

WHEATLAND CRISIS SOCIETY

Financial Statements

Year Ended March 31, 2023

WHEATLAND CRISIS SOCIETY

Index to Financial Statements

Year Ended March 31, 2023

INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Fund Balances	5
Statement of Cash Flows	6
Notes to Financial Statements	7 – 13



INDEPENDENT AUDITOR'S 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, 2023, 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, 2023, 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, 2023, current assets, and net assets as at March 31, 2023.

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 21, 2023

Gregory, Harriman & Associates LLP
Chartered Professional Accountants

**WHEATLAND CRISIS SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023**

	OPERATING FUND	CAPITAL ASSET FUND	TOTAL	
	2023	2023	2023	2022
CURRENT ASSETS				
Cash (Note 4)	\$ 960,574	\$ 28,758	\$ 989,332	\$ 1,977,084
Accounts Receivable (Note 5)	20,016	-	20,016	4,386
Short Term Investments (Note 6)	-	203,000	203,000	100,000
Goods and Services Tax Receivable	8,268	-	8,268	6,106
Prepaid Expenses	1,626	-	1,626	1,689
	<u>990,484</u>	<u>231,758</u>	<u>1,222,242</u>	<u>2,089,265</u>
LONG TERM INVESTMENTS (Note 7)	-	166,000	166,000	619,993
OTHER ASSETS	2,619	-	2,619	2,823
CAPITAL ASSETS, Net (Note 8)	-	1,792,582	1,792,582	420,367
TOTAL ASSETS	<u>\$ 993,103</u>	<u>\$ 2,190,340</u>	<u>\$ 3,183,443</u>	<u>\$ 3,132,448</u>
CURRENT LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 121,289	\$ -	\$ 121,289	\$ 130,765
Deferred Contributions (Note 9)	267,199	-	267,199	271,141
	<u>388,488</u>	<u>-</u>	<u>388,488</u>	<u>401,906</u>
DEFERRED CAPITAL CONTRIBUTIONS (Note 10)	-	80,686	80,686	724,955
UNAMORTIZED CAPITAL CONTRIBUTIONS (Note 11)	-	71,936	71,936	-
	<u>388,488</u>	<u>152,622</u>	<u>541,110</u>	<u>1,126,861</u>
FUND BALANCES				
Invested in Capital Assets (Note 12)	-	1,720,648	1,720,648	420,367
Internally Restricted Funds (Note 13)	496,408	317,070	813,478	824,213
Unrestricted	108,207	-	108,207	761,007
	<u>604,615</u>	<u>2,037,718</u>	<u>2,642,333</u>	<u>2,005,587</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 993,103</u>	<u>\$ 2,190,340</u>	<u>\$ 3,183,443</u>	<u>\$ 3,132,448</u>
ECONOMIC DEPENDENCE (Note 2)				
COMMITMENTS (Note 14)				

APPROVED ON BEHALF OF THE BOARD: _____ Director _____ Director

**WHEATLAND CRISIS SOCIETY
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2023**

	OPERATING FUND	CAPITAL ASSET FUND	TOTAL	
	2023	2023	2023	2022
REVENUE				
Provincial Funding	\$ 1,525,281	\$ -	\$ 1,525,281	\$ 1,522,005
Other Government Subsidies and Grants	258,345	-	258,345	280,280
Donations	163,858	-	163,858	77,687
Fundraising	93,886	-	93,886	21,962
Interest and Other Income	55,556	-	55,556	13,846
	<u>2,096,926</u>	<u>-</u>	<u>2,096,926</u>	<u>1,915,780</u>
EXPENDITURES				
Staffing Costs	1,561,708	-	1,561,708	1,317,158
Administration	247,626	-	247,626	267,577
Facility Costs	194,939	-	194,939	211,742
Direct Client Costs	78,078	-	78,078	49,067
Amortization	-	19,316	19,316	18,847
Loss on Disposal of Capital Assets	-	2,780	2,780	1,206
	<u>2,082,351</u>	<u>22,096</u>	<u>2,104,447</u>	<u>1,865,597</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 14,575</u>	<u>\$ (22,096)</u>	<u>\$ (7,521)</u>	<u>\$ 50,183</u>

WHEATLAND CRISIS SOCIETY
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2023

	2023 Total Invested In Capital Assets	2023 Capital Internally Restricted	2023 Operating Internally Restricted	2023 Surplus Retention Reserve - WCS	2023 Operating Unrestricted	2023 Total	<i>2022</i> <i>Total</i>
FUND BALANCES , beginning of year	\$ 420,367	\$ 327,805	\$ 493,475	\$ 2,933	\$ 761,007	\$ 2,005,587	\$ 1,955,403
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(22,096)	-	-	-	14,575	(7,521)	50,183
INTERFUND TRANSFERS	678,107	(10,735)	-	-	(667,375)	-	-
DIRECT TO FUND BALANCES (Note 10)	644,269	-	-	-	-	644,269	-
FUND BALANCES , end of year	<u>\$ 1,720,648</u>	<u>\$ 317,070</u>	<u>\$ 493,475</u>	<u>\$ 2,933</u>	<u>\$ 108,207</u>	<u>\$ 2,642,333</u>	<u>\$ 2,005,587</u>

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

**WHEATLAND CRISIS SOCIETY
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2023**

	OPERATING ACTIVITIES	FINANCING & INVESTING	TOTAL	
	Operating Fund 2023	Capital Asset Fund 2023	2023	2022
SOURCES OF CASH				
Provincial Funding	\$ 1,380,384	\$ -	\$ 1,380,384	\$ 1,666,902
Other Government Subsidies and Grants	429,953	-	429,953	237,811
Donations	168,957	-	168,957	97,806
Fundraising	97,941	-	97,941	2,075
Interest and Other Income	72,056	-	72,056	13,691
	2,149,291	-	2,149,291	2,018,285
USES OF CASH				
Purchases and Salaries	(2,087,428)	-	(2,087,428)	(1,873,147)
Purchase of Capital Assets	-	(1,400,821)	(1,400,821)	(19,529)
Disposal of Investments	-	351,206	351,206	735,447
NET CASH INCREASE (DECREASE)	61,863	(1,049,615)	(987,752)	861,056
Cash, Opening	1,644,317	332,767	1,977,084	1,116,028
Interfund Adjustments	(745,606)	745,606	-	-
CASH, CLOSING	\$ 960,574	\$ 28,758	\$ 989,332	\$ 1,977,084

**WHEATLAND CRISIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023**

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 (ASNFPO).

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.

continues...

**WHEATLAND CRISIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023**

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.

continues...

**WHEATLAND CRISIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023**

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 \$11,844 (2022 - \$Nil) 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

	2023	2022
<i>Operating</i>		
Bank	631,940	773,610
CIBC Wood Gundy Cash Account	239,269	204,741
CIBC High Interest Savings	70,219	644,626
Casino Bank	10,544	11,981
Elite Savings Account - Operating	8,291	8,207
Petty Cash	311	1,152
	<u>\$ 960,574</u>	<u>\$ 1,644,317</u>
<i>Capital</i>		
Capital Investment Account - CIBC Wood Gundy Cash Account	28,758	-
Capital Investment Account - High Interest Savings	-	332,767
	<u>28,758</u>	<u>332,767</u>
	<u><u>\$ 989,332</u></u>	<u><u>\$ 1,977,084</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 projects. As these projects have not been completed for which the funding has been received, \$267,199 (*Note 9*) is not available for general use.

5) Accounts Receivable

	2023	2022
Grants and Donations Receivable	15,630	-
Accrued Interest	4,386	4,386
	<u>\$ 20,016</u>	<u>\$ 4,386</u>

**WHEATLAND CRISIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023**

6) Short Term Investments

	2023	2022
Capital		
Investments maturing in the next fiscal year (<i>Note 7</i>)	203,000	100,000
	<u>\$ 203,000</u>	<u>\$ 100,000</u>

7) Long Term Investments

	2023	2022
Capital		
Bonds	369,000	369,000
Principal Protected Notes	-	351,200
Bond Premium (Discount)	-	(207)
Less: Investments maturing in next fiscal year (<i>Note 6</i>)	(203,000)	(100,000)
	<u>\$ 166,000</u>	<u>\$ 619,993</u>

The bonds above mature in 2023 and 2024 with interest rates ranging from 3.224% to 3.45%.

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

			2023	2022
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	1,354,529	-	1,354,529	100,890
Buildings	661,317	250,113	411,204	288,396
Computer Hardware	56,646	54,734	1,912	4,257
Furniture and Equipment	128,551	103,614	24,937	26,824
	\$ 2,201,043	\$ 408,461	\$ 1,792,582	\$ 420,367

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.

**WHEATLAND CRISIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023**

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	Increases	Decreases	2023
Federal COVID Subsidy	24,005	370,926	239,024	155,907
Thiessen Bursary	81,244	5,201	-	86,445
Casino	5,369	5,170	-	10,539
Women's Shelter Canada	-	50,000	43,936	6,064
United Way / Town of Strathmore	4,144	-	-	4,144
City of Chestermere Public Education & Outreach	-	4,100	-	4,100
EIP Funding	144,897	-	144,897	-
Family Enrichment	3,482	-	3,482	-
Wheatland Family & Community Support Services	8,000	9,000	17,000	-
	\$ 271,141	\$ 444,397	\$ 448,339	\$ 267,199

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	Increases	Decreases	2023
Calgary Herald Christmas Fund	80,686	-	-	80,686
Anonymous Donation	644,269	-	644,269	-
	\$ 724,955	-	\$ 644,269	\$ 80,686

During the year, \$644,269 was spent on the purchase of land. This amount has been recognized as a direct increase to the Capital Asset Fund.

11) Unamortized Capital Contributions

	2023	2022
Women's Shelter Canada Grant	43,936	-
Community Housing Transformation Centre Grant	28,000	-
	\$ 71,936	-

The unamortized capital contributions will be recognized in revenue as the related amortization expense for the capital addition is incurred. As the related capital asset is not available for use, no amortization has been taken in the current year.

**WHEATLAND CRISIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023**

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 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.

	2022	Increases	Decreases	2023
<i>Operating</i>				
Operating Internally Restricted	493,475	-	-	493,475
Surplus Retention Reserve - WCS	2,933	-	-	2,933
	<u>496,408</u>	<u>-</u>	<u>-</u>	<u>496,408</u>
<i>Capital</i>				
Capital Internally Restricted	327,805	-	10,735	317,070
	<u>327,805</u>	<u>-</u>	<u>10,735</u>	<u>317,070</u>
	<u>\$ 824,213</u>	<u>-</u>	<u>\$ 10,735</u>	<u>\$ 813,478</u>

14) Commitments

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

2024	12,182
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 \$471,614.

**WHEATLAND CRISIS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023**

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) Approval of Financial Statements

The Board of Directors approved these financial statements.