

**STREETS ALIVE FAMILY SUPPORT ASSOCIATION**

**FINANCIAL STATEMENTS**

**For the year ended December 31, 2021**

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**STREETS ALIVE FAMILY SUPPORT ASSOCIATION**  
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**December 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors of  
Streets Alive Family Support Association

### *Qualified Opinion*

We have audited the financial statements of Streets Alive Family Support Association, which comprise the statement of financial position as at December 31, 2021, 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 financial statements present fairly, in all material respects, the financial position of Streets Alive Family Support Association as at December 31, 2021 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 Qualified Opinion*

In common with many charitable organizations, Streets Alive Family Support Association receives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. We were therefore unable to obtain sufficient appropriate audit evidence regarding the completeness of these revenues. Consequently we were unable to determine whether any adjustments to donations and fundraising revenue were necessary.

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.

### *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.

### *Report on compliance*

In accordance with the agreement between the Association and Canada Mortgage and Housing Corporation dated December 17, 2020, we report that the Replacement Reserve Fund has been properly funded and maintained, and all earnings accruing to the Replacement Reserve Fund have been recorded as part of the fund. We also report that the Association is in compliance with respect to the agreement.

We do not provide a legal opinion on the compliance with the agreement.



Lethbridge, Alberta

June 28, 2022

Chartered Professional Accountants

**STREETS ALIVE FAMILY SUPPORT ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
As at December 31, 2021

	2021	2020
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 377,423	\$ 366,074
Accounts receivable	69,245	290,747
Prepaid expenses	5,796	9,187
Funds held in trust (note 3)	275,170	281,339
GST receivable	4,427	15,964
	732,061	963,311
<b>Capital assets (note 4)</b>	2,553,934	1,942,584
	\$ 3,285,995	\$ 2,905,895
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 20,075	\$ 85,948
Salaries and benefits payable	17,004	16,995
Deferred revenue (note 5)	25,003	57,510
Funds held in trust (note 3)	275,170	281,339
Current portion of long-term debt	141,000	138,000
Current portion of callable debt	33,293	32,006
	511,545	611,798
Callable debt (note 6)	50,383	83,679
	561,928	695,477
<b>Long-term debt (note 7)</b>	876,000	414,000
<b>Canada Emergency Business Account (note 8)</b>	40,000	40,000
<b>Deferred capital contributions (note 9)</b>	7,600	40,440
<b>Unamortized capital contributions (note 10)</b>	940,998	958,044
	2,426,526	2,147,961
<b>Net assets</b>		
Unrestricted	138,533	200,393
Invested in capital assets	595,936	432,541
Reserves (note 11)	125,000	125,000
	859,469	757,934
	\$ 3,285,995	\$ 2,905,895

Approved on behalf of the board:

Director



Director



**STREETS ALIVE FAMILY SUPPORT ASSOCIATION**  
**STATEMENT OF OPERATIONS**  
For the year ended December 31, 2021

	2021 Budget (unaudited)	2021 Actual	2020 Actual
<b>Revenue</b>			
Donations	\$ 1,368,225	\$ 1,296,096	\$ 1,180,522
Residence fees	411,746	389,545	422,271
Government funding	159,498	209,309	109,429
Events	34,500	116,730	48,463
Donated goods	-	25,933	114,408
Miscellaneous	1,500	7,443	5,201
	<u>1,975,469</u>	<u>2,045,056</u>	<u>1,880,294</u>
<b>Expenses</b>			
Direct client costs (schedule 1)	989,870	1,042,815	955,022
Administrative (schedule 2)	798,089	743,775	637,517
Facility (schedule 3)	293,956	324,266	304,973
	<u>2,081,915</u>	<u>2,110,856</u>	<u>1,897,512</u>
<b>Deficiency of revenue over expenses from operations</b>	<u>(106,446)</u>	<u>(65,800)</u>	<u>(17,218)</u>
<b>Other revenue</b>			
COVID-19 grants and subsidies	71,000	256,563	309,422
Canada Emergency Business Account	-	-	20,000
	<u>71,000</u>	<u>256,563</u>	<u>329,422</u>
<b>(Deficiency) excess of revenue over expenses before items relating to capital assets</b>	<u>(35,446)</u>	<u>190,763</u>	<u>312,204</u>
<b>Revenue (expense) relating to capital assets</b>			
Amortization of capital contributions	-	63,342	67,196
Loss on disposal of capital assets	-	(11,632)	(9,332)
Amortization	-	(140,938)	(127,727)
	<u>-</u>	<u>(89,228)</u>	<u>(69,863)</u>
<b>(Deficiency) excess of revenue over expenses</b>	<u>\$ (35,446)</u>	<u>\$ 101,535</u>	<u>\$ 242,341</u>

**STREETS ALIVE FAMILY SUPPORT ASSOCIATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
For the year ended December 31, 2021

	Unrestricted	Invested in capital assets	Reserves	Total 2021	Total 2020
<b>Balance, beginning of year</b>	\$ 200,393	\$ 432,541	\$ 125,000	\$ 757,934	515,593
<b>Excess of revenue over expenses</b>	101,535	-	-	101,535	242,341
<b>Amortization</b>	140,938	(140,938)	-	-	-
<b>Purchase of capital assets</b>	(705,128)	777,920	(72,792)	-	-
<b>Proceeds on disposal of capital assets</b>	14,000	(14,000)	-	-	-
<b>Loss on disposal of capital assets</b>	11,632	(11,632)	-	-	-
<b>Capital contributions spent</b>	46,297	(46,297)	-	-	-
<b>Amortization of capital contributions</b>	(63,342)	63,342	-	-	-
<b>Long-term debt proceeds</b>	600,000	(600,000)	-	-	-
<b>Repayment of long-term debt</b>	(135,000)	135,000	-	-	-
<b>Transfer to reserves</b>	(110,877)	-	110,877	-	-
<b>Reserves used for operations</b>	38,085	-	(38,085)	-	-
<b>Balance, end of year</b>	\$ 138,533	\$ 595,936	\$ 125,000	\$ 859,469	757,934

**STREETS ALIVE FAMILY SUPPORT ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2021

	2021	2020
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses	\$ 101,535	\$ 242,341
Adjustments for items which do not affect cash		
Amortization	140,938	127,727
Loss on disposal of capital assets	11,632	9,332
Amortization of capital contributions	(63,342)	(67,196)
Forgivable portion of Canada Emergency Business Account	-	(20,000)
	190,763	292,204
Change in non-cash working capital items		
Accounts receivable	221,502	(56,488)
Prepaid expenses	3,391	(1,149)
GST	11,537	(9,023)
Accounts payable and accrued liabilities	(65,865)	55,341
Deferred revenue	(32,507)	57,510
	328,821	338,395
<b>Cash flows from investing activities</b>		
Proceeds on disposal of capital assets	14,000	500
Purchase of capital assets	(777,920)	(984,422)
	(763,920)	(983,922)
<b>Cash flows from financing activities</b>		
Repayment of callable debt	(32,009)	(30,300)
Proceeds of long-term debt	600,000	-
Repayment of long-term debt	(135,000)	(138,000)
Proceeds of Canada Emergency Business Account	-	60,000
Capital contributions received	13,457	846,363
	446,448	738,063
<b>Net increase in cash</b>	<b>11,349</b>	<b>92,536</b>
<b>Cash, beginning of year</b>	<b>366,074</b>	<b>273,538</b>
<b>Cash, end of year</b>	<b>\$ 377,423</b>	<b>\$ 366,074</b>



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**STREETS ALIVE FAMILY SUPPORT ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**1. Nature of operations**

Streets Alive Family Support Association is a non-profit association which operates recovery houses for both men and women, provides counselling to the homeless and imprisoned, and assists in reincorporating persons who were incarcerated back into society, as well as Sunday programs for children. 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. Residence fees and contract revenue are recognized as revenue as services are rendered.

The Association has participated in the Canada Emergency Wage Subsidy program under the government's COVID-19 economic response plan. The program payment revenue is recorded in the same period as the related wages were earned when the amounts can be reasonably determined.

(b) 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.

(c) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Only capital assets costing more than \$1,000 are recorded in the capital asset account. Amortization is provided for using the following annual rates:

Buildings	4% straight-line
Equipment	20% declining balance
Automotive	20% declining balance
Furniture and fixtures	20% declining balance
Leasehold improvements	20% declining balance
Computer equipment	20% declining balance

(d) Net assets

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

(e) Donated goods and property use

The Association utilizes goods and property donated by the public to assist in their operations. The goods and rental properties would be purchased and paid for in the normal course of operations, and are recorded in the financial statements at estimated fair value.

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**STREETS ALIVE FAMILY SUPPORT ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

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**2. Significant accounting policies, continued**

(f) Financial instruments

The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and liabilities at amortized cost.

(g) Contributed services

The Association utilizes the services of volunteers in many of its programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(h) 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.

**3. Funds held in trust**

	2021	2020
Client trust accounts	\$ 275,170	\$ 281,339

The Association collects funds for numerous clients and disburses the funds as required for the expenses of each client. The Association is strictly managing the funds for others and therefore does not recognize any of the funds received as income to the Association and likewise does not recognize any of the disbursements as expenses.

**STREETS ALIVE FAMILY SUPPORT ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

4. **Capital assets**

			2021			2020
	Cost	Accumulated amortization	Net	Net		Net
Land	\$ 559,000	\$ -	\$ 559,000	\$	309,000	
Buildings	2,037,517	288,242	1,749,275		1,376,271	
Equipment	13,049	4,742	8,307		2,796	
Automotive	92,256	38,230	54,026		46,545	
Furniture and fixtures	60,565	26,049	34,516		46,216	
Leasehold improvements	312,129	168,192	143,937		155,073	
Computer equipment	14,616	9,743	4,873		6,683	
	<b>\$ 3,089,132</b>	<b>\$ 535,198</b>	<b>\$ 2,553,934</b>	<b>\$</b>	<b>1,942,584</b>	

Capital asset additions include \$8,764 for labour and materials that were donated to the Association. These additions have been recorded at their estimated value at the time of donation.

Capital assets include \$48,483 of building assets that are under construction and therefore are not being amortized.

5. **Deferred revenue**

Deferred revenue represents unspent resources received in the current period that are related to the subsequent period.

	Balance, beginning of year	Received	Recognized to revenue	Balance, end of year
Government of Alberta - COVID Counselling Grant	\$ -	\$ 100,000	\$ (74,997)	\$ 25,003
Government of Alberta - Exodus	57,510	-	(57,510)	-
	<b>\$ 57,510</b>	<b>\$ 100,000</b>	<b>\$ (132,507)</b>	<b>\$ 25,003</b>

**STREETS ALIVE FAMILY SUPPORT ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

**6. Callable debt**

	2021	2020
ATB Financial		
This loan is repayable at \$3,000 per month including interest at the prime rate plus 1.50%. The loan is due in 2024.	\$ 83,676	\$ 115,685
Repayable within one year	33,293	32,006
	\$ 50,383	\$ 83,679

Security pledged on the above loans is as described in note 12.

Estimated principal repayments based on currently accepted repayment terms are as follows:

2022	\$ 33,293
2023	34,633
2024	15,750
	\$ 83,676

**7. Long-term debt**

	2021	2020
Private lender		
This unsecured loan is repayable by interest only payments of prime plus 1.5% on a monthly basis. The loan is due in 2023.	\$ 600,000	-
This unsecured loan is repayable at \$138,000 per year interest-free. The lender has also entered a pledge agreement to make an annual donation in the amount of the loan payment back to the Association. The loan is due in 2024.	417,000	552,000
	1,017,000	552,000
Less current portion	141,000	138,000
	\$ 876,000	\$ 414,000

Estimated principal repayments are as follows:

2022	\$ 141,000
2023	738,000
2024	138,000

**STREETS ALIVE FAMILY SUPPORT ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

**8. Canada Emergency Business Account**

	2021	2020
The loan is unsecured and non-interest bearing with no specific terms of repayment until January 2024, at which time the loan will bear interest at 5% and be repayable over three years.	\$ 40,000	\$ 40,000

Repayment of the loan before December 31, 2023 will result in forgiveness of up to \$20,000. The \$20,000 forgivable portion was recorded directly into income in 2020.

**9. Deferred capital contributions**

Deferred capital contributions represent unspent restricted contributions for the purchase of capital assets.

	2021	2020
Beginning balance	\$ 40,440	\$ 62,600
Capital contributions received	13,457	846,363
Capital contributions spent	(46,297)	(868,523)
	\$ 7,600	\$ 40,440

**10. Unamortized capital contributions**

Unamortized capital contributions represent the externally funded portion of capital assets that will be recognized as revenue in future periods. The changes in the unamortized capital contribution balance for the period are as follows:

	2021	2020
Beginning balance	\$ 958,044	\$ 156,717
Capital contributions spent	46,297	868,523
Amortization of unamortized capital contributions	(57,364)	(60,292)
Deferred capital contributions - asset disposals	(5,979)	(6,904)
	\$ 940,998	\$ 958,044

Total amount recognized as revenue for the period is \$63,342 (2020 - \$67,196).

**STREETS ALIVE FAMILY SUPPORT ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

**11. Reserves**

Reserves consist of internally restricted net assets set aside by the the Board of Directors of the Association for specific purposes, as follows:

		2021		2020
Emergency contingency reserve	\$	65,000	\$	65,000
Capital reserve		60,000		60,000
	\$	125,000	\$	125,000

**12. Line of credit**

A bank loan has been authorized by ATB Financial to a maximum of \$150,000 and bears interest at the prime rate plus 1.50%. A general security agreement over all assets of the borrower's present and after-acquired property, as well as a first rights mortgage on the land for the principal sum of \$350,000 has been pledged as security. At the year end, the amount used was \$0 (2020 - \$0).

**13. Commitments**

As at December 31, 2021, the Association has outstanding commitments regarding multiple property leases. Estimated expense payments are as follows:

2022		\$ 114,825		
2023		84,150		
		\$ 198,975		

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**STREETS ALIVE FAMILY SUPPORT ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

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**14. COVID-19**

Events have occurred as a result of the COVID-19 (coronavirus) pandemic that have caused economic uncertainty. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government responses, remain unclear at this time.

Some of the key impacts include, but are not limited to, interruptions of production and supply chains, unavailability of personnel, reductions in revenue, decline in value of financial investments, disruptions or stoppages in non-essential travel, and the closure of facilities and businesses.

The Association's revenues and expenses directly related to events and fundraising have declined from the beginning of the pandemic to year end. However, donation and grant revenue has increased as a result of various COVID-19 grants received in order to maintain operations. The Association has utilized the Canada Emergency Wage Subsidy to maintain the majority of its employees and is following Government guidelines and has developed policies to ensure the safety of employees is maintained. Management is not aware of any material impairments that will impact the financial assets or liabilities of the company due to the pandemic.

The situation is continually changing and the future impact on the Association is not readily determinable at this time.

**15. Financial instruments**

(a) Interest rate risk

The Association is exposed to interest rate risk due to floating rate borrowings. The floating rate debt is subject to interest rate cash flow risk, as the required cash flows to service the debt will fluctuate as a result of changes in market rates.

(b) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association's accounts receivable are due from arm's-length parties. They are due from government agencies, which reduces credit risk as collection is reasonably assured.

**16. Fundraising**

Expenses incurred for the purpose of soliciting contributions were \$164,861 (2020 - \$189,055). Remuneration to employees whose principle duties involve fundraising was \$90,430 (2020 - \$78,668).

**STREETS ALIVE FAMILY SUPPORT ASSOCIATION**  
**SCHEDULES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

<b>Schedule of direct client costs</b>	<b>Schedule 1</b>		
	2021 Budget (unaudited)	2021 Actual	2020 Actual
Salaries and employee benefits	\$ 801,515	\$ 815,167	\$ 757,411
Food	111,935	128,227	114,379
Materials and supplies	53,370	51,146	68,346
Client counselling	3,600	32,580	1,065
Recreation	13,600	11,066	9,176
Medical and critical care	5,850	4,629	4,645
	<b>\$ 989,870</b>	<b>\$ 1,042,815</b>	<b>\$ 955,022</b>

<b>Schedule of administrative</b>	<b>Schedule 2</b>		
	2021 Budget (unaudited)	2021 Actual	2020 Actual
Salaries and employee benefits	\$ 332,141	\$ 299,416	\$ 226,240
Fundraising	205,715	164,861	189,055
Computers	45,800	50,797	35,322
Telephone and communications	35,760	38,243	31,998
Office supplies and postage	28,970	32,174	25,451
Vehicle - operating	25,225	30,754	19,272
Insurance	23,733	24,188	18,816
Ministry costs	22,150	23,755	24,934
Vehicle - maintenance	19,920	20,732	17,568
Interest	11,060	15,349	5,768
GST	27,750	14,066	14,994
Accounting and audit fees	6,000	14,000	12,500
Bank and credit card charges	7,665	8,709	9,352
Miscellaneous	3,000	6,571	3,864
Bad debt	3,200	160	762
Education, conferences and workshops	-	-	1,621
	<b>\$ 798,089</b>	<b>\$ 743,775</b>	<b>\$ 637,517</b>



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**STREETS ALIVE FAMILY SUPPORT ASSOCIATION**  
**SCHEDULES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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<b>Schedule of facility</b>	<b>Schedule 3</b>		
	2021 Budget (unaudited)	2021 Actual	2020 Actual
Rental of space	\$ 194,406	\$ 185,160	\$ 194,941
Maintenance and repairs	32,050	71,216	61,648
Utilities	67,500	67,890	48,384
	<b>\$ 293,956</b>	<b>\$ 324,266</b>	<b>\$ 304,973</b>

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