

TRUE NORTH SOCIETY
Financial Statements
Year Ended March 31, 2024

TRUE NORTH SOCIETY

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Year Ended March 31, 2024

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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, 2024, 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, 2024, 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, 2024, current assets, and net assets as at March 31, 2024.

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.

Strathmore, Alberta
June 26, 2024


Gregory, Harriman & Associates LLP
Chartered Professional Accountants

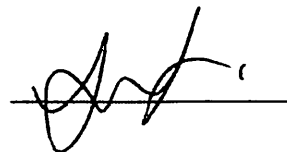
**TRUE NORTH SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024**

	OPERATING FUND	CAPITAL ASSET FUND	TOTAL	
	2024	2024	2024	2023
CURRENT ASSETS				
Cash (Note 4)	\$ 876,414	\$ 45,947	\$ 922,361	\$ 989,332
Accounts Receivable (Note 5)	941	-	941	20,016
Short Term Investments (Note 6)	166,000	-	166,000	203,000
Goods and Services Tax Receivable	6,180	-	6,180	8,268
Prepaid Expenses	958	-	958	1,626
	<u>1,050,493</u>	<u>45,947</u>	<u>1,096,440</u>	<u>1,222,242</u>
LONG TERM INVESTMENTS (Note 7)	-	-	-	166,000
OTHER ASSETS	2,909	-	2,909	2,619
CAPITAL ASSETS, Net (Note 8)	-	2,124,538	2,124,538	1,792,582
TOTAL ASSETS	<u>\$ 1,053,402</u>	<u>\$ 2,170,485</u>	<u>\$ 3,223,887</u>	<u>\$ 3,183,443</u>
CURRENT LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 100,439	\$ -	\$ 100,439	\$ 121,289
Deferred Contributions (Note 9)	304,958	-	304,958	267,199
	<u>405,397</u>	<u>-</u>	<u>405,397</u>	<u>388,488</u>
DEFERRED CAPITAL CONTRIBUTIONS (Note 10)	-	-	-	80,686
UNAMORTIZED CAPITAL CONTRIBUTIONS (Note 11)	-	176,631	176,631	71,936
	<u>405,397</u>	<u>176,631</u>	<u>582,028</u>	<u>541,110</u>
FUND BALANCES				
Invested in Capital Assets (Note 12)	-	1,947,908	1,947,908	1,720,648
Internally Restricted Funds (Note 13)	493,763	45,946	539,709	813,478
Unrestricted	154,242	-	154,242	108,207
	<u>648,005</u>	<u>1,993,854</u>	<u>2,641,859</u>	<u>2,642,333</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,053,402</u>	<u>\$ 2,170,485</u>	<u>\$ 3,223,887</u>	<u>\$ 3,183,443</u>

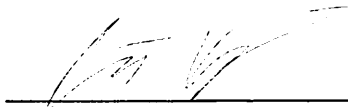
ECONOMIC DEPENDENCE (Note 2)

COMMITMENTS (Note 14)

APPROVED ON BEHALF OF THE BOARD:



Director



Director

**TRUE NORTH SOCIETY
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2024**

	OPERATING FUND	CAPITAL ASSET FUND	TOTAL	
	2024	2024	2024	2023
REVENUE				
Provincial Funding	\$ 1,535,110	\$ -	\$ 1,535,110	\$ 1,525,281
Other Government Subsidies and Grants	195,189	-	195,189	258,345
Donations	140,092	-	140,092	163,858
Fundraising	51,820	-	51,820	93,886
Interest and Other Income	30,226	-	30,226	55,556
	<u>1,952,437</u>	<u>-</u>	<u>1,952,437</u>	<u>2,096,926</u>
EXPENDITURES				
Staffing Costs	1,419,395	-	1,419,395	1,561,708
Administration	220,137	-	220,137	247,626
Facility Costs	228,058	-	228,058	194,939
Direct Client Costs	67,546	-	67,546	78,078
Amortization	-	17,561	17,561	19,316
Loss on Disposal of Capital Assets	-	215	215	2,780
	<u>1,935,136</u>	<u>17,776</u>	<u>1,952,912</u>	<u>2,104,447</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 17,301	\$ (17,776)	\$ (475)	\$ (7,521)

TRUE NORTH SOCIETY
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2024

	2024 Total Invested In Capital Assets	2024 Capital Internally Restricted	2024 Operating Internally Restricted	2024 Surplus Retention Reserve - WCS	2024 Operating Unrestricted	2024 Total	<i>2023</i> <i>Total</i>
FUND BALANCES , beginning of year	\$ 1,720,648	\$ 317,070	\$ 493,475	\$ 2,933	\$ 108,207	\$ 2,642,333	\$ 2,005,585
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(17,776)	-	-	-	17,301	(475)	(7,521)
INTERFUND TRANSFERS	245,035	(271,124)	-	(2,645)	28,734	-	-
DIRECT TO FUND BALANCES (Note 10)	-	-	-	-	-	-	644,269
FUND BALANCES , end of year	<u>\$ 1,947,908</u>	<u>\$ 45,946</u>	<u>\$ 493,475</u>	<u>\$ 288</u>	<u>\$ 154,242</u>	<u>\$ 2,641,859</u>	<u>\$ 2,642,333</u>

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

**TRUE NORTH SOCIETY
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2024**

	OPERATING ACTIVITIES	FINANCING & INVESTING	TOTAL	
	Operating Fund 2024	Capital Asset Fund 2024	2024	2023
SOURCES OF CASH				
Provincial Funding	\$ 1,535,110	\$ -	\$ 1,535,110	\$ 1,380,384
Other Government Subsidies and Grants	210,307	-	210,307	446,494
Donations	137,986	-	137,986	168,957
Fundraising	117,360	-	117,360	97,941
Interest and Other Income	33,546	-	33,546	55,515
	2,034,309	-	2,034,309	2,149,291
USES OF CASH				
Purchases and Salaries	(1,952,469)	-	(1,952,469)	(2,087,428)
Purchase of Capital Assets	-	(349,950)	(349,950)	(1,400,821)
Disposal of Investments	159,232	41,907	201,139	351,206
NET CASH INCREASE (DECREASE)	241,072	(308,043)	(66,971)	(987,752)
Cash, Opening	960,574	28,758	989,332	1,977,084
Interfund Adjustments	(325,232)	325,232	-	-
CASH, CLOSING	\$ 876,414	\$ 45,947	\$ 922,361	\$ 989,332

**TRUE NORTH SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024**

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 (ASNFPO).

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, 2024**

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

Short Term and Long Term 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, 2024

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 \$19,321 (2023 - \$11,844) 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

	2024	2023
<i>Operating</i>		
CIBC Wood Gundy Cash Account	454,909	239,269
Bank	264,218	631,940
Casino Bank	74,968	10,544
CIBC High Interest Savings	73,519	70,219
Elite Savings Account - Operating	8,409	8,291
Petty Cash	391	311
	\$ 876,414	\$ 960,574
<i>Capital</i>		
Capital Investment Account - CIBC Wood Gundy Cash Account	45,947	28,758
	45,947	28,758
	\$ 922,361	\$ 989,332

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, \$304,958 (Note 9) is not available for general use.

5) Accounts Receivable

	2024	2023
Accrued Interest	941	4,386
Grants and Donations Receivable	-	15,630
	\$ 941	\$ 20,016

TRUE NORTH SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

6) Short Term Investments

	2024	2023
Operating		
Investments maturing in the next fiscal year (<i>Note 7</i>)	166,000	-
Capital		
Investments maturing in the next fiscal year (<i>Note 7</i>)	-	203,000
	<u>\$ 166,000</u>	<u>\$ 203,000</u>

7) Long Term Investments

	2024	2023
Operating / Capital		
Bonds	166,000	369,000
Less: Investments maturing in next fiscal year (<i>Note 6</i>)	(166,000)	(203,000)
	<u>\$ -</u>	<u>\$ 166,000</u>

The bonds above mature in 2024 with interest rate of 3.224%.

The Society holds funds that are restricted in use and are to be utilized as funding for specific operating and capital projects. Since these projects have not been completed for which the funding has been received, \$80,686 (*Note 10*) is not available for general use.

8) Capital Assets

	2024	2023
	Cost	Accumulated Amortization
	Net Book Value	Net Book Value
Land	1,354,529	-
Buildings	1,011,047	261,677
Computer Hardware	56,646	55,786
Furniture and Equipment	126,406	106,627
	<u>\$ 2,548,628</u>	<u>\$ 424,090</u>
	\$ 2,124,538	\$ 1,792,582

TRUE NORTH SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

9) 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.

	2023	Increases	Decreases	2024
Enhancing Initiatives Grant	-	101,831	-	101,831
Thiessen Bursary	86,445	210	-	86,655
Casino	10,539	67,379	2,956	74,962
Summer Student Grant	-	48,420	15,707	32,713
Accessible Washroom Grant	-	32,865	26,011	6,854
United Way / Town of Strathmore	4,144	-	2,316	1,828
City of Chestermere Public Education & Outreach	4,100	-	3,985	115
Federal COVID Subsidy	155,907	-	155,907	-
Women's Shelter Canada	6,064	-	6,064	-
	\$ 267,199	\$ 250,705	\$ 212,946	\$ 304,958

10) Deferred Capital Contributions

Deferred capital contributions, which are recorded in the Capital Fund, constitute restricted funding for the purchase of future capital assets.

	2023	Increases	Decreases	2024
Calgary Herald Christmas Fund	80,686	-	80,686	-
	\$ 80,686	\$ -	\$ 80,686	\$ -

11) Unamortized Capital Contributions

	2024	2023
Calgary Herald Fund	80,686	-
Women's Shelter Canada Grant	43,936	43,936
Community Housing Transformation Centre Grant	28,000	28,000
COVID-19 Funded - Washroom	24,009	-
	\$ 176,631	\$ 71,936

TRUE NORTH SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024

12) 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.

13) 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.

	2023	Increases	Decreases	2024
<i>Operating</i>				
Operating Internally Restricted	493,475	-	-	493,475
Surplus Retention Reserve - WCS	2,933	-	2,645	288
	496,408	-	2,645	493,763
<i>Capital</i>				
Capital Internally Restricted	317,070	-	271,124	45,946
	317,070	-	271,124	45,946
	<u>\$ 813,478</u>	<u>\$ -</u>	<u>\$ 273,769</u>	<u>\$ 539,709</u>

14) Commitments

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

2025	12,182
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 \$219,682.

**TRUE NORTH SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024**

15) Financial Instruments

The Society's financial instruments consist of: cash, accounts receivable, short term investments, long term investments and 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.

16) Comparative Figures

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

17) Organizational Changes

On June 21, 2023 Wheatland Crisis Society officially changed its name to True North Society. Future operations will not be impacted by this change.

18) Approval of Financial Statements

The Board of Directors approved these financial statements.