

Strathcona Shelter Society Ltd.
Financial Statements
March 31, 2024

To the Members of Strathcona Shelter Society Ltd.:

Opinion

We have audited the financial statements of Strathcona Shelter Society Ltd. (the "Society"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We 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 opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 liquidate the Society or 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Edmonton, Alberta

July 17, 2024

MNP LLP
Chartered Professional Accountants

Strathcona Shelter Society Ltd.
Statement of Financial Position

As at March 31, 2024

	2024	2023
Assets		
Current		
Cash (Note 3)	989,710	513,500
Accounts receivable	63,994	48,518
Marketable securities (Note 4)	842,791	1,067,471
Prepaid expenses and deposits	29,469	64,705
	1,925,964	1,694,194
Restricted marketable securities (Note 4)	1,120,954	-
Capital assets (Note 5)	1,051,448	986,939
	4,098,366	2,681,133
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 5), (Note 6)	345,337	249,308
Deferred contributions (Note 7)	234,006	426,027
	579,343	675,335
Deferred contributions - capital - unspent (Note 4)	1,120,954	1,814
Deferred contributions - capital - spent (Note 8)	752,471	806,776
	2,452,768	1,483,925
Net Assets		
Unrestricted	1,295,359	965,783
Invested in capital assets	298,977	180,163
Building replacement fund	51,262	51,262
	1,645,598	1,197,208
	4,098,366	2,681,133

Approved on behalf of the Board

signed by "Danielle Miller"

Director

signed by "Nicole O'Dell"

Director

The accompanying notes are an integral part of these financial statements

Strathcona Shelter Society Ltd.
Statement of Operations
For the year ended March 31, 2024

	2024	2023
Revenue		
Alberta Human Services - Contract	2,074,904	1,948,830
Grant revenue	297,183	219,303
Donations	249,724	215,770
Fundraising	182,333	114,834
Condominium revenue (Schedule 1)	55,915	50,927
United Way	1,147	54,472
	2,861,206	2,604,136
Expenses		
Salaries and benefits	1,858,987	1,722,219
Direct client services	147,939	191,418
Professional and consulting fees	123,038	168,996
Condominium expenses (Schedule 1)	96,886	74,285
Office and supplies	94,314	83,890
Utilities	65,599	53,931
Amortization	51,531	45,443
Fundraising expenses	30,350	26,948
Repairs and maintenance	27,288	35,004
Insurance	18,807	19,835
Advertising	16,767	4,515
Travel	7,759	6,004
Board of Directors	7,368	2,525
Meals and entertainment	1,937	550
Bank charges and interest	984	853
Bad debts	-	1,363
	2,549,554	2,437,779
Excess of revenue over expenses before other items	311,652	166,357
Other items		
Investment income	85,918	18,128
Interest income	37,987	13,077
Gain on disposal of capital assets	11,441	-
Unrealized gain (loss) on marketable securities	1,392	(8,082)
	136,738	23,123
Excess of revenue over expenses	448,390	189,480

The accompanying notes are an integral part of these financial statements

Strathcona Shelter Society Ltd.
Statement of Changes in Net Assets
For the year ended March 31, 2024

	<i>Unrestricted</i>	<i>Invested in capital assets</i>	<i>Building replacement fund</i>	<i>2024</i>	<i>2023</i>
Net assets, beginning of year	965,783	180,163	51,262	1,197,208	1,007,728
Excess (deficiency) of revenue over expenses	470,785	(22,395)	-	448,390	189,480
Purchase of capital assets net of proceeds received <i>(Note 5)</i>	(141,209)	141,209	-	-	-
Net assets, end of year	1,295,359	298,977	51,262	1,645,598	1,197,208

The accompanying notes are an integral part of these financial statements

Strathcona Shelter Society Ltd.
Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating		
Cash receipts from funders and other revenue	2,738,195	2,586,608
Cash paid for salaries and benefits	(1,815,099)	(1,704,394)
Cash paid for program service expenses	(655,654)	(749,629)
Investment income received	123,905	31,205
	391,347	163,790
Financing		
Cash contributions received for capital assets <i>(Note 4)</i>	-	68,000
Cash contributions received for capital purchases	997,635	-
Investing		
Purchase of marketable securities	(1,855,241)	(800,000)
Proceeds on disposal of marketable securities	1,083,678	-
Purchase of capital assets <i>(Note 5)</i>	(153,709)	(216,543)
Proceeds on disposal of capital assets	12,500	-
	(912,772)	(1,016,543)
Increase (decrease) in cash resources	476,210	(784,753)
Cash resources, beginning of year	513,500	1,298,253
Cash resources, end of year	989,710	513,500

The accompanying notes are an integral part of these financial statements

Strathcona Shelter Society Ltd.
Notes to the Financial Statements
For the year ended March 31, 2024

1. Incorporation and nature of the organization

Strathcona Shelter Society Ltd. (the "Society") was incorporated under the *Companies Act of the Province of Alberta* as a limited company and is a registered charity under the *Income Tax Act*. The Society is exempt from tax under paragraph 149(1) of the *Income Tax Act*.

It is the purpose of the Society to provide:

- (a) a temporary safe and supportive environment to individuals, including their children, who are identified or identify themselves as having been physically, sexually and/or psychologically abused by their spouse, intimate partner, family member or person known to them;
- (b) an opportunity for families and individuals experiencing domestic violence and abuse to learn of services and alternatives for themselves and their families in order to facilitate decisions about their future; and
- (c) increase awareness regarding the issues related to domestic violence and the needs of families and individuals experiencing domestic violence and abuse.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of generally accepted accounting principles, and include the following significant accounting policies.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Externally restricted contributions for capital assets are amortized to revenue over the same period in which the related capital expenses are amortized to expenses.

Cash and cash equivalents

Cash includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives. A full year of amortization is recorded in the year of acquisition, with no amortization recorded in the year of disposal.

	Method	Rate
Buildings	straight-line	20 years
Vehicles	straight-line	10 years
Computer equipment	straight-line	5 years
Website	straight-line	5 years
Furniture and fixtures	straight-line	5 years
Office equipment	straight-line	10 years
Leasehold improvements	straight-line	term of lease
Playground	straight-line	5 years

2. Significant accounting policies *(Continued from previous page)*

Long-lived assets

Long-lived assets consist of capital assets held for use and are measured and amortized as described in the applicable accounting policies.

The Society writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Society's ability to provide goods and services. The assets are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Society determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Retirement savings plan

The Society maintains a defined contribution RRSP plan for its employees. The expenditure for this plan is equal to the Society's required contribution for the year.

Contributed materials and services

Some of the work of the Society is dependent on the voluntary services of members and others. Since their services are not purchased by the Society and due to the difficulty in determining their fair value, donated services are not recognized in these financial statements. Contributed goods are recorded at their fair market value at the time of the donation, as long as a fair value can be reasonably estimated and the goods would otherwise have been purchased by the Society in the normal course of operations.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Amortization is based on the estimated useful lives of capital assets. Expenses are allocated to respective programs and funding arrangements based on estimates of relative consumption of costs by various programs.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the years in which they become known.

Financial instruments

The Society recognizes financial instruments when the Society becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Society may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Society has not made such an election during the year.

The Society subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Strathcona Shelter Society Ltd.
Notes to the Financial Statements
For the year ended March 31, 2024

2. Significant accounting policies *(Continued from previous page)*

Financial asset impairment

The Society assesses impairment of all its financial assets measured at cost or amortized cost. The Society reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses. The Society reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenses in the year the reversal occurs.

3. Restricted cash

Restricted cash is the cash required by third parties to be deposited in a separate account for a designated purpose. At year-end, included in cash is \$2,113 (2023 - \$32,708) restricted by Alberta Gaming, Liquor and Cannabis.

4. Marketable securities

	2024	2023
Mortgage investment corporation shares	109,699	-
Mutual funds	-	249,343
	109,699	249,343
Guaranteed investment certificate (GIC)	1,854,046	818,128
	1,963,745	1,067,471
Total marketable securities	1,963,745	1,067,471
Less restricted contributions for future capital purchases	(1,120,954)	-
	842,791	1,067,471

During the year, mortgage investment corporation shares with a fair value of \$123,319 and cash of \$950,000 were contributed to the Society from a bequest, restricted for future capital expenditures. Investment income on the shares of \$5,689 and other restricted capital contributions of \$41,946 are also included in unspent deferred capital contributions. The cash contributions and related earnings received comprise \$1,022,255 of the GIC balance held, which along with the mortgage investment corporation shares are presented as long-term restricted marketable securities.

The GIC held bears interest at prime minus 2.0% (2023 - prime minus 2.25%) and matures April 14, 2024 (2023 - November 17, 2023).

The non-cash contribution of mortgage investment corporation shares is omitted from the statement of cash flows.

Strathcona Shelter Society Ltd.
Notes to the Financial Statements
For the year ended March 31, 2024

5. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2024 Net book value</i>	<i>2023 Net book value</i>
Land	104,980	-	104,980	104,980
Buildings	1,478,725	896,426	582,299	630,345
Vehicles	61,700	6,170	55,530	1,059
Computer equipment	81,925	57,513	24,412	37,719
Website	7,889	7,889	-	-
Furniture and fixtures	339,759	249,204	90,555	33,816
Office equipment	21,081	17,033	4,048	6,243
Leasehold improvements	17,841	12,831	5,010	2,974
Playground	97,055	97,055	-	-
Building construction project	184,614	-	184,614	169,803
	2,395,569	1,344,121	1,051,448	986,939

Capital asset additions during the year totaled \$153,709 (2023 - \$200,420). In addition, \$nil (2023 - \$16,123) was paid related to purchases included in accounts payable the prior year.

Building construction project includes design and related planning costs for construction of a new shelter facility. Amortization of this asset will commence upon completion of construction.

6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities includes payroll related government remittances of \$33,662 (2023 - \$16,970).

7. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted by third parties for program and operating activities. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	<i>2024</i>	<i>2023</i>
Balance, beginning of year	426,027	372,936
Amount received during the year	2,230,503	2,263,373
Less: Amount recognized as revenue during the year	(2,422,524)	(2,210,282)
Balance, end of year	234,006	426,027

8. Deferred contributions related to capital assets

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	<i>2024</i>	<i>2023</i>
Balance, beginning of year	806,776	786,737
Contributions received in year	-	68,000
Less: Amounts recognized as revenue during the year	(54,305)	(47,961)
Balance, end of year	752,471	806,776

9. Financial instruments

The Society, as part of its operations, carries a number of financial instruments. It is management's opinion that the Society is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through maintaining interest based investments until maturity.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society's investments in mortgage investment corporation shares (Note 4) exposes the Society to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets.

To manage this risk, the Society has requested the maximum monthly redemption of shares allowed by the fund manager.

10. Economic dependence

The Society is economically dependent on the Government of Alberta for its revenue. In 2024, 73% (2023 - 75%) of revenue was derived from the Government of Alberta in the form of grants.

Strathcona Shelter Society Ltd.
Schedule 1 - Schedule of Condominium Operations
For the year ended March 31, 2024

	2024	2023
Revenue		
Amortization of deferred contributions (Note 8)	36,610	36,610
Rental revenue	19,305	14,317
	55,915	50,927
Expenses		
Amortization	36,610	36,610
Repairs and maintenance	19,155	9,397
Wages and benefits	15,000	-
Insurance	5,381	4,767
Electricity	4,947	2,051
Water	4,678	2,052
Security	3,630	2,948
Telephone	3,373	3,759
Natural gas	3,259	3,573
Materials and supplies	853	6,000
Travel	-	3,128
	96,886	74,285
Deficiency of revenue over expenses	(40,971)	(23,358)

