

**TRUE NORTH SOCIETY**  
**Financial Statements**  
**Year Ended March 31, 2025**

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# **TRUE NORTH SOCIETY**

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**Year Ended March 31, 2025**

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GREGORY  
HARRIMAN  
& ASSOCIATES LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

### **To the Members of the Board of True North Society:**

#### *Qualified Opinion*

We have audited the financial statements of True North Society (the Society), which comprise the statement of financial position as at March 31, 2025, and the results of its operations, changes in its fund balances and cash flows for the years 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 True North Society as at March 31, 2025, the results of its operations, change in its fund balances 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 non-profit organizations, the Society derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our 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 donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2025, current assets, and net assets as at March 31, 2025.

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 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 these financial statements in accordance with Canadian accountings 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 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 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.

### *Auditor's Responsibility 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 judgement 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 omission, 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.

*Gregory, Harriman & Associates LLP*

Strathmore, Alberta  
June 23, 2025

Gregory, Harriman & Associates LLP  
Chartered Professional Accountants

**TRUE NORTH SOCIETY  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2025**

	OPERATING FUND	CAPITAL ASSET FUND	TOTAL	
	2025	2025	2025	2024
<b>CURRENT ASSETS</b>				
Cash (Note 4)	\$ 776,370	\$ 45,946	\$ 822,316	\$ 922,361
Accounts Receivable	6,528	-	6,528	941
Short Term Investments (Note 5)	-	-	-	166,000
Goods and Services Tax Receivable	12,422	-	12,422	6,180
Prepaid Expenses	3,816	-	3,816	958
	<u>799,136</u>	<u>45,946</u>	<u>845,082</u>	<u>1,096,440</u>
<b>OTHER ASSETS</b>	3,065	-	3,065	2,909
<b>CAPITAL ASSETS, Net (Note 6)</b>	-	2,135,696	2,135,696	2,124,538
<b>TOTAL ASSETS</b>	<u>\$ 802,201</u>	<u>\$ 2,181,642</u>	<u>\$ 2,983,843</u>	<u>\$ 3,223,887</u>
<b>CURRENT LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 121,826	\$ -	\$ 121,826	\$ 100,439
Deferred Contributions (Note 7)	186,673	-	186,673	304,958
	<u>308,499</u>	<u>-</u>	<u>308,499</u>	<u>405,397</u>
<b>UNAMORTIZED CAPITAL CONTRIBUTIONS (Note 8)</b>	-	175,671	175,671	176,631
	<u>308,499</u>	<u>175,671</u>	<u>484,170</u>	<u>582,028</u>
<b>FUND BALANCES</b>				
Invested in Capital Assets (Note 9)	-	1,960,025	1,960,025	1,947,908
Internally Restricted Funds (Note 10)	455,988	45,946	501,934	539,709
Unrestricted	37,714	-	37,714	154,242
	<u>493,702</u>	<u>2,005,971</u>	<u>2,499,673</u>	<u>2,641,859</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 802,201</u>	<u>\$ 2,181,642</u>	<u>\$ 2,983,843</u>	<u>\$ 3,223,887</u>
<b>ECONOMIC DEPENDENCE (Note 2)</b>				
<b>COMMITMENTS (Note 11)</b>				
<b>CONTINGENCIES (Note 12)</b>				

APPROVED ON BEHALF OF THE BOARD:



Director



Director

**TRUE NORTH SOCIETY  
STATEMENT OF OPERATIONS  
YEAR ENDED MARCH 31, 2025**

	<b>OPERATING FUND</b>	<b>CAPITAL ASSET FUND</b>	<b>TOTAL</b>	
	<b>2025</b>	<b>2025</b>	<b>2025</b>	<b>2024</b>
<b>REVENUE</b>				
Provincial Funding	\$ 1,535,110	-	\$ 1,535,110	\$ 1,535,110
Other Government Subsidies and Grants	219,763	-	219,763	195,189
Donations	141,955	-	141,955	140,092
Fundraising	78,162	-	78,162	51,820
Interest and Other Income	28,404	-	28,404	30,226
	<u>2,003,394</u>	<u>-</u>	<u>2,003,394</u>	<u>1,952,437</u>
<b>EXPENDITURES</b>				
Staffing Costs	1,584,017	-	1,584,017	1,419,395
Administration	319,190	-	319,190	220,137
Facility Costs	141,655	-	141,655	228,058
Direct Client Costs	84,389	-	84,389	67,546
Amortization	-	15,942	15,942	17,561
Loss on Disposal of Capital Assets	-	388	388	215
	<u>2,129,251</u>	<u>16,330</u>	<u>2,145,581</u>	<u>1,952,912</u>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<u>\$ (125,857)</u>	<u>\$ (16,330)</u>	<u>\$ (142,187)</u>	<u>\$ (475)</u>

**TRUE NORTH SOCIETY**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**YEAR ENDED MARCH 31, 2025**

	2025	2025	2025	2025	2025	2025	2025	2024
	Total	Capital	Operating	Surplus	Operating			
	Invested In	Internally	Internally	Retention	Unrestricted			Total
	Capital Assets	Restricted	Restricted	Reserve - WCS				Total
<b>FUND BALANCES, beginning of year</b>	\$ 1,947,908	\$ 45,946	\$ 493,475	\$ 288	\$ 154,242	\$ 2,641,859	\$ 2,642,334	
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	(16,330)	-	-	-	(125,857)	(142,187)	(475)	
<b>INTERFUND TRANSFERS</b>	28,446	-	(37,775)	-	9,329	-	-	
<b>FUND BALANCES, end of year</b>	<u>\$ 1,960,025</u>	<u>\$ 45,946</u>	<u>\$ 455,700</u>	<u>\$ 288</u>	<u>\$ 37,714</u>	<u>\$ 2,499,673</u>	<u>\$ 2,641,859</u>	

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

**TRUE NORTH SOCIETY  
STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2025**

	<b>OPERATING ACTIVITIES</b>	<b>FINANCING &amp; INVESTING</b>	<b>TOTAL</b>	
	Operating Fund 2025	Capital Asset Fund 2025	2025	2024
<b>SOURCES OF CASH</b>				
Provincial Funding	\$ 1,535,110	\$ -	\$ 1,535,110	\$ 1,535,110
Other Government Subsidies and Grants	122,774	-	122,774	210,307
Donations	130,307	-	130,307	137,986
Fundraising	47,378	-	47,378	117,360
Interest and Other Income	21,916	-	21,916	33,546
	<u>1,857,485</u>	<u>-</u>	<u>1,857,485</u>	<u>2,034,309</u>
<b>USES OF CASH</b>				
Purchases and Salaries	(2,096,041)	-	(2,096,041)	(1,952,469)
Purchase of Capital Assets	-	(27,488)	(27,488)	(349,950)
Disposal of Investments	166,000	-	166,000	201,139
<b>NET CASH INCREASE (DECREASE)</b>	<u>(72,556)</u>	<u>(27,488)</u>	<u>(100,044)</u>	<u>(66,971)</u>
Cash, Opening	876,414	45,947	922,361	989,332
Interfund Adjustments	(27,488)	27,487	-	-
<b>CASH, CLOSING</b>	<u>\$ 776,370</u>	<u>\$ 45,946</u>	<u>\$ 822,316</u>	<u>\$ 922,361</u>



**TRUE NORTH SOCIETY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2025**

**1) Purpose of the Society**

True North Society ("The Society") is a registered not-for-profit Society, which was incorporated under the Societies Act of the Province of Alberta on September 9, 1992. The Society operates a Shelter, which provides basic emergency services for women or men and their children in crisis situations.

**2) Economic Dependence**

The Society is dependent on contributions from the Province of Alberta in order to continue operations.

**3) Significant Accounting Policies and Reporting Practices**

*Basis of Presentation*

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

*Basis of Accounting*

True North Society follows the deferral method of accounting for contributions and utilizes the following funds:

The Operating Fund accounts for revenue and expenses relating to the Society's program delivery and administrative activities.

The Capital Fund reports the assets, liabilities, revenue and expenses related to the Society's capital assets.

*Revenue Recognition*

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the Capital Fund.

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.

Externally restricted non-capital contributions are deferred and recognized as revenue in the year when the related expenses are incurred.

Externally restricted capital contributions are recorded as deferred capital contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized in the periods in which the related amortization expense of the funded asset is recorded.

*Internally Restricted Assets*

The Internally Restricted balance is not available for other purposes without the approval of the Board of Directors.

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**TRUE NORTH SOCIETY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2025**

**3) Significant Accounting Policies and Reporting Practices** *(continued)*

*Investments*

Bond investments and principal protected notes are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

*Other Assets*

The investments in cooperatives are recorded at cost plus undistributed patronage allocations.

*Capital Assets*

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution.

All capital assets are amortized at fixed rates applied to diminishing balances. The rates can be summarized as follows:

Buildings	4%
Computer hardware	55%
Furniture and equipment	20%

Amortization expense is reported within the Capital Fund.

The half year rule is in effect in the year of acquisition. No amortization is taken in the year of disposition.

*Income Taxes*

As a registered not-for-profit Society, the Society is exempt from paying income taxes under Section 149(1)(f) of the Income Tax Act.

*Capitalized Leases*

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

*Contributed Services and Materials*

Volunteers contribute a significant number of hours each year to assist the Society in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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**TRUE NORTH SOCIETY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2025**

**3) Significant Accounting Policies and Reporting Practices** *(continued)*

The Society also receives contributed materials. Those of which a fair value can be reasonably estimated, and when the materials and services are used in the normal course of the Society's operations and would otherwise have been purchased, have been recognized in the financial statements. Those of which a fair value cannot be reasonably estimated, or would not have otherwise been purchased, have not been recorded.

Contributed materials that would ordinarily be purchased in the amount of \$20,155 (2024 - \$19,321) are recognized in the financial statements and are measured at their fair value.

*Financial Instruments*

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

**4) Cash**

	<b>2025</b>	<b>2024</b>
<b><i>Operating</i></b>		
CIBC Wood Gundy High Interest Savings	647,288	454,909
Bank	49,537	264,218
Casino Bank	44,181	74,968
CIBC High Interest Savings	26,341	73,519
Elite Savings Account - Operating	8,463	8,409
Petty Cash	560	391
	<u>\$ 776,370</u>	<u>\$ 876,414</u>
<b><i>Capital</i></b>		
Capital Investment Account - CIBC Wood Gundy Cash Account	45,946	45,947
	<u>45,946</u>	<u>45,947</u>
	<u>\$ 822,316</u>	<u>\$ 922,361</u>

The Casino funds are restricted for the purposes outlined in the Casino application by the Alberta Gaming and Liquor Commission. The Society holds additional funds that are restricted in use and are to be utilized as funding for specific operating projects. As these projects have not been completed for which the funding has been received, \$186,673 (Note 7) is not available for general use.

**TRUE NORTH SOCIETY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2025**

**5) Short Term Investments**

	2025	2024
<i>Operating</i>		
CIBC Bond matured during the year with an interest rate of 3.224%.	-	166,000

**6) Capital Assets**

	2025		2024	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	1,354,529	-	1,354,529	1,354,529
Buildings	1,038,535	273,269	765,266	749,370
Computer Hardware	48,153	47,768	386	860
Furniture and Equipment	120,190	104,675	15,515	19,779
	\$ 2,561,407	\$ 425,712	\$ 2,135,696	\$ 2,124,538

**7) Deferred Contributions**

Deferred contributions, which are recorded in the Operating Fund, constitute restricted funding to cover the operating expenses relating to program delivery to which funding relates.

	2024	Increases	Decreases	2025
Thiessen Bursary	86,655	261	-	86,916
Enhancing Initiatives Grant	101,831	-	56,328	45,503
Casino	74,962	552	31,335	44,181
ASIP Funding for 2025/2026	-	9,610	-	9,610
United Way / Town of Strathmore	1,828	-	1,364	463
Summer Student Grant	32,713	-	32,713	-
Accessible Washroom Grant	6,854	-	6,854	-
City of Chestermere Public Education & Outreach	115	-	115	-
	<u>\$ 304,958</u>	<u>\$ 10,423</u>	<u>\$ 128,709</u>	<u>\$ 186,673</u>

**TRUE NORTH SOCIETY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2025**

**8) Unamortized Capital Contributions**

	2025	2024
Calgary Herald Fund	80,686	80,686
Women's Shelter Canada Grant	43,936	43,936
Community Housing Transformation Centre Grant	28,000	28,000
COVID-19 Funded - Washroom	23,049	24,009
	<u>\$ 175,671</u>	<u>\$ 176,631</u>

The unamortized external capital contributions will be recognized in revenue as the related amortization expense for the capital addition is incurred. An amount of \$960 has been recognized.

**9) Invested in Capital Assets**

This balance represents the Society's net investment in capital assets. It is the original asset cost less accumulated amortization, unamortized capital contributions and debt directly related to the capital assets.

**10) Internally Restricted Funds**

The organization has internally restricted funds for operations and special projects as well as for capital purchases as listed below. The internally restricted funds are not available for unrestricted purposes without approval of the Board of Directors.

	2024	Increases	Decreases	2025
<b>Operating</b>				
Operating Internally Restricted	493,475	-	37,775	455,700
Surplus Retention Reserve - WCS	288	-	-	288
	<u>493,763</u>	<u>-</u>	<u>37,775</u>	<u>455,988</u>
<b>Capital</b>				
Capital Internally Restricted	45,946	-	-	45,946
	<u>45,946</u>	<u>-</u>	<u>-</u>	<u>45,946</u>
	<u>\$ 539,709</u>	<u>\$ -</u>	<u>\$ 37,775</u>	<u>\$ 501,934</u>

**11) Commitments**

The Society leases vehicles and equipment under long term operating leases. Future minimum operating lease payments are as follows:

2026	7,268
2027	1,211

The Society has entered into agreements for design, development and construction of a new building. The future costs outlined in these agreements are \$195,517.

**TRUE NORTH SOCIETY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2025**

**12) Contingencies**

The Society has been named as a defendant in a claim by a former employee. At present, the outcome and estimate is not determinable and as such has not been accrued. The amount of any future settlement would be accounted for as a current transaction in the year of settlement.

**13) Financial Instruments**

The Society's financial instruments consist of: cash, accounts receivable, short term investments, accounts payable and accrued liabilities. The risks attached to these financial instruments are as follows:

Credit Risk

Credit risk arises from the possibility that the entities to which the Society provides services may experience financial difficulty and be unable to fulfill their obligations. The Society is exposed to financial risk that arises from the credit quality of the entities to which it provides services. As the organization provides products and services to a variety of customers, its credit risk is minimized.

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. In seeking to minimize the risk from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk from the return on its investments. The Society manages its portfolio on the basis of its cash requirements and to optimize its interest income.

Fair Value

The fair values of cash, accounts receivable, short term investments and accounts payable and accrued liabilities correspond closely to their carrying amount because of their short term maturity dates.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Society manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Trade accounts payable and accrued liabilities are generally repaid within 30 days.

**14) Comparative Figures**

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

**15) Approval of Financial Statements**

The Board of Directors approved these financial statements.