

**JUNIOR ACHIEVEMENT OF NORTHERN
ALBERTA AND THE NORTHWEST
TERRITORIES**

Financial Statements

Year Ended June 30, 2023

JUNIOR ACHIEVEMENT OF NORTHERN ALBERTA AND THE NORTHWEST TERRITORIES
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Year Ended June 30, 2023

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November 14, 2023
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Members of Junior Achievement of Northern Alberta and the Northwest Territories

Qualified Opinion

We have audited the financial statements of Junior Achievement of Northern Alberta and the Northwest Territories (the Society), which comprise the statement of financial position as at June 30, 2023, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at June 30, 2023, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended June 30, 2023, current assets and net assets as at June 30, 2023. Our audit opinion on the financial statements for the year ended June 30, 2022 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with 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 audit 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

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Independent Auditor's Report to the Members of Junior Achievement of Northern Alberta and the Northwest Territories (continued)

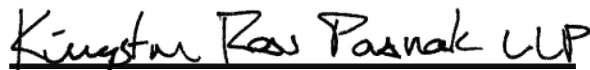
Auditor's Responsibilities for the Audit of the Financial Statements

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 qualified audit 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 Society'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 Society'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 Society 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.



Kingston Ross Pasnak LLP

Chartered Professional Accountants

JUNIOR ACHIEVEMENT OF NORTHERN ALBERTA AND THE NORTHWEST TERRITORIES
Statement of Operations
Year Ended June 30, 2023

	2023	2022
REVENUES		
Alberta Business Hall of Fame Dinner	\$ 701,862	\$ 613,689
Direct program sponsorship	397,964	400,731
Grants (Note 8)	152,804	85,485
In-house events	88,030	40,205
Casino	34,312	69,797
Third party event	25,474	27,398
Interest and other (Note 7)	16,791	12,080
Laureate Legacy Fund	5,000	5,000
	1,422,237	1,254,385
EXPENSES		
Personnel	786,793	773,326
Alberta Business Hall of Fame Dinner	190,001	197,691
Programs	137,977	38,831
Administration (Note 10)	106,505	110,382
Facility and equipment	58,790	73,859
In-house events	21,137	7,178
Amortization	5,587	5,709
Marketing	4,472	34,896
	1,311,262	1,241,872
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	110,975	12,513
OTHER EXPENSES		
Loss on disposal of property and equipment	2,191	-
EXCESS OF REVENUES OVER EXPENSES	\$ 108,784	\$ 12,513

JUNIOR ACHIEVEMENT OF NORTHERN ALBERTA AND THE NORTHWEST TERRITORIES
Statement of Changes in Net Assets
Year Ended June 30, 2023

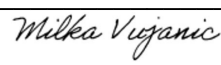
	Invested in Property and Equipment	Unrestricted	Internally Restricted	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 15,715	\$ 301,054	\$ 324,957	\$ 641,726	\$ 629,213
Excess of revenues over expenses	(8,247)	117,031	-	108,784	12,513
Purchase of property and equipment	1,697	(1,697)	-	-	-
Transfers (Note 9)	-	(4,723)	4,723	-	-
NET ASSETS - END OF YEAR	\$ 9,165	\$ 411,665	\$ 329,680	\$ 750,510	\$ 641,726

JUNIOR ACHIEVEMENT OF NORTHERN ALBERTA AND THE NORTHWEST TERRITORIES
Statement of Financial Position
June 30, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 913,957	\$ 621,254
Restricted cash (Note 3)	18,134	37,446
Accounts receivable	150,425	115,243
Goods and Services Tax recoverable	8,556	1,662
Prepaid expenses	37,203	16,372
	1,128,275	791,977
PROPERTY AND EQUIPMENT (Note 4)	9,165	15,715
CASH SURRENDER VALUE OF LIFE INSURANCE	39,080	35,351
	\$ 1,176,520	\$ 843,043
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 135,556	\$ 76,224
Source deductions payable	4,355	12,797
Deferred contributions (Note 5)	286,099	112,296
	426,010	201,317
COMMITMENTS (Note 6)		
NET ASSETS		
Invested in property and equipment	9,165	15,715
Unrestricted	411,665	301,054
Internally restricted (Note 9)	329,680	324,957
	750,510	641,726
	\$ 1,176,520	\$ 843,043

ON BEHALF OF THE BOARD

 Director

 Director

JUNIOR ACHIEVEMENT OF NORTHERN ALBERTA AND THE NORTHWEST TERRITORIES
Statement of Cash Flow
Year Ended June 30, 2023

	2023	2022
OPERATING ACTIVITIES		
Cash receipts from programs and donors	\$ 1,543,988	\$ 1,277,478
Cash paid to suppliers and employees	(1,275,147)	(1,219,135)
Interest received	6,247	9,165
Cash flow from operating activities	275,088	67,508
INVESTING ACTIVITY		
Purchase of property and equipment	(1,697)	(6,298)
Cash flow used by investing activity	(1,697)	(6,298)
INCREASE IN CASH	273,391	61,210
CASH - BEGINNING OF YEAR	658,700	597,490
CASH - END OF YEAR	\$ 932,091	\$ 658,700
CASH CONSISTS OF:		
Cash	\$ 913,957	\$ 621,254
Restricted cash	18,134	37,446
	\$ 932,091	\$ 658,700

JUNIOR ACHIEVEMENT OF NORTHERN ALBERTA AND THE NORTHWEST TERRITORIES
Notes to Financial Statements
Year Ended June 30, 2023

1. PURPOSE OF THE SOCIETY

Junior Achievement of Northern Alberta and the Northwest Territories (the "Society") develops the business knowledge and entrepreneurial skills of youth through educational programs developed by Junior Achievement Canada and delivered by volunteers from local business communities.

Although it operates under a charter granted by Junior Achievement Canada and relies on that organization for the supply of its curriculum and program materials, Junior Achievement of Northern Alberta and the Northwest Territories is independently incorporated under the Societies Act of the Province of Alberta as a not-for-profit organization and is a registered charity under the Income tax Act (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

Cash and cash equivalents

Cash and cash equivalents consist of cash and restricted cash on deposit plus highly liquid short term investments, less cheques issued and outstanding. Highly liquid short term investments consist of guaranteed investment certificates and are valued at cost plus accrued interest.

Cash surrender value of life insurance

In a prior year, a donor contributed a life insurance policy with the Society as the beneficiary. The cash surrender value is the savings component of the sum of money an insurance company will pay to the policy holder or annuity holder in the event the policy is voluntarily terminated before its maturity or the insured event occurs. The carrying value of the cash surrender value of life insurance represents the redemption amount at the balance sheet date.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Contributed property and equipment are recorded at fair value when received, provided that fair value can be readily determined. Otherwise, contributed property and equipment are recorded at a nominal value. Amortization is provided annually on a straight-line basis as follows:

Computer equipment	4 years
Computer software	3 years
Website	2 years
Furniture and equipment	10 years

Property and equipment acquired during the year but not placed into use are not amortized until they are available for use.

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JUNIOR ACHIEVEMENT OF NORTHERN ALBERTA AND THE NORTHWEST TERRITORIES
Notes to Financial Statements
Year Ended June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Revenue recognition

The Society follows the deferral method of accounting for externally restricted contributions. Restricted contributions, other than those received for the purchase of property and equipment, are recognized as revenue in the year in which the related expenses are incurred.

Revenues that are not subject to external restrictions received from direct program sponsors and donations are recognized when received, or when receivable if the amounts can be reasonably estimated and the collection is reasonably assured. Sponsorship revenues designated by the donors for specific programs are recognized as deferred contributions and recognized in revenue when the restricted expenses are incurred.

Revenues received from casino events are restricted and recognized in deferred contributions when the event has occurred and the amount is known. The deferred contributions are recognized as revenue when the authorized expenditures are incurred.

Revenues received from third party events are recognized when the donations are received, or when receivable if the amounts can be reasonably estimated and the collection is reasonably assured.

Revenue received from in-house events is recognized after the event has occurred.

Government grants are recognized in the period in which the conditions of the grant have been met and collection is reasonably assured.

Revenue received for the provision of goods or services is recognized in the period in which the goods are provided or the services have been rendered and collection is reasonably assured.

Revenue from interest and other income is recognized when earned. Interest and other income may also include donation revenue.

Revenue received from the Laureate Legacy Fund is recognized when received, or when receivable if the amounts can be reasonably estimated and the collection is reasonably assured.

Deferred capital contributions

Restricted contributions for the purchase of property and equipment are deferred and recognized as revenue on the same basis as the amortization expense of the related assets.

Donations in kind

Donated goods or services are recorded at their fair market value at the time of the donation. During the year \$80,285 in goods were donated (2022 - \$90,696), including production and video costs, advertising and auction items. During the year, volunteer time was contributed to assist the Society in carrying out its service delivery activities. The value of the volunteer time is not recognized in the financial statements as the value of the services cannot be reasonably quantified.

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JUNIOR ACHIEVEMENT OF NORTHERN ALBERTA AND THE NORTHWEST TERRITORIES
Notes to Financial Statements
Year Ended June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

All arm's length financial instruments are initially measured at fair value, and, unless otherwise noted, the Society subsequently measures its financial instruments at amortized cost.

The measurement basis for related party financial instruments is disclosed in Note 10.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. The following amounts are subject to measurement uncertainty: the collectability of accounts receivable, cash surrender value of life insurance, the physical and economic lives of property and equipment, donations in kind and deferral of contributions. These estimates are periodically reviewed and any necessary adjustments are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. RESTRICTED CASH

	2023	2022
Restricted cash	\$ 18,134	\$ 37,446

Cash held in the casino account is restricted, as per restrictions set forth by the Alberta Gaming, Liquor and Cannabis Commission.

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 19,156	\$ 11,056	\$ 8,100	\$ 9,859
Computer software	17,393	16,328	1,065	3,196
Website	24,651	24,651	-	-
Furniture and equipment	-	-	-	2,660
	\$ 61,200	\$ 52,035	\$ 9,165	\$ 15,715

JUNIOR ACHIEVEMENT OF NORTHERN ALBERTA AND THE NORTHWEST TERRITORIES
Notes to Financial Statements
Year Ended June 30, 2023

5. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources from external sources such as casino events and sponsorships from donors that were restricted for carrying out specific programs or for specific expenses in the current year, as well as sponsorships or ticket sales for events to occur subsequent to year end. These funds have been carried forward to spend on future similar expenses, at the discretion of the contributor.

	2023	2022
Deferred contributions, beginning of year	\$ 112,296	\$ 60,304
Contributions received	426,819	257,510
Contributions recognized	(253,016)	(205,518)
Deferred contributions, end of year	\$ 286,099	\$ 112,296

6. COMMITMENTS

The Society has a short term lease with respect to its premises and mail station. The current premises lease expires on March 31, 2024 and includes all operating costs. The mail station lease expires on August 20, 2025. Future minimum rent and lease payments as at June 30, 2023, are as follows:

	Mail Station	Premises
2024	\$ 577	\$ 16,000
2025	\$ 577	-

7. EDMONTON COMMUNITY FOUNDATION FUND

The Society is the beneficiary of five funds donated to the Edmonton Community Foundation. The Junior Achievement of Northern Alberta Fund was established December 31, 1989 with a principal amount of \$50,000.

The Junior Achievement Fund was established September 4, 2008 with a principal amount of \$25,000.

The Reagan Williams Achiever of the Year Scholarship Fund was established July 2, 2008 with a principal amount of \$25,320.

The Gary Silsbe Memorial Scholarship Fund was established May 30, 2016 with a principal amount of \$42,000.

The Timothy Melton Entrepreneurial Award Fund was established June 18, 2019 with a principal amount of \$20,000.

The total initial principal amount of \$162,320 is not available to the Society and is not reflected as an asset in these financial statements. During the year, \$8,438 (2022 - \$9,165) in interest and other revenue was earned on these funds.

JUNIOR ACHIEVEMENT OF NORTHERN ALBERTA AND THE NORTHWEST TERRITORIES
Notes to Financial Statements
Year Ended June 30, 2023

8. GRANTS

Government and corporate grants in the amount of \$152,804 (2022 - \$85,485) were received during the year and have been fully recognized as revenue in the current year.

9. INTERNALLY RESTRICTED NET ASSETS

During the year, the Board of Directors of the Society did not make any changes to the internally restricted net assets. Interest in the amount of \$4,723 was accrued on the prior year balance and transferred to the internally restricted net assets, bringing the new balance to \$329,680 now set aside as operating reserves which are to be overseen by the Board of Directors.

As a Licensee of JA Canada, the Society is required to have a minimum Sustainability Reserve consisting of unrestricted and internally restricted funds. Applying the respective JA Canada policy and procedure, the Sustainability Reserve for the Society has been calculated to be 64% of its net operating budget for the year ended June 30, 2023. The operating budget for the year is \$1,254,000.

10. RELATED PARTY TRANSACTIONS

The following is a summary of the Society's related party transactions:

	2023	2022
Humanis Advisory LP (Board member with significant influence)		
Professional fees included in administration	\$ 10,250	\$ -

The transactions with related parties are measured at cost, which is equal to the undiscounted cash flows received, or expected to be received, not including expected interest and dividends, less any previously recognized impairment losses.

11. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis provides information about the Society's risk exposure and concentration as of June 30, 2023. Unless otherwise noted, the Society's risk exposure has not changed from the prior year.

Credit risk

Financial instruments that potentially subject the Society to credit risk consist primarily of accounts receivable. In the normal course of operations, the Society evaluates the financial condition of its donors on a continuing basis and reviews the credit worthiness of all new donors. Management assesses the need for an allowance for potential credit losses by considering the credit risk of specific donors, historic trends, and other information.

Two of the Society's donors as at June 30, 2023 account for approximately 60% of accounts receivable (2022 - two donors for 78%), of which 100% has been collected subsequent to year end.

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JUNIOR ACHIEVEMENT OF NORTHERN ALBERTA AND THE NORTHWEST TERRITORIES
Notes to Financial Statements
Year Ended June 30, 2023

11. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Society is exposed to interest risk with respect to the amount of interest earned annually from cash funds on deposit with financial institutions.

12. CHARITABLE FUNDRAISING ACT (ALBERTA)

The following supplementary information is disclosed in compliance with the Charitable Fund-raising Act (Alberta)

	2023	2022
Direct program sponsorship	\$ 550,768	\$ 486,216
Hall of Fame Dinner	701,862	613,689
Third party events	25,474	9,150
Total amount paid as remuneration to employees whose principal duties involved fundraising	308,006	272,726

13. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.