



Financial Statements

McMan Youth, Family and Community
Services Association Calgary Region

March 31, 2024

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Independent Auditor's Report

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To the Members of
McMan Youth, Family and Community Services Association Calgary Region

Opinion

We have audited the financial statements of McMan Youth, Family and Community Services Association Calgary Region (the "Association"), which comprise the statement of financial position as at March 31, 2024, 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, 2024, 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 20, 2024

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Chartered Professional Accountants

McMan Youth, Family and Community Services Association Calgary Region

Statement of Financial Position

March 31

2024

2023

Assets

Current

Cash and cash equivalents (Note 3)	\$	4,980,024	\$	4,342,141
Accounts receivable (Note 4)		389,731		532,473
Prepaid expenses		32,651		102,785

		5,402,406		4,977,399
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Property and equipment (Note 5)

		284,056		239,546
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	\$	5,686,462	\$	5,216,945
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Liabilities

Current

Accounts payable and accrued liabilities (Note 6)	\$	1,071,372	\$	1,111,583
Deferred contributions (Note 7)		947,026		596,741
Unexpended program surplus (Note 8)		773,788		792,736

		2,792,186		2,501,060
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Net Assets

Invested in property and equipment		284,056		239,546
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Internally restricted (Note 9) (Note 9)		2,276,552		2,276,552
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Unrestricted		333,668		199,787
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		2,894,276		2,715,885
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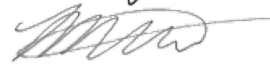
	\$	5,686,462	\$	5,216,945
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Commitments (Note 12)

On behalf of the Board



President



Treasurer

McMan Youth, Family and Community Services Association
Calgary Region
Statement of Operations

Year ended March 31

2024

2023

Revenue		
Program revenue (Note 10)	\$ 13,272,947	\$ 12,819,977
Other	288,404	218,934
Donations and fundraising	311,092	297,214
Interest	284,033	163,529
	<u>14,156,476</u>	<u>13,499,654</u>
Expenses		
Compensation	9,177,424	8,592,279
Facility and direct client costs	3,588,369	3,772,871
Administration	738,749	806,130
Office	254,744	144,260
Equipment	91,067	72,796
Donations and fundraising	81,406	14,373
Amortization	13,418	22,388
Automotive	10,708	12,274
	<u>13,955,885</u>	<u>13,437,371</u>
Excess of revenue over expenses before other item	200,591	62,283
Other item		
Allocation of costs of Provincial Shared Services	<u>(22,200)</u>	<u>(22,200)</u>
Excess of revenue over expenses	<u>\$ 178,391</u>	<u>\$ 40,083</u>

McMan Youth, Family and Community Services Association Calgary Region

Statement of Changes in Net Assets

Year ended March 31

	Invested in Property and Equipment	Internally restricted (Note 9)	Unrestricted	Total 2024	Total 2023
Balance, beginning of year	\$ 239,546	\$ 2,276,552	\$ 199,787	\$ 2,715,885	\$ 2,675,802
Purchase of property and equipment	57,928	-	(57,928)	-	-
Excess (deficiency) of revenue over expenses	(13,418)	-	191,809	178,391	40,083
Balance, end of year	<u>\$ 284,056</u>	<u>\$ 2,276,552</u>	<u>\$ 333,668</u>	<u>\$ 2,894,276</u>	<u>\$ 2,715,885</u>

McMan Youth, Family and Community Services Association
Calgary Region
Statement of Cash Flows

Year ended March 31

2024

2023

Increase (decrease) in cash and cash equivalents

Operating

Excess of revenue over expenses	\$	178,391	\$	40,083
Item not affecting cash				
Amortization		<u>13,418</u>		<u>22,388</u>

		191,809		62,471
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Change in non-cash working capital items (Note 11)		<u>504,002</u>		<u>(48,321)</u>
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		695,811		14,150
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Investing

Purchase of property and equipment		<u>(57,928)</u>		<u>(42,181)</u>
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Increase (decrease) in cash and cash equivalents		637,883		(28,031)
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Cash and cash equivalents

Beginning of year		<u>4,342,141</u>		<u>4,370,172</u>
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End of year	\$	<u>4,980,024</u>	\$	<u>4,342,141</u>
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McMan Youth, Family and Community Services Association Calgary Region

Notes to the Financial Statements

March 31, 2024

1. Nature of operations

McMan Youth, Family and Community Services Association is a not-for-profit society incorporated under the Societies Act (Alberta). The Association is a registered charity under the Income Tax Act. The Association helps individuals and families across Alberta to develop the skills and support to function effectively as members of their communities. The Association is exempt from income taxes under subsection 149(1) of the Income Tax Act.

These statements reflect only the Calgary Region and should be read in conjunction with the audited financial statements for the Provincial Association for the year ended March 31, 2024.

2. Significant accounting policies

Basis of presentation

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

Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date and short-term deposits with original maturity dates of 90 days or less.

Property and equipment

Purchased property and equipment is recorded at cost less accumulated amortization and any provision for impairment. The cost for contributed property and equipment is considered to be fair value at the date of contribution.

Property and equipment are amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	20 years
Furniture and fixtures	5 years
Computer equipment	3 years

Impairment of long-lived assets

The Association tests long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

McMan Youth, Family and Community Services Association

Calgary Region

Notes to the Financial Statements

March 31, 2024

2. Significant accounting policies (continued)

Contributed goods and services

The Association receives the contribution of time and effort by volunteers, as well as donated goods. Contributed goods are recognized in the financial statements when their fair value can be reasonably estimated and when the Association would have otherwise purchased them. Due to the difficulty in determining the fair value of these contributed amounts, they have not been recognized in these financial statements.

Revenue recognition

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

Fee for service revenue is recognized in the year in which the services are provided or the related expense is incurred.

Unexpended program surplus

Unexpended program surpluses are recorded as liabilities. Under the terms of the contracts between the Association and the various government agencies that provide funding for the programs, any program surpluses are controlled by the funding agency. The contracts allow the agencies a specified period of time to request repayment or authorize expenditures of the surpluses for other purposes. In certain circumstances, the Association will be entitled to retain a portion of the surplus. This surplus is recorded as income when there is no further obligation to the funding agency. Program deficits are applied against program surpluses where allowed by the contracts. The Association absorbs any deficit that cannot be applied against the program surplus.

Operating leases

An operating lease is a lease whereby substantially all of the benefits and risks incidental to ownership of the property are not transferred to the Association. Lease rentals under operating leases are included in the statement of operations over the lease term on a straight-line basis.

McMan Youth, Family and Community Services Association

Calgary Region

Notes to the Financial Statements

March 31, 2024

2. Significant accounting policies (continued)

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 and cash equivalents
- accounts receivables
- prepaid expenses
- accounts payable and accrued liabilities
- unexpended program surpluses

A financial asset or liability is recognized when the Association becomes party to a contractual provision 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 transactions 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.

At each reporting date, the Association measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets) with the exception of investments in equity instruments which are measured at fair value. The Association uses the effective interest method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized cost are cash and cash equivalents, accounts receivable, prepaid expenses and deposits, restricted cash, unexpended program surpluses, restricted program payables and long-term debt. The carrying value of the financial instruments approximates their fair value due to the short-term nature, unless otherwise noted.

For financial assets measured at cost or amortized cost, the Association regularly assesses whether there are any indicators of impairment. If there is an indication of impairment, and the Association determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognized an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in the the statement of operations in the year the reversal occurs.

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.

McMan Youth, Family and Community Services Association

Calgary Region

Notes to the Financial Statements

March 31, 2024

2. Significant accounting policies (continued)

Use of estimates

The financial statements have been prepared in conformity with ASNPO, which requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. In the opinion of management, these financial statements reflect, within reasonable limits of materiality, all adjustments necessary to present fairly the results for the year presented.

Significant estimates include the collectability of accounts receivable and the estimated useful life of property and equipment. Actual results could differ from these estimates. Management reviews its estimates annually based on current available information.

3. Restricted cash

Cash and cash equivalents include \$84,963 (2023 - \$2,686) in casino and bingo proceeds which can only be used in accordance with the licensing agreement with Alberta Gaming, Liquor and Cannabis Commission.

4. Accounts receivable

	<u>2024</u>	<u>2023</u>
Accounts receivable	\$ 341,090	\$ 488,300
GST receivable	<u>48,641</u>	<u>44,173</u>
	<u>\$ 389,731</u>	<u>\$ 532,473</u>

5. Property and equipment

			<u>2024</u>	<u>2023</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 196,000	\$ -	\$ 196,000	\$ 196,000
Buildings	233,000	233,000	-	-
Furniture and fixtures	132,038	101,838	30,200	13,586
Computer equipment	<u>197,253</u>	<u>139,397</u>	<u>57,856</u>	<u>29,960</u>
	<u>\$ 758,291</u>	<u>\$ 474,235</u>	<u>\$ 284,056</u>	<u>\$ 239,546</u>

McMan Youth, Family and Community Services Association Calgary Region

Notes to the Financial Statements

March 31, 2024

6. Accounts payable and accrued liabilities

	<u>2024</u>	<u>2023</u>
Trade payables	\$ 399,685	\$ 471,960
Accrued salaries	223,981	199,321
Vacation payable	170,103	170,103
Workers' Compensation Board	26,422	24,745
Payroll deductions	251,181	245,454
	<u>\$ 1,071,372</u>	<u>\$ 1,111,583</u>

7. Deferred contributions

A portion of receipts received in the year are deferred to be recognized as revenue in future years as the related expenses are incurred. Deferred contributions consist of the following:

	<u>2024</u>			
	Balance, beginning of year	Amounts received	Amounts expended	Balance, end of year
Contract revenue	\$ 309,116	\$ 13,700,747	\$ 13,466,947	\$ 542,916
Donations	287,625	337,215	220,730	404,110
	<u>\$ 596,741</u>	<u>\$ 14,037,962</u>	<u>\$ 13,687,677</u>	<u>\$ 947,026</u>
	<u>2023</u>			
	Balance, beginning of year	Amounts received	Amounts expended	Balance, end of year
Contract revenue	\$ 275,607	\$ 12,987,193	\$ 12,953,684	\$ 309,116
Donations	435,472	210,616	358,463	287,625
	<u>\$ 711,079</u>	<u>\$ 13,197,809</u>	<u>\$ 13,312,147</u>	<u>\$ 596,741</u>

McMan Youth, Family and Community Services Association

Calgary Region

Notes to the Financial Statements

March 31, 2024

8. Unexpended program surpluses

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 792,736	\$ 492,920
Program revenue over expenses	741,664	759,313
Surplus repayments	<u>(760,612)</u>	<u>(459,497)</u>
Balance, end of year	<u>\$ 773,788</u>	<u>\$ 792,736</u>

9. Internally restricted - Contingency fund

The Contingency Fund was established to meet unusual expenses of the Association. Use of the funds requires Regional Board approval. During the year, the Regional Board approved a transfer of \$nil (2023 - \$210,000) from the Contingency fund (internally restricted net assets) to unrestricted net assets.

10. Program revenue

	<u>2024</u>	<u>2023</u>
Provincial funding	\$ 9,370,898	\$ 9,406,534
Federal fundng	2,770,917	2,371,228
Municipal funding	811,454	714,472
Other funding	<u>319,678</u>	<u>327,743</u>
	<u>\$ 13,272,947</u>	<u>\$ 12,819,977</u>

11. Change in non-cash working capital items

	<u>2024</u>	<u>2023</u>
Accounts receivable	\$ 142,742	\$ (284,870)
Prepaid expenses	70,134	(26,432)
Accounts payable and accrued liabilities	(40,211)	77,503
Deferred contributions	350,285	(114,338)
Unexpended program surplus	<u>(18,948)</u>	<u>299,816</u>
	<u>\$ 504,002</u>	<u>\$ (48,321)</u>

McMan Youth, Family and Community Services Association

Calgary Region

Notes to the Financial Statements

March 31, 2024

12. Commitments

The Association is obligated under the terms of various operating leases for office premises and equipment, with expiry dates to June 2028. Future minimum lease payments under these operating leases will be approximately as follows:

	Premises	Equipment and vehicle	Total
2025	\$ 276,869	\$ 15,900	\$ 292,769
2026	306,557	1,292	307,849
2027	319,089	-	319,089
2028	323,042	-	323,042
Thereafter	59,017	-	59,017
	<u>\$ 1,284,574</u>	<u>\$ 17,192</u>	<u>\$ 1,301,766</u>

13. Pensions

The Association has a defined contribution pension plan available to all full time permanent staff once they have completed their probation period. The Association contributes 4% for employees with more than one-half year's service but less than three years; 5% for employees with more than three years but less than five years; 7% for employees with more than five years but less than ten years; 9% for employees with more than ten years but less than fifteen years; 12% for employees with more than fifteen years but less than twenty years; and 15% for employees with more than twenty years' service. The pension plan expense incurred during the year was \$393,505 (2023 - \$367,840) and is included in "Compensation" in the Statement of Operations. The Association has unfunded pension liability of \$39,437 (2023 - \$nil) at year end.

14. Economic dependence

The Association generates substantially all of its revenue from the Government of Alberta. A cancellation of material contracts of these funders could significantly reduce the Association's ongoing revenue, and could materially and adversely affect the Association's services provided and financial condition.

15. Financial instruments

The Association's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and unexpended program surpluses.

The Association is exposed to the following risks through its financial instruments:

McMan Youth, Family and Community Services Association

Calgary Region

Notes to the Financial Statements

March 31, 2024

15. Financial instruments (continued)

(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. The Association's main credit risk relates to accounts receivable, as well as cash and cash equivalents. Accounts receivable are generally the result of amounts due from government agencies. Accordingly, it is management's opinion that the credit risk associated with these amounts are minimal. The Association strives to mitigate the risk associated with cash and cash equivalents by maintaining balances in highly liquid investments or deposits with major Canadian financial institutions. It is management's opinion that there is no significant credit risk as of March 31, 2024.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or in meeting its obligations related to financial liabilities. Liquidity risk is managed by monitoring forecasted and actual cash flows and financial liability maturities and by holding assets that can be readily converted into cash. It is management's opinion that there is no significant liquidity risk as of March 31, 2024.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk arising on its interest bearing assets. The Association's cash and cash equivalents include amounts held by financial institutions that earn interest at market rates. The Association manages its risk by monitoring interest being earned on excess funds.

16. Charitable fundraising act and regulations

The information below relates to a portion of the fundraising activities carried out by the Association. The amounts are included in the revenue and expenses in the Statement of Operations.

Details relating to the Association's solicited fundraising activities only are as follows:

	<u>2024</u>	<u>2023</u>
Gross contributions received	<u>\$ 52,537</u>	<u>\$ 97,214</u>
Expenses incurred on McMan programs	\$ 27,046	\$ 38,646
General fundraising expenses	<u>25,491</u>	<u>58,568</u>
	<u>\$ 52,537</u>	<u>\$ 97,214</u>

There was \$80,507 (2023 - \$78,162) paid to employees whose principal duties involved fundraising.

McMan Youth, Family and Community Services Association
Calgary Region
Notes to the Financial Statements

March 31, 2024

17. Comparative figures

The 2023 comparative figures have been reclassified to conform to financial statement presentation adopted for the current year.
