2,759,648</b>	<b>\$ 2,856,640</b>

### 4. Capital assets

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Land	\$ 207,610	\$ -	\$ 207,610	\$ 207,610
Buildings	3,452,626	1,621,339	1,831,287	1,904,803
Automotive	172,584	106,328	66,256	-
Furniture and equipment	356,043	349,556	6,487	8,108
Suites	61,781	61,781	-	-
Computer hardware	66,831	66,831	-	-
Computer software	16,811	16,811	-	-
	<b>\$ 4,334,286</b>	<b>\$ 2,222,646</b>	<b>\$ 2,111,640</b>	<b>\$ 2,120,521</b>
Land consists of:				
Erik's residence	\$ 29,409	\$ -	\$ 29,409	\$ 29,409
Sam's residence	31,800	-	31,800	31,800
Burgess	42,500	-	42,500	42,500
Phyl's residence	13,321	-	13,321	13,321
Barrier free house	90,580	-	90,580	90,580
	<b>\$ 207,610</b>	<b>\$ -</b>	<b>\$ 207,610</b>	<b>\$ 207,610</b>
Buildings consists of:				
Erik's residence	\$ 363,560	\$ 210,762	\$ 152,798	\$ 155,028
Sam's residence	331,951	197,470	134,481	139,273
Burgess	1,703,502	885,902	817,600	860,187
Phyl's residence	366,955	189,611	177,344	184,085
Barrier free house	686,658	137,594	549,064	566,230
	<b>\$ 3,452,626</b>	<b>\$ 1,621,339</b>	<b>\$ 1,831,287</b>	<b>\$ 1,904,803</b>

# Camrose Association For Community Living

## Notes to the Financial Statements

March 31, 2023

### 5. Deferred contributions

Deferred contributions represent unspent funds externally restricted for specific purposes as well as restricted operating funds received in the current year and spent in a subsequent year. The deferred contribution balances for the year are as follows:

	<u>2023</u>	<u>2022</u>
Family Support Core	\$ 34,218	\$ 49,500
Healthy Families	33,915	53,162
SingAble	18,037	11,957
Home Visitation - Wainwright	17,506	17,713
Home Visitation - Camrose	14,774	7,231
Battle River Community Foundation - Summer Camp	13,800	12,094
Community Inclusive Learning	10,479	9,267
Barrier Reduction	3,615	12,255
Fund Development (Scholarships)	2,100	1,350
Casino	754	754
10% Temporary Wage Subsidy	-	25,000
Other	-	15,683
Jobs4Youth Federal Opportunity Fund	-	14,039
PDD - \$2 Wage Top Up	-	10,697
Battle River Community Foundation - Safety Equipment	-	1,500
Camrose & District Support Services - Community Kitchen	-	751
	<u>\$ 149,198</u>	<u>\$ 242,953</u>

During the year ending March 31, 2023, the Association raised \$71,424 (2022 - \$51,277) through various fundraising activities, of which \$39,206 (2022 - \$7,862) has been recognized as revenue during the year. Included in deferred contributions as at March 31, 2023 is the remaining of \$38,713 (2022 - \$43,415), of which \$32,218 (2022 - \$35,000) is for Family Support and \$6,495 (2022 - \$8,415) is for SingAble.

### 6. Deferred capital contributions

Deferred capital contributions are donations and grants with which the Burgess Building capital assets and vans were originally purchased, and with which the Barrier Free house was constructed. The donations and grants are recognized as revenue at the same rate as the capital assets are amortized. The changes in the deferred contributions during the year are as follows:

	<u>2023</u>	<u>2022</u>
Balance at beginning of the year	\$ 1,064,222	\$ 1,147,657
Additions	2,438	-
Transfer from deferred contributions	15,683	-
Amortized to revenue for the year	<u>(77,473)</u>	<u>(83,435)</u>
Balance at end of the year	<u>\$ 1,004,870</u>	<u>\$ 1,064,222</u>

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# Camrose Association For Community Living

## Notes to the Financial Statements

March 31, 2023

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### 7. Internally restricted net assets

The Board of Directors has reserved funds for the following purposes:

	<u>2022</u>	Interfund Transfers	<u>2023</u>
Building and equipment reserve	\$ 556,878	\$ (10,944)	\$ 545,934
Program reserve	864,538	35,116	899,654
Contingency reserve	<u>1,925,402</u>	<u>(49,699)</u>	<u>1,875,703</u>
	<u>\$ 3,346,818</u>	<u>\$ (25,527)</u>	<u>\$ 3,321,291</u>

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### 8. Financial instruments

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposures and concentrations at March 31, 2023.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As the Association is funded primarily by government and other grants, it is not subject to significant credit risk.

(b) Liquidity risk

The Association's liquidity risk represents the risk that the Association could encounter difficulty in meeting obligations associated with its financial liabilities, specifically its accounts payable. The Association has determined that it is not exposed to a significant amount of liquidity risk with respect to its accounts payable. There has been no significant change in exposure from the prior year.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument (equity investments) will fluctuate because of changes in market prices. The Association is subject to market risk on its equity investments. The Association mitigates market risk through asset class diversification and quality constraints.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument (equity investments) will fluctuate because of changes in market interest rates.

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