

VOLUNTEER CENTRE OF CALGARY
(OPERATING AS VOLUNTEERCONNECTOR)

AUDITORS' REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2022

INDEX TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

	Page No.
Auditors' Report	1 - 2
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flow	6
Notes to the Financial Statements	7 - 11

INDEPENDENT AUDITOR'S REPORT

To the Members of Volunteer Centre of Calgary (operating as VolunteerConnector)

Opinion

We have audited the financial statements of Volunteer Centre of Calgary (operating as VolunteerConnector) (the organization), which comprise the statement of financial position as at December 31, 2022, the statement 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 organization as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

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 organization in accordance with 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 any information, other than 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 express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 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.

In preparing the financial statements, management is responsible for assessing the organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report to the Members of Volunteer Centre of Calgary (operating as VolunteerConnector) (*continued*)

Those charged with governance are responsible for overseeing the organization's financial reporting process.

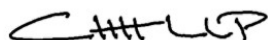
Auditor's Responsibilities for the Audit of the Financial Statements

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 organization'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 organization'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 organization 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.



CHARTERED PROFESSIONAL ACCOUNTANTS

Calgary, Alberta
February 28, 2023

VOLUNTEER CENTRE OF CALGARY (OPERATING AS VOLUNTEERCONNECTOR)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash and short term deposits	\$ 271,001	\$ 241,288
Contributions receivable – Note 3	73,214	47
GST Recoverable	3,360	3,451
Prepaid expenses	<u>3,568</u>	<u>6,588</u>
	351,143	251,374
LONG TERM INVESTMENTS	170,674	490,726
ENDOWMENT FUND - Note 4	111,000	121,542
PROPERTY AND EQUIPMENT - Note 5	65,707	121,298
TOTAL ASSETS	\$ 698,524	\$ 984,940
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 39,237	\$ 24,319
Deferred contributions related to operations - Note 6	91,211	20,465
Canada Emergency Business Acct – Note 8	<u>40,000</u>	<u>-</u>
	170,448	44,784
DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT- Note 7	15,534	59,330
CANADA EMERGENCY BUSINESS ACCT- Note 8	<u>-</u>	<u>40,000</u>
	185,982	144,114
NET ASSETS		
INVESTED IN PROPERTY AND EQUIPMENT	50,172	61,967
INTERNALLY RESTRICTED NET ASSETS - Note 9	351,370	657,317
ENDOWMENT FUND - Note 4	<u>111,000</u>	<u>121,542</u>
	512,542	840,826
TOTAL LIABILITIES AND NET ASSETS	\$ 698,524	\$ 984,940

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director

The accompanying notes are an integral part of these financial statements.

VOLUNTEER CENTRE OF CALGARY (OPERATING AS VOLUNTEERCONNECTOR)
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Invested in Property & Equipment	Internally Restricted	Endowment Fund	Total 2022	Total 2021
BALANCE - Beginning of year	\$ 61,967	\$ 657,317	\$ 121,542	\$ 840,826	\$ 978,868
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	-	(317,742)	-	(317,742)	(148,450)
NET INVESTMENT IN PROPERTY AND EQUIPMENT	(11,795)	11,795	-	-	-
NET ENDOWMENT CONTRIBUTION - Note 4	-	-	(10,542)	(10,542)	10,408
BALANCE - End of year	\$ 50,172	\$ 351,370	\$ 111,000	\$ 512,542	\$ 840,826

The accompanying notes are an integral part of these financial statements.

VOLUNTEER CENTRE OF CALGARY (OPERATING AS VOLUNTEERCONNECTOR)
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
REVENUES		
Donations	\$ 433,762	\$ 410,031
Government grants	85,534	97,898
Canadian Emergency Wage Subsidy	-	48,490
Canada Emergency Business Account - Note 8	-	20,000
Interest and other income	100,942	30,112
Amortization of contributions related to property and equipment	43,796	44,614
Agency and membership fees	2,760	2,700
Casino	<u>-</u>	<u>2</u>
	666,794	653,847
EXPENSES		
Salaries and benefits	498,691	481,621
Promotion and publicity	172,670	176,824
Amortization	119,077	98,733
Contracted services	40,380	46,397
General office expense	35,195	30,010
Travel	11,002	650
Telephone and utilities	3,850	7,223
Training and development	1,446	-
Equipment and maintenance	<u>750</u>	<u>3,000</u>
	883,061	844,458
EXCESS OF EXPENSES OVER REVENUES BEFORE OTHER ITEMS	\$ (216,267)	\$ (190,611)
OTHER ITEMS		
Unrealized (Loss) Gain on Investments	(101,475)	42,161
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (317,742)	\$ (148,450)

The accompanying notes are an integral part of these financial statements.

VOLUNTEER CENTRE OF CALGARY (OPERATING AS VOLUNTEERCONNECTOR)
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES:		
Excess (deficiency) of revenues over expenses for the year	\$ (317,742)	\$ (148,450)
Items not affecting cash		
Amortization of property and equipment	119,077	98,733
Amortization of contributions related to property and equipment	(43,796)	(44,614)
Unrealized loss (gain) on investments	<u>101,475</u>	<u>(42,161)</u>
	(140,986)	(136,492)
Net change in non-cash working capital balances		
Contributions receivable	(73,167)	34,816
GST Recoverable	91	386
Prepaid expenses	3,020	(198)
Accounts payable and accrued liabilities	14,918	4,622
Deferred contributions related to operations	<u>70,746</u>	<u>(56,282)</u>
	(125,378)	(153,148)
FINANCING ACTIVITY:		
Contributions of property and equipment	-	46,602
Advances from Canada Emergency Business Account net of forgivable portion - Note 8	-	40,000
INVESTING ACTIVITIES:		
Purchase of property and equipment	(63,486)	(70,150)
Sale of long term investments	693,497	176,149
Purchase of long term investments	(474,920)	(141,131)
(DECREASE) INCREASE IN CASH	29,713	(101,678)
CASH AND SHORT TERM DEPOSITS - Beginning of year	241,288	342,966
CASH AND SHORT TERM DEPOSITS - End of year	\$ 271,001	\$ 241,288
CASH AND SHORT TERM DEPOSITS CONSISTS OF THE FOLLOWING:		
Cash	\$ 18,951	\$ 25,342
Short term deposits	<u>252,050</u>	<u>215,946</u>
	\$ 271,001	\$ 241,288

The accompanying notes are an integral part of these financial statements.

VOLUNTEER CENTRE OF CALGARY (OPERATING AS VOLUNTEERCONNECTOR)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1 ORGANIZATION AND PURPOSE

The Volunteer Centre of Calgary (Operating as VolunteerConnector) ("VolunteerConnector") was incorporated on August 11, 1971 under the Societies Act of Alberta and is exempt from income tax under Section 149 of the Income Tax Act. The purpose of VolunteerConnector is to provide leadership on issues relating to volunteering, to connect people to volunteer opportunities, to strengthen the ability of groups and organizations to support volunteers and achieve their mission, and to promote volunteerism in the community.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

These statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash and Short-Term Deposits

Cash and short terms deposits consist of cash on hand, bank balances, deposits with a maturity of one year or less and other short term highly liquid investments that are readily convertible into known amounts of cash.

Long-Term Investments

Long term investments are comprised of marketable securities with a maturity of longer than one year and marketable securities with no stated maturity date that are intended to be held for longer than one year.

Property and Equipment

Purchased property and equipment is recorded at cost. Contributed property and equipment is recorded at the fair value on the date of contribution. The cost of development and acquisition of new software with a probable value exceeding its cost beyond one year is recorded at cost. Amortization is recorded once development is complete on a straight-line basis over the assets' estimated useful lives as follows:

Computer software and equipment	3 years
---------------------------------	---------

Revenue Recognition

VolunteerConnector follows the deferral method of accounting for contributions.

Contributions which do not have externally imposed restrictions with respect to their use are reported as revenue in the period in which they are received, or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. The Board of Directors may from time to time set aside portions of these unrestricted contributions for specific purposes. These internally restricted contributions are included in revenue and subsequently set aside as internally restricted net assets.

Contributions received whose use is restricted by donor, statute or some other externally imposed conditions, are reported as deferred contributions related to operations and are recognized as revenue in the period in which the restrictions are fulfilled.

Endowment contributions are recognized as direct increases in net assets.

Membership fees are recognized in revenue when earned.

Unrealized gains and losses on available-for-sale financial assets are included directly in net assets or deferred contributions as appropriate, until the asset is removed from the statement of financial position. Unrealized gains and losses on held-for-trading financial assets are included in investment income and recognized as revenue in the statement of operations, deferred or reported directly in net assets, depending on the nature of any external restrictions imposed on the investment income. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Other unrestricted investment income is recognized as revenue when earned.

VOLUNTEER CENTRE OF CALGARY (OPERATING AS VOLUNTEERCONNECTOR)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2 Continued ...

Use of Estimates

The preparation of the 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 at the date of the financial statements and the reported amounts of revenues 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 necessary. Amortization is based on the estimated useful lives of property and equipment.

These estimates are reviewed periodically, and, as adjustments become necessary, they are recorded in the Statement of Operations in the period in which they become known.

Contributed Goods and Services

Due to the difficulty of determining their value, VolunteerConnector does not record the value of a) contributed services or b) contributed goods where the fair market value cannot be reasonably determined in the financial statements.

Financial Instruments

Measurement of financial instruments

VolunteerConnector initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

VolunteerConnector subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments and other securities that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the Statement of Operations.

Financial assets measured at amortized cost include cash and contributions receivable.

Financial assets measured at fair value include short term deposits and long term investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and Canada Emergency Business Account loan payable.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the Statement of Operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the Statement of Operations.

Transaction costs

VolunteerConnector recognizes its transaction costs in the Statement of Operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their obligation, issuance or assumption.

VOLUNTEER CENTRE OF CALGARY (OPERATING AS VOLUNTEERCONNECTOR)
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributions receivable consists of the following:

	<u>2022</u>	<u>2021</u>
Casino funds	\$ 73,214	\$ -
Agency and membership fees receivable	<u>-</u>	<u>47</u>
	<u>\$ 73,214</u>	<u>\$ 47</u>

Casino funds were receivable pursuant to the December 9-10, 2022 Casino License agreement, in accordance with the provisions of the Gaming and Liquor Act (Alberta).

Agency and membership fees receivable are subscriptions to the VolunteerConnector website that have not been collected at year end and are receivable from the payment provider for the website.

NOTE 4 ENDOWMENT FUND

The Volunteer Centre of Calgary Endowment Fund ("Fund") was established under agreement with The Calgary Foundation ("Foundation"). Under the terms of the agreement, the Foundation retains all endowment contributions to the fund in perpetuity, VolunteerConnector is entitled to annual income distributions and the Foundation is permitted to charge for its expenses to administer the fund. During the year, the Fund received contributions of \$0 (2021 - \$0) and had earnings (losses) of (\$3,736) (2021 - \$16,138), from which VolunteerConnector received income distributions in the amount of \$5,545 (2021 - \$4,506) and the Foundation charged administration fees in the amount of \$1,261 (2021 - \$1,224).

NOTE 5 PROPERTY AND EQUIPMENT

	<u>2022</u>			<u>2021</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer Software and Equipment	\$ 529,479	\$ 463,772	\$ 65,707	\$ 121,298

Included in Computer Software and Equipment are intangible assets of \$357,232 (2021 - \$293,746).

NOTE 6 DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS

Deferred contributions related to operations consist of unspent resources, the use of which is restricted by the donor, statute or some other externally imposed conditions as described in Note 2. These contributions will be brought into income in the period in which the restrictions are fulfilled. The deferred contributions related to operations consists of the following:

	<u>2022</u>	<u>2021</u>
Balance, Beginning of year	\$ 20,465	\$ 76,747
Add: Deferred contributions received or accrued	590,042	566,741
Less: Contributions used to purchase property and equipment	-	(46,602)
Less: Amounts brought into income	<u>(519,296)</u>	<u>(576,421)</u>
Balance, End of year	<u>\$ 91,211</u>	<u>\$ 20,465</u>

VOLUNTEER CENTRE OF CALGARY (OPERATING AS VOLUNTEERCONNECTOR)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 7 DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT

Restricted contributions received to purchase property and equipment are deferred and brought into income as the related assets are amortized. During 2022, VolunteerConnector purchased computer software with a fair value of \$63,486 (2021- \$70,150) of which \$0 (2021- \$46,602) was purchased using restricted grant funds, and \$63,486 (2021- \$23,548) using unrestricted funds.

	<u>2022</u>	<u>2021</u>
Balance, Beginning of year	\$ 59,330	\$ 57,342
Add: Restricted contributions for purchases of software	-	46,602
Less: Amounts amortized into revenue	<u>(43,796)</u>	<u>(44,614)</u>
Balance, End of year	<u>\$ 15,534</u>	<u>\$ 59,330</u>

NOTE 8 CANADA EMERGENCY BUSINESS ACCOUNT

In 2021, VolunteerConnector obtained a \$60,000 Canada Emergency Business Account ("CEBA") loan. The loan is non-interest-bearing, requiring no minimum monthly payments until December 31, 2023. If \$40,000 of the loan is repaid on or before December 31, 2023, the remaining balance, up to \$20,000, will be forgiven. \$40,000 of the loan is reported as short term debt in the current year and long-term debt payable in the prior year. The \$20,000 forgivable portion amount is recorded in revenues in the prior year. If the loan is not repaid in full on or before December 31, 2023, the full \$60,000 amount will be converted to a term loan maturing on December 31, 2025, bearing interest at 5% per annum. VolunteerConnector expects to repay this loan on or before December 31, 2023 and has added the forgivable portion to revenue in the prior year accordingly.

NOTE 9 INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets consist of amounts restricted by the board of directors for the following purposes:

	<u>2022</u>	<u>2021</u>
Operating Reserve	\$ 177,873	\$ 166,565
Stabilization Reserve	<u>173,497</u>	<u>490,752</u>
Internally restricted net assets	<u>\$ 351,370</u>	<u>\$ 657,317</u>

Pursuant to a resolution adopted by the Board of Directors, restricted capital reserves have been established for the purpose of protecting budgeted services against adverse changes in revenues or expenses. Unrestricted net assets at the end of the year are set aside for allocation to an Operating Reserve equal to at least three months cash flow and a Stabilization Reserve targeted at between \$400,000 and \$500,000 while the operating budget is less than \$3,000,000. The anticipated annual operating expenses for 2023 are \$922,873. Internally Restricted Net Assets do not include any donations the use of which have been restricted by the donor.

VOLUNTEER CENTRE OF CALGARY (OPERATING AS VOLUNTEERCONNECTOR)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 10 CAPITAL DISCLOSURES

VolunteerConnector receives its principal source of capital through provincial funding, corporate sponsors and fundraising and administrative activities performed. VolunteerConnector defines capital to be net assets. In carrying out its purpose, VolunteerConnector regularly distributes its capital through administration of services provided and through program commitments.

VolunteerConnector is not subject to debt covenants or any other capital requirements with respect to operating funding. Funding received for designated purposes must be used for the purpose outlined by the funding party. VolunteerConnector has complied with the external restrictions on any external funding provided.

NOTE 11 FINANCIAL INSTRUMENTS

Market risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency rate risk, interest rate risk and other price risk. Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to market risk via interest and other price risk through its long term investments. The Organization manages its market risk by investing in a variety of different investment types including equity, fixed income, and mutual funds and by monitoring its investment returns against benchmarks.

The Organization does not believe that there has been a change in exposure risk from the previous period nor does it believe it has significant exposure to other risks.

NOTE 12 SOLICITATION OF CONTRIBUTIONS

The expenses incurred for the purpose of soliciting contributions were \$31,248 (2021 - \$31,152). This total includes \$29,551 (2021 - \$29,533) which was paid as remuneration to various employees of the organization whose duties involve fundraising.