

WHEATLAND CRISIS SOCIETY

Financial Statements

Year Ended March 31, 2022

WHEATLAND CRISIS SOCIETY

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Year Ended March 31, 2022

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INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Wheatland Crisis Society:

Qualified Opinion

We have audited the financial statements of Wheatland Crisis Society (the Society), which comprise the statement of financial position as at March 31, 2022, 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 Wheatland Crisis Society as at March 31, 2022, 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, 2022, current assets, and net assets as at March 31, 2022.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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.

Auditors' 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 auditors' 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 auditors' 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Strathmore, Alberta
June 22, 2022



Gregory, Harriman & Associates LLP
Chartered Professional Accountants

**WHEATLAND CRISIS SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022**

	OPERATING FUND	CAPITAL ASSET FUND	TOTAL	
	2022	2022	2022	2021
CURRENT ASSETS				
Cash (Note 4)	\$ 1,644,317	\$ 332,767	\$ 1,977,084	\$ 1,116,028
Accounts Receivable (Note 5)	4,386	-	4,386	67,358
Short Term Investments (Note 6)	-	100,000	100,000	489,000
Goods and Services Tax Receivable	6,106	-	6,106	3,417
Prepaid Expenses	1,689	-	1,689	7,937
	<u>1,656,498</u>	<u>432,767</u>	<u>2,089,265</u>	<u>1,683,740</u>
LONG TERM INVESTMENTS (Note 7)	-	619,993	619,993	966,440
OTHER ASSETS	2,823	-	2,823	2,611
CAPITAL ASSETS, Net (Note 8)	-	420,367	420,367	420,892
TOTAL ASSETS	<u>\$ 1,659,321</u>	<u>\$ 1,473,127</u>	<u>\$ 3,132,448</u>	<u>\$ 3,073,683</u>
CURRENT LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 130,765	\$ -	\$ 130,765	\$ 161,931
Deferred Contributions (Note 9)	271,141	-	271,141	247,092
	<u>401,906</u>	<u>-</u>	<u>401,906</u>	<u>409,023</u>
DEFERRED CAPITAL CONTRIBUTIONS (Note 10)	-	724,955	724,955	709,257
	<u>401,906</u>	<u>724,955</u>	<u>1,126,861</u>	<u>1,118,280</u>
FUND BALANCES				
Invested in Capital Assets (Note 11)	-	420,367	420,367	420,892
Internally Restricted Funds (Note 12)	496,408	327,805	824,213	800,660
Unrestricted	761,007	-	761,007	733,851
	<u>1,257,415</u>	<u>748,172</u>	<u>2,005,587</u>	<u>1,955,403</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,659,321</u>	<u>\$ 1,473,127</u>	<u>\$ 3,132,448</u>	<u>\$ 3,073,683</u>
ECONOMIC DEPENDENCE (Note 2)				
COMMITMENTS (Note 13)				
SUBSEQUENT EVENTS (Note 14)				

APPROVED ON BEHALF OF THE BOARD: _____ Director _____ Director

**WHEATLAND CRISIS SOCIETY
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2022**

	OPERATING FUND	CAPITAL ASSET FUND	TOTAL	
	2022	2022	2022	<i>2021</i>
REVENUE				
Provincial Funding	\$ 1,522,005	\$ -	\$ 1,522,005	\$ 1,522,005
Other Government Subsidies and Grants	280,280	-	280,280	437,360
Donations	77,687	-	77,687	116,179
Fundraising	21,962	-	21,962	19,169
Interest and Other Income	13,846	-	13,846	26,491
	<u>1,915,780</u>	<u>-</u>	<u>1,915,780</u>	<u>2,121,204</u>
EXPENDITURES				
Staffing Costs	1,317,158	-	1,317,158	1,317,656
Administration	267,577	-	267,577	153,397
Facility Costs	211,742	-	211,742	103,380
Direct Client Costs	49,067	-	49,067	50,161
Amortization	-	18,847	18,847	18,115
Loss on Disposal of Capital Assets	-	1,206	1,206	37
	<u>1,845,544</u>	<u>20,053</u>	<u>1,865,597</u>	<u>1,642,746</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 70,236</u>	<u>\$ (20,053)</u>	<u>\$ 50,183</u>	<u>\$ 478,458</u>

**WHEATLAND CRISIS SOCIETY
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2022**

	2022 Total Invested In Capital Assets	2022 Capital Internally Restricted	2022 Operating Internally Restricted	2022 Surplus Retention Reserve - WCS	2022 Operating Unrestricted	2022 Total	<i>2021</i> <i>Total</i>
FUND BALANCES , beginning of year	\$ 420,892	\$ 279,227	\$ 518,527	\$ 2,906	\$ 733,851	\$ 1,955,403	\$ 1,476,945
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(20,053)	-	-	-	70,236	50,183	478,458
INTERFUND TRANSFERS	19,527	48,578	(25,052)	27	(43,080)	-	-
FUND BALANCES , end of year	\$ 420,367	\$ 327,805	\$ 493,475	\$ 2,933	\$ 761,007	\$ 2,005,587	\$ 1,955,403

The accompanying notes form an integral part of these financial statements.
Gregory, Harriman & Associates LLP

**WHEATLAND CRISIS SOCIETY
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2022**

	OPERATING ACTIVITIES	FINANCING & INVESTING	TOTAL	
	Operating Fund 2022	Capital Asset Fund 2022	2022	2021
SOURCES OF CASH				
Provincial Funding	\$ 1,666,902	\$ -	\$ 1,666,902	\$ 1,522,005
Other Government Subsidies and Grants	237,811	-	237,811	511,835
Donations	97,806	-	97,806	137,180
Interest and Other Income	13,691	-	13,691	27,394
Fundraising	2,075	-	2,075	2,301
	2,018,285	-	2,018,285	2,200,715
USES OF CASH				
Purchases and Salaries	(1,873,147)	-	(1,873,147)	(1,600,587)
Purchase of Capital Assets	-	(19,529)	(19,529)	-
Purchase of Investments	735,447	-	735,447	190,963
NET CASH INCREASE (DECREASE)	880,585	(19,529)	861,056	791,091
Cash, Opening	1,116,028	-	1,116,028	324,937
Interfund Adjustments	(352,296)	352,296	-	-
CASH, CLOSING	\$ 1,644,317	\$ 332,767	\$ 1,977,084	\$ 1,116,028

The accompanying notes form an integral part of these financial statements.
Gregory, Harriman & Associates LLP

**WHEATLAND CRISIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

1) Purpose of the Society

Wheatland Crisis 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

Wheatland Crisis 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.

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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**WHEATLAND CRISIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

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. Government grants are treated as a reduction in capital asset costs.

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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**WHEATLAND CRISIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

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 \$Nil (2021 - \$4,211) 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

	2022	2021
<i>Operating</i>		
Bank	773,610	660,531
CIBC High Interest Savings	644,626	212,988
CIBC Wood Gundy	204,741	205,531
Casino Bank	11,981	28,510
Elite Savings Account - Operating	8,207	8,180
Petty Cash	1,152	288
	<u>\$ 1,644,317</u>	<u>\$ 1,116,028</u>
<i>Capital</i>		
Capital Investment Account - High Interest Savings	332,767	-
	<u>332,767</u>	<u>-</u>
	<u><u>\$ 1,977,084</u></u>	<u><u>\$ 1,116,028</u></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 and capital projects. As these projects have not been completed for which the funding has been received, \$276,103 (*Notes 9 and 10*) is not available for general use.

5) Accounts Receivable

	2022	2021
Accrued Interest	4,386	4,444
Accounts Receivable	-	62,914
	<u>\$ 4,386</u>	<u>\$ 67,358</u>

**WHEATLAND CRISIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

6) Short Term Investments

	2022	2021
Investments maturing in the next fiscal year (<i>Note 7</i>)	100,000	489,000
Capital Investment Account - Short Term Investments	(100,000)	(22,684)
	<u>-</u>	<u>466,316</u>

Capital

Capital Investment Account - Short Term Investments	100,000	22,684
	<u>100,000</u>	<u>22,684</u>
	<u>\$ 100,000</u>	<u>\$ 489,000</u>

7) Long Term Investments

	2022	2021
<i>Operating</i>		
Principal Protected Notes	351,200	596,800
Bonds	369,000	858,000
Bond Premium (Discount)	(207)	640
Less: Investments maturing in next fiscal year (<i>Note 6</i>)	(100,000)	(489,000)
Capital Investment Account - Long Term Investments	(619,993)	(965,800)
	<u>-</u>	<u>640</u>

Capital

Capital Investment Account - Long Term Investments	619,993	965,800
	<u>619,993</u>	<u>966,440</u>
	<u>\$ 619,993</u>	<u>\$ 966,440</u>

The bonds above mature in 2023 and 2024 with interest rates ranging from 3.224% to 3.45%. The principal protected notes above mature between 2022 and 2027 with rate of return indexed on BMO S&P/TSX and CIBC CDN Indices.

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, \$719,993 (*Notes 9 and 10*) is not available for general use.

**WHEATLAND CRISIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

8) Capital Assets

			2022	2021
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	100,890	-	100,890	100,890
Buildings	526,973	238,577	288,396	300,413
Computer Hardware	59,721	55,464	4,257	721
Furniture and Equipment	129,742	102,918	26,824	18,868
	<u>\$ 817,326</u>	<u>\$ 396,959</u>	<u>\$ 420,367</u>	<u>\$ 420,892</u>

The total cost of the buildings has been reduced by \$380,000 representing the forgivable loan received from and forgiven by Canada Mortgage and Housing Corporation.

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.

	2022	2021
EIP Funding	144,897	-
Thiessen Bursary	81,244	76,047
Federal COVID Subsidy	24,005	65,855
Wheatland Family & Community Support	8,000	-
Casino	5,369	25,256
United Way / Town of Strathmore	4,144	4,144
Family Enrichment	3,482	4,257
Provincial COVID Subsidy	-	71,533
	<u>\$ 271,141</u>	<u>\$ 247,092</u>

**WHEATLAND CRISIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

10) Deferred Capital Contributions

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

	2022	2021
Anonymous Donation	644,269	628,571
Calgary Herald Christmas Fund	80,686	80,686
	<u>\$ 724,955</u>	<u>\$ 709,257</u>

11) Invested in Capital Assets

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

12) 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.

	2021	Increases	Decreases	2022
Operating				
Operating Internally Restricted	518,527	126,262	151,314	493,475
Surplus Retention Reserve - WCS	2,906	27	-	2,933
	<u>521,433</u>	<u>126,289</u>	<u>151,314</u>	<u>496,408</u>
Capital				
Capital Internally Restricted	279,227	66,813	18,235	327,805
	<u>279,227</u>	<u>66,813</u>	<u>18,235</u>	<u>327,805</u>
	<u>\$ 800,660</u>	<u>\$ 193,102</u>	<u>\$ 169,549</u>	<u>\$ 824,213</u>

13) Commitments

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

2023	6,254
2024	4,914
2025	4,914

The Society is engaged in a contract for computer consulting services commencing November 1, 2019 until December 31, 2025 for \$23,310 annually.

**WHEATLAND CRISIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

14) Subsequent Events

In April 2022, the Society entered into a purchase agreement for a parcel of land in the amount of \$1,250,000 for the purpose of constructing an Emergency Shelter / Second Stage Housing complex. The agreement is contingent on the Society receiving the necessary financing and has a closing date of December 15, 2022.

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.

**WHEATLAND CRISIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

16) Comparative Figures

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

17) Approval of Financial Statements

The Board of Directors approved these financial statements.