



AVENTA

CENTRE OF EXCELLENCE FOR WOMEN WITH ADDICTIONS

# Annual Financial Report 2020 - 2021

**Aventa Treatment  
Foundation for Women**

Financial Statements  
**March 31, 2021**



## Independent auditor's report

To the Board of Directors of Aventa Treatment Foundation for Women

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### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Aventa Treatment Foundation for Women (the Foundation) as at March 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.

#### What we have audited

The Foundation's financial statements comprise:

- the statement of financial position as at March 31, 2021;
- the statement of operations for the year then ended;
- the statement of changes in fund balances for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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## **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 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.

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## **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 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.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Calgary, Alberta  
June 21, 2021

# Aventa Treatment Foundation for Women

## Statement of Financial Position

As at March 31, 2021

			<b>Total</b>	
	<b>Operating Fund \$</b>	<b>Capital Fund \$</b>	<b>2021 \$</b>	<b>2020 \$</b>
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents (note 5)	886,139	876,193	1,762,332	1,451,003
Accounts receivable	379,166	149	379,315	209,597
Prepaid expenses	17,741	-	17,741	14,371
	1,283,046	876,342	2,159,388	1,674,971
<b>Capital assets</b> (note 6)	-	3,689,822	3,689,822	3,897,490
	1,283,046	4,566,164	5,849,210	5,572,461
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities (notes 5 and 8)	475,782	-	475,782	278,246
Deferred contributions (note 9)	30,700	-	30,700	28,856
	506,482	-	506,482	307,102
<b>Fund Balances</b>				
Internally restricted – invested in capital assets		3,689,822	3,689,822	3,897,490
Internally restricted (note 12)	111,178	876,342	987,520	985,377
Unrestricted	665,386	-	665,386	382,492
	776,564	4,566,164	5,342,728	5,265,359
	1,283,046	4,566,164	5,849,210	5,572,461

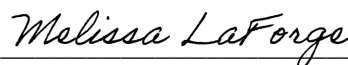
**Commitments** (note 10)

**Approved by the Board of Directors**



Erin MacPherson, Chair

Director



Melissa LaForge, Director

Director

The accompanying notes are an integral part of these financial statements.

# Aventa Treatment Foundation for Women

## Statement of Operations

For the year ended March 31, 2021

	Operating Fund \$	Capital Fund \$	Total	
			2021 \$	2020 \$
<b>Revenue</b>				
Alberta Health Services	1,514,522	-	1,514,522	1,514,522
Safe Communities	1,224,155	-	1,224,155	1,224,155
Residential program fees	1,019,809	-	1,019,809	1,051,695
Calgary and Area Child and Family Services	355,980	-	355,980	355,980
Federal Contracts	263,664	-	263,664	243,701
Calgary Fetal Alcohol Network Grant	221,300	-	221,300	221,300
Journeys Program	127,122	-	127,122	106,937
Community Support Project	96,975	-	96,975	-
Donations	30,498	-	30,498	24,083
Assessment Fees	2,880	-	2,880	7,300
Interest	683	2,143	2,826	35,047
Community Facility Enhancement Program Grant	-	-	-	86,461
Federal Wage Subsidy (note 2)	373,221	-	373,221	-
Alberta Covid Operator Support Grant (note 2)	175,734	-	175,734	-
	5,406,543	2,143	5,408,686	4,871,181
<b>Expenses</b>				
Salaries and benefits	3,846,667	-	3,846,667	3,523,533
Rent, maintenance and utilities	397,660	-	397,660	412,621
Amortization	207,668	-	207,668	212,777
Food and small wares	244,642	-	244,642	197,838
General client costs	251,564	-	251,564	251,483
Office	110,701	-	110,701	112,198
Equipment rental	77,356	-	77,356	75,676
Community support project	51,975	-	51,975	-
Promotion and fundraising	31,459	-	31,459	38,037
Insurance	31,626	-	31,626	27,522
Professional fees	28,103	-	28,103	21,660
Staff development	18,369	-	18,369	17,218
Bank charges and interest	9,972	-	9,972	9,985
Laundry	18,275	-	18,275	22,191
Travel	5,280	-	5,280	6,556
Bad debts	-	-	-	2,369
	5,331,317	-	5,331,317	4,931,664
<b>Excess (deficiency) of revenue over expenses</b>	75,226	2,143	77,369	(60,483)

The accompanying notes are an integral part of these financial statements.

# Aventa Treatment Foundation for Women

## Statement of Changes in Fund Balances

For the year ended March 31, 2021

	Operating Fund		Capital Fund		Total	
	Unrestricted \$	Internally restricted \$ (note 12)	Internally restricted – invested in capital assets \$	Internally restricted \$ (note 12)	2021 \$	2020 \$
<b>Balance – Beginning of year</b>	382,492	111,178	3,897,490	874,199	5,265,359	5,325,842
Excess (deficiency) of revenue over expenses	75,226	-	-	2,143	77,369	(60,483)
Interfund transfers (note 11)	207,668	-	(207,668)	-	-	-
<b>Balance – End of year</b>	<b>665,386</b>	<b>111,178</b>	<b>3,689,822</b>	<b>876,342</b>	<b>5,342,728</b>	<b>5,265,359</b>

The accompanying notes are an integral part of these financial statements.



# Aventa Treatment Foundation for Women

## Statement of Cash Flows

For the year ended March 31, 2021

	2021 \$	2020 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses	77,369	(60,483)
Item not affecting cash		
Amortization	207,668	212,777
	<u>285,037</u>	<u>152,294</u>
Changes in non-cash working capital		
Accounts receivable	(169,718)	(21,171)
Prepaid expenses	(3,370)	(878)
Accounts payable and accrued liabilities	197,536	20,329
Deferred contributions	1,844	(87,321)
	<u>26,292</u>	<u>(89,041)</u>
	311,329	63,253
<b>Investing activities</b>		
Purchase of capital assets	-	(4,494)
<b>Increase in cash and cash equivalents during the year</b>		
	311,329	58,759
<b>Cash and cash equivalents – Beginning of year</b>		
	<u>1,451,003</u>	<u>1,392,244</u>
<b>Cash and cash equivalents – End of year</b>		
	<u>1,762,332</u>	<u>1,451,003</u>
<b>Cash and cash equivalents comprise</b>		
Money market funds	1,134,827	1,131,421
Cash	627,505	319,582
	<u>1,762,332</u>	<u>1,451,003</u>

The accompanying notes are an integral part of these financial statements.

# Aventa Treatment Foundation for Women

## Notes to Financial Statements

March 31, 2021

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### 1 Purpose of the organization

Aventa Treatment Foundation for Women (the Foundation) is a not-for-profit organization formed under the Alberta Societies Act, funded primarily by Alberta Health Services (AHS). The mission of the Foundation is to provide counselling and rehabilitation treatment for women who are dealing with drug, alcohol, gambling and nicotine addictions.

The Foundation is a registered charity exempt from income tax under Section 149(1) (f) of the Income Tax Act (Canada). The Foundation is also registered under the Charitable Fundraising Act of Alberta and has considered all required disclosures under Section 7(2) of the Act in preparing these financial statements.

### 2 Covid-19 pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic resulting in significant public health measures and restrictions put in place. Restrictions such as travel bans, closure of non-essential businesses and physical distancing have caused disruption to businesses and a significant decline in global capital markets resulting in an economic slowdown.

The federal and provincial governments introduced relief programs during the past year to stabilize economic conditions and provide economic support to organizations. The Foundation received funding from both levels of government, ensuring stability to the ongoing provision of services.

The Federal Canada Emergency Wage Subsidy covered a portion of employee wages. The total amount recognized is \$373,221, with \$15,244 receivable at March 31, 2021.

The Alberta Covid-19 Operator Support Funding Grant covered additional expenses incurred during the year due to pandemic restrictions and additional health and safety protocols. The total amount recognized is \$175,734 with \$175,734 receivable at March 31, 2021.

Management has assessed the financial impact of COVID-19 at March 31, 2021, including the collectability of receivables, and impact on funding agreements. Management did not identify any significant impacts to its financial statements as at March 31, 2021.

### 3 Summary of significant accounting policies

#### Basis of presentation

The financial statements were prepared in accordance with Accounting Standards for Not for Profit Organizations (ASNPO) and include the following significant accounting policies.

#### Fund accounting

The Operating Fund accounts for the Foundation's program delivery and administrative activities, including fund development.

# **Aventa Treatment Foundation for Women**

## **Notes to Financial Statements**

**March 31, 2021**

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The Capital Fund reports the assets, liabilities, revenue and purchases related to the betterment of the Foundation's capital assets.

### **Revenue recognition**

The Foundation follows the restricted fund method of accounting for contributions. Restricted contributions where there is no related restricted fund are deferred and recognized as revenue of the Operating Fund in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to capital assets are recognized as revenue of the Capital Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Treatment fees are recognized as revenue of the Operating Fund when the services have been provided and collection is reasonably assured.

The Government of Alberta introduced the Residential Addiction Treatment Allowance effective October 1, 2020. This allowance replaced the prior practice of separate government agencies paying for clients they had referred to The Foundation's programs. As well, Alberta residents who had applied directly to the Foundation's programs would no longer be required to pay daily fees while in an addiction treatment program. The daily rate of \$40 would be paid by the Government of Alberta directly to the addiction treatment facility for each eligible resident in a treatment program.

Restricted investment income is recognized as revenue of the Capital Fund. Unrestricted investment income is recognized as revenue of the Operating Fund when earned.

Federal and Provincial subsidies related to the Covid-19 pandemic provided financial assistance as compensation for additional costs incurred and are recognized as revenue when received or receivable with reasonable assurance conditions attached to the subsidy were met.

### **Cash and cash equivalents**

Cash and cash equivalents include cash and money market funds that are highly liquid and readily convertible to known amounts of cash and are subject to insignificant risk of change in value. Money market funds are redeemable at any time.

### **Capital assets**

Capital assets are recorded at cost less accumulated amortization and any provision for impairment. The cost for contributed capital assets is considered to be fair value at the date of contribution. The cost of capital assets made up of significant separable component parts is allocated to the component parts when practicable and when estimates can be made of the estimated useful lives of the separate components.

# Aventa Treatment Foundation for Women

## Notes to Financial Statements

March 31, 2021

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Amortization is recorded in the Operating Fund in accordance with the straight-line method at rates designed to amortize the cost of depreciable assets over their estimated useful lives as follows:

Buildings	16 – 25 years
Computer hardware	4 years
Furniture and equipment	10 years
Vehicles	10 years

Artwork is not amortized and is recorded at the lower of cost and net realizable value.

Leasehold improvements are amortized on a straight-line basis over the term of the lease.

Capital assets are tested for impairment when conditions indicate that a capital asset no longer contributes to the Foundation's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The writedowns of capital assets are recognized as expenses in the statement of operations. Writedowns are not subsequently reversed.

### **Donated goods and services**

Donated goods are recognized in the financial statements at their estimated fair value if reasonably determinable and if they would normally be purchased by the Foundation. Donated services are not recognized in the financial statements due to the difficulty in determining the fair value of such services.

### **Financial instruments**

The Foundation initially measures its financial assets and liabilities at fair value.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at amortized cost are assessed for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the writedown, if any, is recognized in the statement of operations.

# Aventa Treatment Foundation for Women

## Notes to Financial Statements

March 31, 2021

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### 4 Measurement uncertainty

The preparation of the financial statements in accordance with ASNPO principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates, and differences could be material. Significant estimates include the estimated useful lives of capital assets and the collectibility of accounts receivable.

### 5 Funds held in trust

The Foundation is the custodian over funds from Alberta Addiction Service Providers (AASP). The Foundation is not entitled to any of the funding, and there is no benefit to the Foundation for this cash. The funds total \$19,318 (2020 – \$22,834) and are included within the cash and cash equivalents balance, with a corresponding liability within accounts payable and accrued liabilities until the funds are disbursed.

### 6 Capital assets

			<u>2021</u>	<u>2020</u>
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>	<b>Net</b>
	<b>\$</b>	<b>amortization</b>	<b>\$</b>	<b>\$</b>
		<b>\$</b>		
Land	1,384,150	-	1,384,150	1,384,150
Buildings	5,000,478	2,718,042	2,282,436	2,483,384
Furniture and equipment	558,711	549,962	8,749	14,253
Computer hardware	4,494	1,296	3,198	4,322
Artwork	10,966	-	10,966	10,966
Leasehold improvements	31,545	31,222	323	415
	<u>6,990,344</u>	<u>3,300,522</u>	<u>3,689,822</u>	<u>3,897,490</u>

### 7 Operating line of credit

The Foundation has a credit facility agreement to borrow by means of a demand operating line of credit to a maximum of \$2,500,000. The operating loan is due on demand and bears interest at a Canadian Chartered Bank's prime rate plus 0.5% per annum which was 2.95% as at March 31, 2021 (2020 – 2.95%). Security for the facility includes all present and future assets of the Foundation and a collateral mortgage on one of the Foundation's buildings. The facility is subject to certain financial based covenants. As at March 31, 2021, the facility has not been drawn upon and the Foundation is in compliance with its financial covenants.

### 8 Government remittances

Accounts payable and accrued liabilities include payroll remittances of \$nil (2020 – \$6,493).

# Aventa Treatment Foundation for Women

## Notes to Financial Statements

March 31, 2021

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### 9 Deferred contributions

Deferred contributions represent externally restricted amounts for various programs that have not been spent:

	2021 \$	2020 \$
<b>Balance – Beginning of year</b>	28,856	116,177
Amount received during the year	3,277,004	3,468,811
Amount recognized as revenue during the year	<u>(3,275,160)</u>	<u>(3,556,132)</u>
<b>Balance – End of year</b>	<u>30,700</u>	<u>28,856</u>

### 10 Lease commitments

The Foundation is committed under an operating lease on equipment for future minimum rental payments as follows:

	\$
2022	
2023	14,229
2024	7,411
2025	6,233
	3,725

Currently, the Foundation is committed under an operating lease for \$1 per annum for one of its premises that is used in operations. The lease on premises at the current nominal rate is also contingent on the ongoing relationship with AHS. Should the AHS contract for funding not be renewed for any reason, the lease will terminate when the funding ceases.

### 11 Interfund transfers

During the year, \$207,668 (2020 – \$212,777) was transferred from the Capital Fund to the Operating Fund as a result of amortization recorded in the Operating Fund.

### 12 Internally restricted

The internally restricted fund balances in the Operating Fund are amounts that were restricted by resolution of the Board of Directors for the purpose of establishing an operating reserve for future years.

The internally restricted fund balances of the Capital Fund are amounts that were restricted by resolution of the Board of Directors for the purpose of future capital expenditures.

# Aventa Treatment Foundation for Women

## Notes to Financial Statements

March 31, 2021

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### 13 Related party transaction

During the year ended March 31, 2018, the Foundation entered into an agreement with an immediate family member of management to provide facility renovation and maintenance services. During the year ended March 31, 2021, \$69,631 (2020 – \$71,277) was paid to this individual and is included in salaries and benefits.

This transaction is in the normal course of operations and is measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### 14 Financial instruments

The Foundation is exposed to the following significant financial risks:

- Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation has credit risk with respect to its cash and cash equivalents and accounts receivable. The Foundation mitigates its exposure to credit loss by placing its cash and cash equivalents with a major financial institution and through credit monitoring and collection procedures on its accounts receivable. As at March 31, 2020, the Foundation continues to meet its contraction obligations within normal payment terms and the Foundation's exposure to credit risk remains largely unchanged.

- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate cash flow risk to the extent that its operating line of credit bears interest at a variable rate.

- Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The financial liabilities on its statement of financial position accounts payable and accrued liabilities. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations.

# Aventa Treatment Foundation for Women

## Notes to Financial Statements

March 31, 2021

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### 15 Additional information

As required under Section 7(2) of the Alberta Charitable Fundraising Regulation, the following amounts are disclosed:

	2021 \$	2020 \$
Amounts paid during the year as remuneration to employees whose principal duties involve fundraising	35,946	35,261