

Camrose Open Door Association
Operating as The Open Doors
Financial Statements
March 31, 2023



Camrose Open Door Association

4825-51 Street, Camrose AB

T4V 1R9

780-679-6803

Management's Responsibility

To the Board of The Open Doors:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

September 27, 2023

e-Signed by Jessica Hutton
2023-09-27 11:38:15:15 MDT

Chief Executive Officer

To the Board of The Open Doors:

Qualified Opinion

We have audited the financial statements of The Open Doors (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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, The Open Doors derives revenue from donations and fundraising activities, the completeness of which are not susceptible to satisfactory audit verification. Accordingly, verification of this revenue 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 revenue, excess (deficiency) of revenue over expenses and cash flows from operations for the year ended March 31, 2023, current assets as at March 31, 2023 and 2022, and net assets as at April 1 and March 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

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 qualified opinion.

Other Matter

The financial statements for the year ended March 31, 2022 were prepared with a review engagement which expressed a qualified conclusion on those statements on August 30, 2022 for the reasons described in the Basis for Qualified Conclusion paragraph.

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.

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.

Leduc, Alberta

September 27, 2023

MNP LLP

Chartered Professional Accountants

Camrose Open Door Association
Operating as The Open Doors
Statement of Financial Position

As at March 31, 2023

	2023	2022
Assets		
Current		
Cash and cash equivalents	795,347	1,161,474
Accounts receivable	54,272	29,083
Prepaid expenses and deposits	41,629	8,935
Goods and Services Tax recoverable	12,180	22,636
	903,428	1,222,128
Capital assets (Note 3)	1,196,966	1,122,955
Term deposits	35,568	35,129
Other investments	25,000	-
	2,160,962	2,380,212
Liabilities		
Current		
Bank indebtedness (Note 4)	-	19,848
Accounts payable and accruals	161,630	36,805
Deposits	8,714	7,332
Employee deductions payable	75,805	58,753
Deferred revenue (Note 5)	471,148	831,317
	717,297	954,055
Deferred capital contributions (Note 6)	324,049	339,780
	1,041,346	1,293,835
Contingencies (Note 10)		
Net Assets		
Internally restricted (Note 11)	227,260	327,260
Unrestricted	19,438	(4,211)
Invested in capital assets	872,918	763,328
	1,119,616	1,086,377
	2,160,962	2,380,212

Approved on behalf of the Board

e-Signed by Tony Rice
2023-09-26 11:01:28:28 MDT

Director

e-Signed by Lucas Banack
2023-09-27 21:10:34:34 MDT

Director

The accompanying notes are an integral part of these financial statements

Camrose Open Door Association
Operating as The Open Doors
Statement of Operations
For the year ended March 31, 2023

	2023	2022
Revenue		
Grants		
Government of Nunavut	573,017	-
Youth Employment and Skills Strategy Program	387,745	156,458
Child and Family Services Agency	382,793	358,999
FRN Navigators	119,750	119,750
Indigenous Community Support Fund	88,485	247,520
Prairie Central FASD	58,845	62,280
Community Helpers	57,222	57,222
Other	51,947	92,873
Alberta Rural Development Network	45,400	115,660
Restorative Justice	43,333	10,000
Public Health Agency of Canada	39,879	-
Civil Society Fund	18,750	-
Healthy Communities Initiative	16,877	30,206
Battle River Community Foundation	4,340	92,121
Alberta Crime Prevention	1,870	-
Wetaskiwin FCSS	-	136,087
Gun & Gangs Grant	-	50,000
United Way	-	45,723
Camrose and District Support Services	-	45,000
Cargill	-	23,818
City of Wetaskiwin	-	2,323
	1,890,253	1,646,040
Other		
Rental income	164,668	175,325
Other income	101,906	94,233
Amortization of deferred capital contributions <i>(Note 6)</i>	35,875	26,352
Interest income	19,452	6,235
Fundraising	45	385
Donations in kind <i>(Note 7)</i>	-	13,432
Primary Care Network	-	10
	321,946	315,972
Subtotal	2,212,199	1,962,012
Expenses		
Program costs	1,115,772	1,303,407
General operating costs	624,461	409,153
Direct client costs <i>(Note 7)</i>	255,851	86,272
Facility	132,157	133,235
Amortization	50,719	42,559
Total expenses	2,178,960	1,974,626
Excess (deficiency) of revenue over expenses	33,239	(12,614)

The accompanying notes are an integral part of these financial statements

Camrose Open Door Association
Operating as The Open Doors
Statement of Changes in Net Assets
For the year ended March 31, 2023

	<i>Internally restricted (Note 11)</i>	<i>Unrestricted</i>	<i>Invested in capital assets</i>	2023	2022
Net assets, beginning of year	327,260	(4,211)	763,328	1,086,377	1,098,991
Excess (deficiency) of revenue over expenses	-	33,239	-	33,239	(12,614)
Repayment of bank indebtedness	-	(19,848)	19,848	-	-
Additions to deferred capital contributions	-	20,144	(20,144)	-	-
Amortization of deferred capital contributions	-	(35,875)	35,875	-	-
Purchase of capital assets	-	(124,730)	124,730	-	-
Amortization of capital assets	-	50,719	(50,719)	-	-
Transfer of internally restricted funds	(100,000)	100,000	-	-	-
Net assets, end of year	227,260	19,438	872,918	1,119,616	1,086,377

The accompanying notes are an integral part of these financial statements

Camrose Open Door Association
Operating as The Open Doors
Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Cash received from contributions and other sources	1,802,804	2,623,853
Cash paid for program service expenses	(649,013)	(441,661)
Cash paid for salaries and benefits	(1,471,073)	(1,564,065)
Cash paid for interest	(1,753)	(5,472)
	(319,035)	612,655
Financing		
Repayments of bank indebtedness	(19,848)	(58,530)
Capital contributions received	20,144	80,995
	296	22,465
Investing		
Purchase of capital assets	(21,949)	(80,995)
Purchase of term deposits	(439)	(14)
Purchase of investments	(25,000)	-
	(47,388)	(81,009)
Increase (decrease) in cash resources	(366,127)	554,111
Cash resources, beginning of year	1,161,474	607,363
Cash resources, end of year	795,347	1,161,474

The accompanying notes are an integral part of these financial statements

Camrose Open Door Association
Operating as The Open Doors
Notes to the Financial Statements
For the year ended March 31, 2023

1. Incorporation and nature of the organization

The Open Doors (the "Association") is a non-profit organization incorporated provincially under the *Societies Act of Alberta*. The Association is a registered charity and is exempt from the payment of income taxes under the *Income Tax Act*.

The Association's operates within the Camrose region to offer support, services and a safe place for youth as they transition into adulthood and become contributing members of society.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as set out in Part III of the CPA Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions received for capital purchases are recognized as revenue over the life of the corresponding capital assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Rental revenue is recognized as revenue when the service is provided and collection is reasonably assured. Amounts received in advance are recorded as deferred revenue.

Other revenue is recognized when received.

Contributed materials

Contributions of materials are recognized both as revenue and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Association's operations and would otherwise have been purchased.

Volunteers contribute to assist the Association in carrying out its service delivery activities, and because of the difficulty in determining their fair value, contributed services are not reported.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Term deposits

Term deposits include balances with banks with a maturity date greater than three months. Term deposits are presented as a current asset if the maturity date is one year or less, and presented as a long-term asset if the maturity date is greater than one year.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

Buildings	4 %
Automotive	30 %
Computer equipment	30 %
Equipment	20 %

2. **Significant accounting policies** *(Continued from previous page)*

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Association writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Association's ability to provide services. The assets are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Association determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has not made such an election during the year.

Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Association's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Association initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Association may elect to subsequently measure related party debt instruments that are quoted in an active market, or that have observable inputs significant to the determination of fair value, at fair value.

Camrose Open Door Association
Operating as The Open Doors
Notes to the Financial Statements
For the year ended March 31, 2023

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess (deficiency) of revenue over expenses.

Measurement uncertainty (use of estimates)

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue 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 considered necessary. Amortization is based on the estimated useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future periods could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenue over expenses in the periods in which they become known.

Nature of funds in net assets

The Association maintains three net asset funds to track assets for the following purposes:

- a) The invested in capital assets fund represents the net book value of capital assets held at the year-end less any related capital debt and deferred capital contributions.
- b) The unrestricted net assets fund represents the funds available that are not internally restricted by the Board of Directors.
- c) The internally restricted fund represents funds restricted by the Board of Directors to be available for internally mandated operations.

3. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	475,000	-	475,000	475,000
Buildings	969,954	331,611	638,343	555,997
Automotive	109,953	59,239	50,714	72,448
Computer equipment	45,451	33,236	12,215	1,858
Equipment	120,759	100,065	20,694	17,652
	1,721,117	524,151	1,196,966	1,122,955

Tangible capital asset additions with a cost of \$102,781 (2022 - nil) are included in accounts payable and accruals at March 31, 2023, and are therefore not included on the statement of cash flows.

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Notes to the Financial Statements
For the year ended March 31, 2023

4. Bank indebtedness

Bank indebtedness includes an overdraft account with Vision Credit Union up to a maximum of \$250,000, bearing interest at 6.70% as at March 31, 2023 (2022 - 3.20%). As at March 15, 2023, the caveat on assets pledged as security related to the loan was discharged.

5. Deferred contributions

Deferred revenue consists of grants and donations deferred until the related projects are completed. Deferred revenue is comprised of the following:

	2023	2022
Service Canada FES Grant	149,094	149,094
Indigenous Community Support Fund	63,560	152,044
Civil Society	56,250	-
Youth Suicide Prevention	39,297	26,500
Restorative Justice	36,667	-
Public Health Grant	35,121	-
Battle River Community Foundation	24,470	28,810
Second Harvest	20,000	20,000
Cargill Sponsorship	13,600	13,600
Service Canada YESS Grant	8,247	395,992
Canada Food Bank	17,000	-
Nunavut Grant	7,842	-
HRJ/HW Siebens	-	24,559
Canada Healthy Communities	-	10,130
Deferred rental revenue	-	8,200
Camrose Arts Council	-	2,388
	471,148	831,317

6. Deferred capital contributions

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	2023	2022
Balance, beginning of year	339,780	285,137
Donations and grants received during the year	20,144	80,995
Less: Amounts recognized as revenue during the year	(35,875)	(26,352)
	324,049	339,780

7. Contributed materials and services

Included in donations in kind and direct client costs in the statement of operations is nil (2022 – \$13,432) representing the estimated fair value of contributions. The prior year contributed materials consisted of various COVID-19 related PPE (such as masks and sanitizers), hygiene products, gravel, and a truck rental contributed to the Association.

Camrose Open Door Association
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Notes to the Financial Statements
For the year ended March 31, 2023

8. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources, bank indebtedness and its accounts payable and accruals.

9. Economic dependence

The Association's primary source of revenue is provided by the Government of Alberta. The grant funding can be cancelled if the Association does not observe certain established guidelines. The Association's ability to continue viable operations is dependent upon maintaining its ability to follow the criteria within the provincially established guidelines. As at the date of these financial statements the Association believes that it is in compliance with these guidelines.

10. Contingencies

In the normal conduct of operations, there are pending claims against the Association. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the advice and information provided by its legal counsel, final determination of these other litigations will not materially affect the Association's financial position or results of operations.

These financial statements are subject to review by the Association's funding agents. It is possible that adjustments, that may include repayment of amounts funded, could be made based on results of their reviews.

11. Internally restricted funds

Included in internally restricted net assets are funds restricted for future building repairs and maintenance. The remaining balance is restricted to support future operations should funding be reduced.

	<i>Opening</i>	<i>Allocations</i>	<i>Uses</i>	<i>Closing</i>
Building repairs and maintenance reserve	173,000	-	(100,000)	73,000
General operating reserve	154,260	-	-	154,260
Total internally restricted reserve	327,260	-	(100,000)	227,260
