THE SPEC ASSOCIATION FOR CHILDREN AND FAMILIES

FINANCIAL STATEMENTS

For the year ended March 31, 2024

THE SPEC ASSOCIATION FOR CHILDREN AND FAMILIES
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March 31, 2024

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Avail CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To: The Board of
The SPEC Association for Children and Families

Opinion
We have audited the financial statements of The SPEC Association for Children and Families, 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 the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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:

Auditor's Responsibilities for the Audit of the Financial Statements, continued

- 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.

Avail LLP

Lethbridge, Alberta

June 26, 2024

Chartered Professional Accountants

THE SPEC ASSOCIATION FOR CHILDREN AND FAMILIES
STATEMENT OF FINANCIAL POSITION
As at March 31, 2024

	2024	2023
ASSETS		
Current		
Cash	$ 599,295	$ 657,287
Accounts receivable	78,748	7,990
Prepaid expenses	8,789	8,529
Goods and services tax receivable	2,558	1,873
	689,390	675,679
Capital assets (note 3)	977	2,931
	$ 690,367	$ 678,610
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	$ 132,241	$ 108,322
Payroll deductions payable	33,828	29,494
Deferred revenue (note 4)	208,288	212,902
	374,357	350,718
Net Assets		
Unrestricted	57,603	67,531
Invested in capital assets	977	2,931
Internally restricted (note 5)	257,430	257,430
	316,010	327,892
	$ 690,367	$ 678,610

Approved on behalf of the board:

Director Amanda Goodnough

Director C Siakaluk

THE SPEC ASSOCIATION FOR CHILDREN AND FAMILIES
STATEMENT OF OPERATIONS
For the year ended March 31, 2024

	2024 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
Immigration, Refugees and Citizenship Canada	$ 1,104,554	$ 1,051,989	$ 1,070,789
Family Resource Network	359,539	369,624	337,737
Family and Community Support Services grant	144,200	138,942	144,189
South East Alberta FASD Network	160,823	112,414	66,195
Fundraising, donations and fees	27,322	80,049	45,672
Other grants	42,193	61,434	63,438
Interest	-	30,379	19,036
Casino	7,885	6,522	3,841
Other income	-	2,673	606
Rebates	-	-	1,143
	1,846,516	1,854,026	1,752,646
Expenses			
Wages and benefits	1,607,411	1,516,108	1,551,415
Materials and supplies - programs	24,945	43,193	28,946
Equipment repairs and maintenance	33,137	42,663	36,791
Staff training	9,061	29,582	10,347
Telephone	18,958	27,989	25,131
Professional fees	23,807	27,896	24,572
Facility rent	29,680	27,540	27,729
Office supplies and postage	21,147	16,621	16,289
Advertising	10,433	16,182	15,557
Insurance	18,209	13,726	14,112
Direct client travel	8,249	6,905	4,209
Staff travel	6,692	6,830	2,626
Facility repairs and maintenance	8,434	6,803	5,808
Association dues	11,575	6,664	5,671
Vehicle lease and operation	10,208	6,584	4,789
Volunteer and staff appreciation	4,570	752	1,040
	1,846,516	1,796,038	1,775,032
Excess (deficiency) of revenue over expenses from operations	-	57,988	(22,386)
Other income (expenses)			
Casino and Raffle adjustment	-	(12,636)	-
Wages and benefits - Immigration, Refugees and Citizenship Canada	-	(55,280)	-
Amortization of capital assets	-	(1,954)	(1,954)
	-	(69,870)	(1,954)
Deficiency of revenue over expenses	$ -	$ (11,882)	$ (24,340)

THE SPEC ASSOCIATION FOR CHILDREN AND FAMILIES

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2024

	Unrestricted	Invested in capital assets	Internally restricted (reserves)	Total 2024	Total 2023
Balance, beginning of year	$ 67,531	$ 2,931	$ 257,430	$ 327,892	$ 352,232
Deficiency of revenue over expenses	(11,882)	-	-	(11,882)	(24,340)
Amortization of capital assets	1,954	(1,954)	-	-	-
Balance, end of year	$ 57,603	$ 977	$ 257,430	$ 316,010	$ 327,892

THE SPEC ASSOCIATION FOR CHILDREN AND FAMILIES
STATEMENT OF CASH FLOWS
For the year ended March 31, 2024

	2024	2023
Cash flows from operating activities		
Deficiency of revenue over expenses	$ (11,882)	$ (24,340)
Adjustment for item which does not affect cash		
Amortization	1,954	1,954
	(9,928)	(22,386)
Change in non-cash working capital items		
Accounts receivable	(70,758)	(4,120)
Prepaid expenses	(260)	(806)
Goods and services tax receivable	(685)	(35)
Accounts payable and accrued liabilities	23,919	(852)
Payroll deductions payable	4,334	(126)
Deferred revenue	(4,614)	17,441
Net decrease in cash	(57,992)	(10,884)
Cash, beginning of year	657,287	668,171
Cash, end of year	$ 599,295	$ 657,287

1. Nature of operations

The SPEC Association for Children and Families is a not for profit organization incorporated under the Societies Act of Alberta and is a registered charity under the Income Tax Act. The Association was formed to promote individual and community well-being through programs assisting children and their families. The Association is exempt from income taxes under Section 149 (1) (f) of the Income Tax Act.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) 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 expenditures 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.

(b) Financial instruments
The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

(c) Cash and cash equivalents
The Association includes cash on hand and amounts held by financial institutions in operating accounts in the determination of cash and cash equivalents.

(d) Capital assets
Capital assets are recorded at cost. Only assets purchase costing more than $5,000 are recorded in the capital asset account. Contributed capital assets are recorded at fair value at the date of contribution. All capital assets are amortized over 5 years using the straight line method.

(e) Contributed services
Volunteers contributed time to assist the Association in carrying out its programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(f) Measurement uncertainty
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 disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

(g) Net assets invested in capital assets
The Association has chosen to continue to treat net assets invested in capital assets as a separate component of net assets.

2. Significant accounting policies, continued

(h) Allocated expenses

The Association incurs expenses that can be directly identified with program activities and therefore can be charged to the appropriate function. However, there are certain support services that relate to more than one program activity and must be allocated out based on management's best determination of where the expenses were incurred. These expenses include administration wages and benefits, facility rent, equipment repairs and maintenance, advertising, facility repairs and maintenance, office supplies and postage, telephone, professional fees and insurance. These expenses are allocated out based on time spent on a program and space used by the program. The amount of expenses allocated to specified programs are detailed in the schedules to the financial statements.

3. Capital assets

			2024	2023
	Cost	Accumulated amortization	Net	Net
Equipment and computers	$ 99,338	$ 99,338	$ -	$ 2
Vehicles	22,062	21,085	977	2,929
	$ 121,400	$ 120,423	$ 977	$ 2,931

4. Deferred revenue

Deferred revenue represents unspent resources received in the current period that is related to the subsequent period. Changes in the deferred revenue balances are as follows:

	Balance, beginning of year	Received	Recognized	Balance, end of year
City of Brooks	$ 20,787	$ 1,000	$ (12,520)	$ 9,267
Makerspace	24,815	-	(15,358)	9,457
Family and Community Support Services	11,624	149,888	(138,942)	22,570
Calendar Raffle	7,084	9,336	(165)	16,255
Casino	39,592	8,969	(6,522)	42,039
Mothers Matter	510	-	(510)	-
Other	982	-	(933)	49
Community Foundation	312	-	(312)	-
TransCanada Pipelines	4,092	-	(2,271)	1,821
Grant Thornton	-	5,000	(4,037)	963
SEAFAN FASD Outreach Program	-	62,520	(31,956)	30,564
South East Alberta FASD	24,483	101,000	(80,458)	45,025
Community Initiative program	32,537	-	(28,194)	4,343
Family Resource Network	44,556	349,500	(369,624)	24,432
Community Foundation of South Eastern Alberta	1,503	-	-	1,503
CFSEAB - Community Response Fund	25	-	(25)	-
	$ 212,902	$ 687,213	$ (691,827)	$ 208,288

5. Internally restricted (reserves)

The Board of Directors has internally restricted the future use of a portion of the Association's net assets as follows:

Emergency contingency - reserve to fund continuing general operations in the event of unexpected reductions in revenue or to pay unexpected expenses.

Board funded programs - reserve for fundraising and donation monies designated for specific SPEC Board funded programs in future years.

Vehicle - reserve for a future vehicle purchase.

Internally restricted net assets are as follows:

5. **Internally restricted (reserves), continued**

	2024	2023
Emergency contingency	$ 170,000	$ 170,000
Board funded programs	75,130	75,130
Vehicle	12,300	12,300
	$ 257,430	$ 257,430

6. **Economic dependence**

The Association receives the majority of its funding from contracts with government agencies. The ability of the Association to continue viable operations is dependent on the continued receipt of these contracts in the future.

7. **Commitments**

The Association has entered into a lease agreement with the City of Brooks for the rental of office space. The monthly rent is $2,258 and the lease expires in December of 2028.

Schedule of Connections - Makerspace — Schedule 1

	2024	2023
Revenue		
Family and Community Support Services grant	$ 51,331	$ 58,036
Other grants	23,412	15,740
Fundraising, donations and fees	16,462	16,809
	91,205	90,585
Expenses		
Wages and benefits	82,972	69,703
Equipment repairs and maintenance	10,218	2,530
Professional fees	3,087	2,241
Advertising	2,689	820
Materials and supplies - programs	2,271	1,632
Office supplies and postage	2,136	1,250
Telephone	706	1,111
Insurance	687	412
Facility repairs and maintenance	461	447
Staff training	384	-
Facility rent	-	66
	105,610	80,212
Excess (deficiency) of revenue over expenses	$ (14,405)	$ 10,373

Schedule of Family Support — Schedule 2

	2024	2023
Revenue		
South East Alberta FASD Network	$ 112,414	$ 66,195
Fundraising, donations and fees	28,490	14,218
Other grants	17,867	20,936
Interest	16,879	9,625
Casino	1,654	1,921
Other	1,336	303
Rebates	-	570
	178,640	113,768
Expenses		
Wages and benefits	113,926	85,617
Staff training	10,552	681
Advertising	6,889	264
Equipment repairs and maintenance	6,633	5,399
Materials and supplies - program	3,497	4,047
Office supplies and postage	1,891	2,080
Insurance	1,825	1,831
Facility rent	1,521	2,127
Staff travel	1,440	102
Professional fees	1,294	5,224
Telephone	793	701
Association dues	440	310
Direct client travel	338	60
Vehicle lease and operation	284	195
Volunteer and staff appreciation	234	520
Facility repairs and maintenance	233	200
	151,788	109,358
Excess of revenue over expenses	$ 26,852	$ 4,410

Schedule of LINKS - Family Resource Network

Schedule 3

	2024	2023
Revenue		
Immigration, Refugees and Citizenship Canada	$ 1,051,989	$ 1,070,789
Family Resource Network	369,624	337,737
Family and Community Support Services grant	87,611	86,153
Fundraising, donations and fees	34,933	14,431
Other grants	20,155	26,763
Interest	16,879	9,625
Casino	1,654	1,921
Other income	1,336	303
Rebates	-	571
	1,584,181	1,548,293
Expenses		
Wages and benefits	1,319,212	1,396,094
Materials and supplies - program	24,911	23,228
Telephone	26,490	23,319
Facility rent	26,019	25,536
Equipment repairs and maintenance	25,812	27,071
Professional fees	23,516	17,106
Staff training	18,647	8,202
Advertising	17,144	13,792
Office supplies and postage	14,566	16,934
Insurance	13,765	13,395
Direct client travel	6,568	4,149
Association dues	6,224	5,361
Facility repairs and maintenance	6,110	5,162
Staff travel	5,390	2,525
Vehicle lease and operation	3,749	3,068
Volunteer and staff appreciation	518	520
	1,538,640	1,585,462
Excess of revenue over expenses	45,541	(37,169)
Other income (expenses)		
Amortization of capital assets	(1,954)	(1,954)
Casino and Raffle adjustment	(12,636)	-
Wages and benefits - Immigration, Refugees and Citizenship Canada	(55,280)	-
	(69,870)	(1,954)
Deficiency of revenue over expenses	$ (24,329)	$ (39,123)

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SIGNATURE CERTIFICATE

REFERENCE NUMBER
F7B33FA2-6B24-4AC8-8A58-6D9C1C1F3539

TRANSACTION DETAILS	DOCUMENT DETAILS
Reference Number F7B33FA2-6B24-4AC8-8A58-6D9C1C1F3539	**Document Name** The SPEC FS
Transaction Type Signature Request	**Filename** The_SPEC_FS.pdf
Sent At 06/27/2024 15:07 MST	**Pages** 15 pages
Executed At 06/27/2024 15:22 MST	**Content Type** application/pdf
Identity Method email	**File Size** 1.66 MB
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Signed Checksum b90fb89a4259b121716374d7ee89d41e32f50926ec0fd684dd75fd363450b80f	
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SIGNERS

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Name Catherine	**Status** signed	**Viewed At** 06/27/2024 15:21 MST
Email siakalukc@newellmail.ca	**Multi-factor Digital Fingerprint Checksum** ff72e68ae933c115575249573b2b84ceeb9c6ae52f8a2943a591088046415d5f	**Identity Authenticated At** 06/27/2024 15:22 MST
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	Device Microsoft Edge via Windows	
	Typed Signature CSiakaluk	
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AUDITS

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