

The Jessica Martel Memorial Foundation
Financial Statements
For the year ended December 31, 2023

The Jessica Martel Memorial Foundation
Financial Statements
Year ended December 31, 2023

Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 13

Independent Auditor's Report

To the members of The Jessica Martel Memorial Foundation

Opinion

We have audited the financial statements of The Jessica Martel Memorial Foundation, which comprise the statement of financial position as at December 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with 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 Foundation 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 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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:

Independent Auditor's Report, 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 Foundation'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 Foundation'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 Foundation 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.

Lagom LLP

Lagom LLP
Chartered Professional Accountants

Edmonton, Alberta
June 28, 2024

The Jessica Martel Memorial Foundation

Statement of Financial Position

December 31 2023 2022

Assets

Current

Cash	\$ 1,856,272	\$ 2,091,071
Short term investment (note 3)	10,121	10,070
Accounts receivable	18,797	83,429
Government remittances receivable	5,618	3,613
Inventory	3,578	3,616
Prepaid expenses	24,238	16,308

1,918,624 2,208,107

Restricted cash (note 8)	78,784	708,180
Deposits (note 8)	44,129	-
Long-term investment (note 4)	10,000	20,000
Property and equipment (note 5)	2,273,161	1,664,649

\$ 4,324,698 \$ 4,600,936

Liabilities

Current

Accounts payable and accrued liabilities (note 6)	\$ 191,407	\$ 235,890
Deferred grant revenue (note 7)	76,431	413,479

267,838 649,369

Deferred capital contribution (note 8)	621,257	716,037
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889,095 1,365,406

Net Assets

Invested in property and equipment	1,772,617	1,656,792
Unrestricted	1,662,986	1,578,738

3,435,603 3,235,530

\$ 4,324,698 \$ 4,600,936

Commitments (note 9)

On behalf of the Board

 Member


Christine Moore (Jul 21, 2024 20:21 MDT) Member

See accompanying notes

The Jessica Martel Memorial Foundation

Statement of Operations

Year ended December 31	2023	2022
Revenues		
Grants	\$ 1,939,629	\$ 1,885,229
Donations	176,744	235,467
Amortization of deferred capital contributions (note 8)	151,791	1,571
Fundraising	102,130	62,328
Interest income	61,062	20,503
Gift-in-kind	19,574	16,684
Rental	8,790	-
	<u>2,459,720</u>	<u>2,221,782</u>
Expenditures		
Wages and benefits	1,623,384	1,369,407
Facility costs	142,485	81,526
Administration	130,533	156,382
Direct client costs	108,818	101,698
Amortization	68,560	53,831
Professional fees	62,813	42,461
Advertising and promotion	35,964	16,970
Automotive	11,631	13,333
Interest and bank charges	3,159	4,632
	<u>2,187,347</u>	<u>1,840,240</u>
Excess of revenues over expenditures from operations	<u>272,373</u>	<u>381,542</u>
Other expenses		
Loss on disposal of property and equipment	62,300	-
Writedown of long-term investment (note 4)	10,000	15,143
	<u>72,300</u>	<u>15,143</u>
Excess of revenues over expenditures	<u>\$ 200,073</u>	<u>\$ 366,399</u>

See accompanying notes

The Jessica Martel Memorial Foundation

Statement of Changes in Net Assets

Year ended December 31, 2023

	2023		
	Total	Invested in property and equipment	Unrestricted
Balance, beginning of year	\$ 3,235,530	\$ 1,656,792	\$ 1,578,738
Excess (deficiency) of revenues over expenditures	200,073	(131,109)	331,182
Allocation of unrestricted net assets for future purchase of property and equipment, held as restricted cash	-	55,522	(55,522)
Purchase of property and equipment	-	39,621	(39,621)
Amortization of deferred capital contributions	-	151,791	(151,791)
Balance, end of year	\$ 3,435,603	\$ 1,772,617	\$ 1,662,986

	2022		
	Total	Invested in property and equipment	Unrestricted
Balance, beginning of year	\$ 2,869,131	\$ 1,709,051	\$ 1,160,080
Excess (deficiency) of revenues over expenditures	366,399	(53,830)	420,229
Amortization of deferred capital contributions	-	1,571	(1,571)
Balance, end of year	\$ 3,235,530	\$ 1,656,792	\$ 1,578,738

See accompanying notes

The Jessica Martel Memorial Foundation

Statement of Cash Flows

Year ended December 31	2023	2022
Operating activities		
Excess of revenues over expenditures	\$ 200,073	\$ 366,399
Adjustments for		
Amortization	68,560	53,831
Amortization of deferred capital contributions	(151,791)	(1,571)
Loss on disposal of property and equipment	62,300	-
Writedown of long-term investment	10,000	15,143
	189,142	433,802
Change in non-cash working capital items		
Short term investment	(51)	-
Accounts receivable	64,632	(74,300)
Government remittances receivable	(2,005)	20,294
Inventory	38	(1,790)
Prepaid expenses	(7,930)	(16,308)
Accounts payable and accrued liabilities	(44,483)	144,155
Deferred grant revenue	(337,049)	(6,164)
	(137,706)	499,689
Investing activities		
Amounts transferred from (to) restricted cash (note 8)	629,396	(708,180)
Deposits (note 8)	(44,129)	-
Purchase of property and equipment	(739,621)	-
Proceeds on disposal of property and equipment	250	-
Purchase of short-term investments	(10,121)	(10,070)
Proceeds on sale of short-term investments	10,121	10,050
	(154,104)	(708,200)
Financing activity		
Deferred capital contribution received	57,011	708,180
Net (decrease) increase in cash	(234,799)	499,669
Cash, beginning of year	2,091,071	1,591,402
Cash, end of year	\$ 1,856,272	\$ 2,091,071

See accompanying notes

The Jessica Martel Memorial Foundation

Notes to the Financial Statements

December 31, 2023

1. Nature of operations

The Jessica Martel Memorial Foundation was incorporated on January 30, 2012 under the laws of Alberta.

The primary purpose of the Foundation is to provide emergency shelter, trauma informed services, family violence outreach programs, practical support advocacy, education, safety planning, and emotional supports with a focus on unique needs. In addition, the Foundation provides community education programs to increase understanding and support for individuals and families. The Foundation is a not-for-profit organization and registered charity and management has determined that it is exempt from the payment of income tax under section 149(1)(I) of the Income Tax Act of Canada.

2. Significant accounting policies

The Foundation applies the Canadian accounting standards for not-for-profit organizations.

(a) Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

(b) Short-term investments

Short-term investments consists of GICs and are recorded at cost plus accrued interest.

(c) Property and equipment

Property and equipment are recorded at cost. Amortization of property and equipment are based on their useful lives using the straight-line method and following durations:

Building	50 years
Vehicles	7 years
Furniture and fixtures	5 years
Computer equipment	3 years

Amortization of leasehold improvements is recorded over the remaining term of the lease plus the first renewal option.

Property and equipment are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

(d) Long-term investment

The Foundation follows the cost method of accounting for its investments, written down for any permanent impairment in value.

The Jessica Martel Memorial Foundation

Notes to the Financial Statements

December 31, 2023

2. Significant accounting policies, continued

(e) Leases

Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to the Foundation are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Equipment recorded under capital leases is amortized on the same basis as described above. Payments under operating leases are expensed as incurred.

(f) Revenue recognition

The Foundation follows the deferral method of accounting for contributions.

Restricted contributions (grants and donations) are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions (grants and donation) are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fundraising revenue is recognized when the related fundraising events are held.

Interest income and other income is recognized when earned on the accrual basis.

Gifts-in-kind are recognized when received if the amount can be reasonably estimated.

(g) Donated capital and services

Donated capital (property and equipment) are recorded in the financial statements at fair value on the date of the donation.

Volunteers contribute many hours per year to assist the Foundation in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Contributions restricted for the acquisition of capital assets are deferred until spent and then amortized as revenue on the same basis as the amortization expense related to the acquired capital assets.

(h) Government assistance

Government and other grants related to property and equipment are accounted for as deferred government assistance and amortized on the same basis as the related property and equipment. Operating grants are accounted for as revenue when earned.

The Jessica Martel Memorial Foundation

Notes to the Financial Statements

December 31, 2023

2. Significant accounting policies, continued

(i) Accounting estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenditures during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Significant items subject to such estimates and assumptions include: allowance for doubtful accounts, life of property and equipment for the purpose of amortization, estimated liabilities to be accrued at year end, revenue recognition on grants, and fair value of contributed assets.

(j) Financial instruments

The Foundation initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed up by the related parties.

The Foundation subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in operations.

3. Short term investment

	2023	2022
Guaranteed investment certificate, bearing interest of 4.3% per annum, maturing January 19, 2024.	\$ 10,121	\$ -
Guaranteed investment certificate, matured during the year	-	10,070
	<u>\$ 10,121</u>	<u>\$ 10,070</u>

The Jessica Martel Memorial Foundation

Notes to the Financial Statements

December 31, 2023

4. Long-term investment

The long-term investment represents a motorcycle purchased which was to be given as a fundraiser raffle prize. Subsequently, the fundraiser was cancelled and the Foundation was unable to return the motorcycle. The Foundation is not intending to use the motorcycle and it is not held for sale, and therefore, it has been classified as a long-term investment.

The estimated net realizable value of the motorcycle is \$10,000, so an impairment provision of \$10,000 (2022 - \$15,143) to adjust the carrying value to this amount has been recorded.

5. Property and equipment

	2023		2022	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Land	\$ 194,210	\$ -	\$ 55,210	\$ -
Building	2,110,329	128,762	1,549,329	86,556
Vehicles	28,507	12,396	28,507	8,323
Furniture and fixtures	95,053	43,408	173,894	48,795
Leasehold improvements	31,515	1,887	-	-
Computer equipment	4,149	4,149	4,149	2,766
	<u>2,463,763</u>	<u>190,602</u>	<u>1,811,089</u>	<u>146,440</u>
Net book value	<u>\$ 2,273,161</u>		<u>\$ 1,664,649</u>	

6. Accounts payable and accrued liabilities

	2023	2022
Trade payables	\$ 147,807	\$ 72,408
Government remittances	43,600	30,182
Grant repayable	-	133,300
	<u>\$ 191,407</u>	<u>\$ 235,890</u>

The Jessica Martel Memorial Foundation

Notes to the Financial Statements

December 31, 2023

7. Deferred grant revenue

Deferred grant revenue represents funds received under various grants where conditions attached to the grant have not been met in order to recognize all or a portion of the grant as revenue or the grant has been provided for future periods.

	<u>2023</u>	<u>2022</u>
Community and Social Services Grant - Surplus Retention Reserve	\$ 44,117	\$ 100,000
Government of Alberta - Women's Emergency Shelter	17,385	-
Realtors Community Foundation - Flagship Program	13,733	-
Government of Alberta - Food Securities Grant	1,196	-
Community and Social Services Grant	-	254,264
Women's Shelters Canada Grant	-	49,291
Women's Shelters COVID-19 Isolation Grant	-	8,129
Community and Social Services Women's Shelter Grant	-	1,795
	<u>\$ 76,431</u>	<u>\$ 413,479</u>

Under the terms of the grant agreement for the Community and Social Services Grant, the Foundation was allowed to transfer a surplus of \$100,000 from grant funds not spent under the terms of the grant agreement into a Surplus Retention Reserve. Funds in the reserve can be applied against current or future years' allocations, at the direction of the grant funder.

In the current year, \$55,883 of funds were approved for withdrawal from the Surplus Retention Reserve for equipment and expenditures.

8. Deferred capital contribution

Deferred capital contributions represent restricted contributions that have been used for the acquisition of capital assets. Changes in the deferred capital contributions are as follows:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 716,037	\$ 9,429
Contributions	57,011	708,180
Amortization of deferred capital contributions	<u>(151,791)</u>	<u>(1,572)</u>
Balance, end of year	<u>\$ 621,257</u>	<u>\$ 716,037</u>

The Jessica Martel Memorial Foundation

Notes to the Financial Statements

December 31, 2023

8. Deferred capital contribution, continued

During the year, the Foundation received \$57,011 (2022 - \$8,180) as capital contributions for a playground. These funds totalling \$65,191 have not been spent in full at year end, but a deposit of \$41,929 related to the playground has been made and is part of the balance in deposits. The funds not spent related to this of \$23,262 have been presented as part of restricted cash, along with \$55,522 of cash allocated from unrestricted net assets for the playground.

During the prior year, the Foundation received \$700,000 as a capital contribution for second stage housing. These funds were spent in the current year for the purchase of second stage housing and the deferred capital contribution is being amortized over the estimated useful life of the second stage housing. The portion of the funds spent on second stage housing which have been allocated to land for \$139,000 have been recognized through amortization of deferred capital contributions in the current year.

During a prior year, a buyout option for \$11,000 was exercised on a vehicle under a capital lease. This was funded by a gift-in-kind donation and the amount was recognized as a deferred capital contribution, which is being amortized over the estimated useful life of the vehicle.

9. Commitments

The Foundation leases facilities under a lease agreement which expires on July 31, 2025 and requires monthly payments of \$2,310. Aggregate lease payments for the next two years are as follows:

2024	\$	27,720
2025		<u>16,170</u>
	\$	<u>43,890</u>

10. Economic dependence

The Foundation received 73.6% (2022 - 67.0%) of its revenue through grant agreements with entities that are part of the Government of Alberta. The Foundation's continued operations are dependent on this funding through various agreements and on satisfying the terms of the agreements.

11. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

The Jessica Martel Memorial Foundation

Notes to the Financial Statements

December 31, 2023

11. Financial instruments, continued

(a) Credit risk

The Foundation does have credit risk in accounts receivable of \$18,797 (2022 - \$83,429). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. In the opinion of management the credit risk exposure to the Foundation is low and is not material.

The Foundation is also exposed to credit risk as it maintains all its bank accounts at two financial institutions. Balances in these accounts may exceed federally insured amounts.

(b) 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 Foundation is exposed to this risk through its investment in guaranteed investment certificates with fixed interest rates, resulting in changes in fair value of the guaranteed investment certificates as market interest rates change.

In the opinion of management the interest rate risk exposure to the Foundation low and is not material.

12. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.
