



Grant Thornton

Financial Statements

Camrose Association For Community Living

March 31, 2021

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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, 2021, 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, 2021, and its results of 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.

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.

Independent Auditor's Report (continued)

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
June 7, 2021

Grant Thornton LLP

Chartered Professional Accountants

Camrose Association For Community Living Statement of Operations

Year ended March 31	2021	2020
Revenues		
Government contracts and grants	\$ 5,218,535	\$ 5,322,036
Investment income	186,315	129,777
Other grants	170,827	137,675
Rent	152,750	150,790
Amortization of deferred capital contributions	86,610	80,527
Fundraising	41,435	70,643
Other income	27,799	69,443
Fees and recoveries	23,900	18,356
Donations	22,521	22,967
Membership dues	2,737	3,223
	5,933,429	6,005,437
Expenses		
Wages and employee benefits	5,178,356	5,242,203
Program materials, projects and recreation	113,249	120,154
Development and training	108,279	52,139
Amortization	96,756	91,465
Telephone and utilities	91,493	88,767
Repairs and maintenance	82,007	79,006
Rent and repayments	40,447	43,026
Travel	39,575	53,116
Insurance and licenses	37,919	34,100
Investment management fees	27,628	26,686
Professional fees	23,063	22,470
Office supplies and postage	20,771	24,896
Bank charges and interest	10,376	8,438
Memberships	6,069	3,393
Janitorial supplies	2,522	3,592
Scholarships	2,500	3,000
Consultation	2,234	2,145
Advertising and promotion	925	3,559
Meetings	420	1,440
Food and household supplies	-	612
	5,884,589	5,904,207
Excess of revenues over expenses before other item	48,840	101,230
Increase (decrease) in fair value of investments	333,413	(221,914)
Excess (deficiency) of revenues over expenses	\$ 382,253	\$ (120,684)

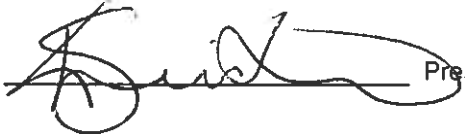
See accompanying notes to the financial statements.

Camrose Association For Community Living

Statement of Financial Position

March 31	2021	2020
Assets		
Current		
Cash	\$ 1,468,642	\$ 1,492,003
Investments (Note 3)	2,669,903	2,178,477
Accounts receivable	57,965	21,844
Prepaid expenses	1,581	6,447
Goods and services tax receivable	<u>10,235</u>	<u>11,038</u>
	4,208,326	3,709,809
Capital assets (Note 4)	<u>2,215,049</u>	<u>2,311,805</u>
	<u>\$ 6,423,375</u>	<u>\$ 6,021,614</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 70,843	\$ 109,594
Wages, vacation, and benefits payable (Note 5)	441,993	374,768
Deferred contributions (Note 6)	<u>155,648</u>	<u>77,999</u>
	668,484	562,361
Deferred capital contributions (Note 7)	<u>1,147,657</u>	<u>1,234,272</u>
	<u>1,816,141</u>	<u>1,796,633</u>
Net Assets		
Invested in capital assets (Note 8)	1,067,392	1,077,538
Internally restricted (Note 9)	3,341,168	2,855,173
Unrestricted	<u>198,674</u>	<u>292,270</u>
	4,607,234	4,224,981
	<u>\$ 6,423,375</u>	<u>\$ 6,021,614</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 2021	Total 2020
Balance, beginning of year	\$ 1,077,538	\$ 2,855,173	\$ 292,270	\$ 4,224,981	\$ 4,345,665
Excess (deficiency) of revenues over expenses	-	-	382,253	382,253	(120,684)
Amortization	(96,756)	-	96,756	-	-
Amortization of deferred capital contributions	86,610	-	(86,610)	-	-
Transfers (from) to reserves (Note 9)	-	485,995	(485,995)	-	-
Balance, end of year	<u>\$ 1,067,392</u>	<u>\$ 3,341,168</u>	<u>\$ 198,674</u>	<u>\$ 4,607,234</u>	<u>\$ 4,224,981</u>

See accompanying notes to the financial statements.

Camrose Association For Community Living Statement of Cash Flows

Year ended March 31	2021	2020
Increase (decrease) in cash		
Operating		
Excess (deficiency) of revenues over expenses	\$ 382,253	\$ (120,684)
Items not affecting cash		
Amortization	96,756	91,465
Amortization of deferred capital contributions	(86,610)	(80,527)
(Increase) decrease in fair value of investments	<u>(333,413)</u>	<u>221,914</u>
	58,986	112,168
Change in non-cash working capital items		
Accounts receivable	(36,121)	(6,411)
Prepaid expenses	4,866	1,187
Goods and services tax	803	(929)
Accounts payable and accrued liabilities	(38,756)	29,538
Wages, vacation, and benefits payable	67,225	22,429
Deferred contributions	<u>77,649</u>	<u>(37,988)</u>
	<u>134,652</u>	<u>119,994</u>
Investing		
Purchase of capital assets	-	(59,764)
Purchase of investments, net	<u>(158,013)</u>	<u>(102,440)</u>
	<u>(158,013)</u>	<u>(162,204)</u>
Decrease in cash	(23,361)	(42,210)
Cash		
Beginning of year	<u>1,492,003</u>	<u>1,534,213</u>
End of year	<u>\$ 1,468,642</u>	<u>\$ 1,492,003</u>

Camrose Association For Community Living

Notes to the Financial Statements

March 31, 2021

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 at risk.

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.

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.

Camrose Association For Community Living

Notes to the Financial Statements

March 31, 2021

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
Furniture and equipment	5 years
Automotive	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, 2021 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
- Accounts receivable
- Accounts payable and accrued liabilities
- Investments

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

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

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

Camrose Association For Community Living

Notes to the Financial Statements

March 31, 2021

2. Significant accounting policies (continued)

Financial instruments (continued)

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

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 the statement of operations.

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.

3. Investments

	<u>2021</u> <u>Cost</u>	<u>2021</u> <u>Market</u>	<u>2020</u> <u>Market</u>
Equities quoted in an active market	\$ 1,252,071	\$ 1,618,708	\$ 1,151,951
Bonds and preferred shares quoted in an active market	961,474	977,675	945,345
Cash and cash equivalents	<u>73,520</u>	<u>73,520</u>	<u>81,181</u>
	<u>\$ 2,287,065</u>	<u>\$ 2,669,903</u>	<u>\$ 2,178,477</u>

Camrose Association For Community Living Notes to the Financial Statements

March 31, 2021

4. Capital assets

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Land	\$ 207,610	\$ -	\$ 207,610	\$ 207,610
Buildings	3,452,626	1,463,939	1,988,687	2,072,569
Furniture and equipment	356,043	345,907	10,136	12,670
Automotive	110,565	101,949	8,616	18,956
Suites	61,781	61,781	-	-
Computer hardware	66,831	66,831	-	-
Computer software	16,811	16,811	-	-
	<u>\$ 4,272,267</u>	<u>\$ 2,057,218</u>	<u>\$ 2,215,049</u>	<u>\$ 2,311,805</u>
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
	<u>\$ 207,610</u>	<u>\$ -</u>	<u>\$ 207,610</u>	<u>\$ 207,610</u>
Buildings consists of:				
Erik's residence	\$ 363,560	\$ 199,443	\$ 164,117	\$ 173,206
Sam's residence	331,951	184,379	147,572	155,871
Burgess	1,703,502	800,727	902,775	945,363
Phyl's residence	366,955	176,129	190,826	197,566
Barrier free house	686,658	103,261	583,397	600,563
	<u>\$ 3,452,626</u>	<u>\$ 1,463,939</u>	<u>\$ 1,988,687</u>	<u>\$ 2,072,569</u>
Furniture and equipment consists of:				
Office and administrative	\$ 345,050	\$ 337,796	\$ 7,254	\$ 9,068
Barrier free house	10,993	8,111	2,882	3,602
	<u>\$ 356,043</u>	<u>\$ 345,907</u>	<u>\$ 10,136</u>	<u>\$ 12,670</u>

5. Wages, vacation, and benefits payable

There are \$26,763 of government remittances included in wages, vacation, and benefits payable (2020 - \$22,209).

Camrose Association For Community Living

Notes to the Financial Statements

March 31, 2021

6. 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>2021</u>	<u>2020</u>
Battle River Community Foundation - Healthy Families	\$ 39,086	\$ 28,692
10% Temporary Wage Subsidy	25,000	-
Casino	22,492	22,485
Jobs4Youth Federal Opportunity Fund	16,141	2,101
Battle River Community Foundation - Summer Camp	13,196	1,183
Barrier Reduction	11,220	11,433
PDD - \$2 Wage Top Up	10,697	-
Community Inclusive Learning	7,754	6,058
Family Support Core	5,000	-
Singable	2,068	1,400
Battle River Community Foundation - Safety Equipment	1,500	1,500
Camrose & District Support Services - Community Kitchen	769	810
Other	725	-
Healthy Families - Wainwright	-	2,336
	<u>\$ 155,648</u>	<u>\$ 77,999</u>

7. 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>2021</u>	<u>2020</u>
Balance at beginning of the year	\$ 1,234,272	\$ 1,314,799
Amortized to revenue for the year	<u>(86,610)</u>	<u>(80,527)</u>
Balance at end of the year	<u>\$ 1,147,662</u>	<u>\$ 1,234,272</u>

Camrose Association For Community Living

Notes to the Financial Statements

March 31, 2021

8. Net assets invested in capital assets

	<u>2021</u>	<u>2020</u>
Balance at beginning of the year	\$ 1,077,538	\$ 1,028,712
Purchase of capital assets during the year	-	59,764
Amortization expense	(96,756)	(91,465)
Amortization of deferred capital contributions	<u>86,610</u>	<u>80,527</u>
	<u>\$ 1,067,392</u>	<u>\$ 1,077,538</u>

9. Internally restricted net assets

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

	<u>2020</u>	<u>Interfund Transfers</u>	<u>2021</u>
Building and equipment reserve	\$ 471,830	\$ 31,925	\$ 503,755
Program reserve	910,302	(23,623)	886,679
Contingency reserve	<u>1,473,041</u>	<u>477,693</u>	<u>1,950,734</u>
	<u>\$ 2,855,173</u>	<u>\$ 485,995</u>	<u>\$ 3,341,168</u>

10. 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, 2021.

(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.

Camrose Association For Community Living

Notes to the Financial Statements

March 31, 2021

10. Financial instruments (continued)

(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.

11. COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic. This pandemic has had significant financial, economic, and social impacts and continues to spread in Canada and around the world. The Association continues to respond in accordance with public health measures.

There is uncertainty regarding future cash flows and the possible impact on the operations of the Association given the uncertainty related to the duration and future impacts of the pandemic. Impacts could include, for example, increased costs in response to COVID-19 and reductions in revenue, as well as increased market volatility that may impact the fair value of investments.

