

WINGS OF PROVIDENCE SOCIETY
Financial Statements
Year Ended March 31, 2023

WINGS OF PROVIDENCE SOCIETY

Index to Financial Statements

Year Ended March 31, 2023

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues, Expenditures and Fund Balances	4
Statement of Cash Flow	5
Notes to Financial Statements	6 - 11
Schedule of Operating Fund Expenditures (<i>Schedule 1</i>)	12
Schedule of Home Next Door Operating Fund Expenditures (<i>Schedule 2</i>)	13
Schedule of Rocky Forest Daycare Operating Fund Expenditures (<i>Schedule 3</i>)	14



CHARTERED PROFESSIONAL ACCOUNTANTS

Suite 1500, 9888 Jasper Avenue NW
Edmonton, Alberta T5J 5C6
T. 780.424.3000 | F. 780.429.4817 | W. krpgroup.com

June 9, 2023
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Members of Wings of Providence Society

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of Wings of Providence Society (the Organization), which comprise the statement of financial position as at March 31, 2023, and the statements of revenues, expenditures and fund balances and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Organization as at March 31, 2023, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising and donation activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to 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. Our audit opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

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 Organization in accordance with 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 audit opinion.

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 ASNPO, 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 Organization'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
(continues)

Independent Auditor's Report to the Members of Wings of Providence Society
(continued)

intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

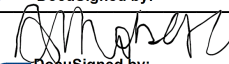
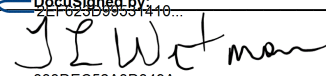
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kingston Ross Pasmak LLP
Kingston Ross Pasmak LLP
Chartered Professional Accountants

WINGS OF PROVIDENCE SOCIETY**Statement of Financial Position****March 31, 2023**

	2023	2022
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 1,923,628	\$ 1,316,460
Term deposits (Note 3)	31,798	31,798
Accounts receivable	155,468	41,878
Prepaid expenses	19,619	27,996
	2,130,513	1,418,132
CAPITAL ASSETS (Note 4)	5,880,418	6,243,863
	\$ 8,010,931	\$ 7,661,995
LIABILITIES AND FUND BALANCES		
CURRENT		
Accounts payable and accrued liabilities	\$ 95,874	\$ 67,597
Deferred income (Note 6)	306,319	66,713
Damage deposits	25,991	25,557
	428,184	159,867
FUND BALANCES		
Internally restricted		
Investment in capital assets	5,880,418	6,243,863
Maintenance reserve	452,147	342,283
Home Next Door maintenance reserve	150,715	114,094
General reserve	984,876	748,677
Externally restricted		
Capital reserve	114,591	20,000
Unrestricted		
Operating surplus	-	33,211
	7,582,747	7,502,128
	\$ 8,010,931	\$ 7,661,995

ON BEHALF OF THE BOARD

DocuSigned by: _____ Director

 DocuSigned by: _____ Director

 333DEC52A3D349A...

WINGS OF PROVIDENCE SOCIETY
Statement of Revenues, Expenditures and Fund Balances
Year Ended March 31, 2023

	Investment in Capital Assets	Wings Maintenance Reserve	Home Next Door Maintenance Reserve	General Reserve	Capital Reserve	Rocky Forest Daycare Operating Fund	Home Next Door Operating Fund	Wings Operating Fund	2023 Total	2022 Total
	<i>Internally restricted</i>	<i>Internally restricted</i>	<i>Internally restricted</i>	<i>Internally restricted</i>	<i>Externally restricted</i>	<i>Unrestricted</i>	<i>Unrestricted</i>	<i>Unrestricted</i>		
REVENUE										
Donations	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 23,035	\$ -	\$ 514,180	\$ 592,215	\$ 340,494
Legacy	-	-	-	-	-	-	-	138,847	138,847	108,431
Fundraising, grants and asks	-	-	-	-	-	-	-	512,273	512,273	317,816
Grants - City of Edmonton	-	-	-	-	-	-	-	16,500	16,500	16,500
Grants - Government of Alberta	-	-	-	-	90,000	12,517	-	969,869	1,072,386	1,023,060
Grants - Government of Canada (Note 7)	-	-	-	-	-	7,386	-	22,157	29,543	103,956
Grants - United Way Empower U	-	-	-	-	-	-	-	8,866	8,866	8,866
Interest	-	-	-	-	-	-	6,699	39,503	46,202	935
Laundry revenue	-	-	-	-	-	-	5,045	7,704	12,749	13,184
Membership	-	-	-	-	-	-	-	367	367	256
Rental income	-	-	-	-	-	-	188,767	114,462	303,229	281,242
Rocky Forest Daycare - operating revenue	-	-	-	-	-	236,686	-	-	236,686	183,725
	-	-	-	-	145,000	279,624	200,511	2,344,728	2,969,863	2,398,465
EXPENDITURES (Schedules 1, 2 and 3)										
Administrative (Note 8)	-	-	-	-	-	-	-	293,238	293,238	268,012
Depreciation	428,814	-	-	-	-	-	-	-	428,814	427,781
Direct client costs	-	-	-	-	-	329,974	-	1,369,299	1,699,273	1,531,845
Facility	-	-	-	-	-	-	152,114	160,956	313,070	277,338
Fundraising	-	-	-	-	-	-	-	154,849	154,849	129,034
	428,814	-	-	-	-	329,974	152,114	1,978,342	2,889,244	2,634,010
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(428,814)	-	-	-	145,000	(50,350)	48,397	366,386	80,619	(235,545)
FUND BALANCES - BEGINNING OF YEAR	6,243,863	342,283	114,094	748,677	20,000	33,211	-	-	7,502,128	7,737,673
TRANSFERS BETWEEN OPERATING FUNDS (Note 2)	14,960	109,864	36,621	236,199	-	17,139	(48,397)	(366,386)	-	-
TRANSFERS BETWEEN CAPITAL ASSETS FUNDS (Note 2)	50,409	-	-	-	(50,409)	-	-	-	-	-
FUND BALANCES - END OF YEAR	\$ 5,880,418	\$ 452,147	\$ 150,715	\$ 984,876	\$ 114,591	\$ -	\$ -	\$ -	\$ 7,582,747	\$ 7,502,128

WINGS OF PROVIDENCE SOCIETY**Statement of Cash Flow****Year Ended March 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$ 80,619	\$ (235,545)
Item not affecting cash:		
Depreciation of capital assets	428,814	427,781
	509,433	192,236
Changes in non-cash working capital:		
Accounts receivable	(113,590)	(20,447)
Accounts payable and accrued liabilities	28,277	(27,757)
Deferred income	239,606	(31,062)
Prepaid expenses	8,377	(12,289)
Damage deposits	434	1,602
	163,104	(89,953)
Cash flow from operating activities	672,537	102,283
INVESTING ACTIVITIES		
Purchase of capital assets	(65,369)	(7,583)
Net purchases of term deposits	-	(243)
Cash flow used by investing activities	(65,369)	(7,826)
NET CHANGE IN CASH AND CASH EQUIVALENTS	607,168	94,457
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,316,460	1,222,003
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,923,628	\$ 1,316,460

WINGS OF PROVIDENCE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2023

1. PURPOSE OF THE ORGANIZATION

Wings of Providence Society (the "Society") was incorporated January 17, 1986, under the Societies Act.

The mission statement of the Society is to provide comprehensive transition programs and independent living in a safe, supportive and healthy environment for women with children who have experienced family violence. The Society's vision is for women and children to be empowered to live safe and independent lives within a supportive community that has zero tolerance for family violence.

The Society qualifies as a charitable organization under Section 149(1) of the Income Tax Act and is therefore not subject to income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

Revenue recognition

Wings of Providence Society follows the restricted fund method in which externally restricted contributions (casino funds, grants and donations) are recognized upon receipt in the fund corresponding to the purpose for which they were contributed. Restricted contributions for which there is no corresponding restricted fund are recognized in the operating fund in the period in which the related expenditures are incurred. Unrestricted contributions are recognized in the appropriate operating fund.

Allocations of resources from an unrestricted fund to restricted funds, in accordance with internal restrictions, are recorded as interfund transfers.

Fundraising, interest, membership, rental, daycare and other income are recognized when earned and collection is reasonably assured.

(continues)

WINGS OF PROVIDENCE SOCIETY**Notes to Financial Statements****Year Ended March 31, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*Fund accounting

The Society maintains the following fund balances:

(a) Investment in capital assets

The investment in capital assets reflects funds allocated for capital assets. During the year, \$14,960 (2022 - \$7,583) was transferred to the investment in capital assets fund from the Operating fund and \$50,409 (2022 - \$Nil) from the Capital reserve fund. .

(b) Wings Maintenance reserve

This reserve has been established to provide funds for the maintenance of the building. During the year, \$109,864 was transferred to the maintenance reserve fund from the Operating fund (2022 - \$22,735 from the Home Next Door operating fund and \$75,798 from the Operating fund).

(c) Home Next Door maintenance reserve

This reserve has been established to provide funds for the maintenance of the Home Next Door. During the year, \$3,184 (2022 - \$32,844) was transferred to the Home Next Door maintenance reserve fund from the Operating fund and another \$33,437 (2022 - \$Nil) from the Home Next Door operating fund.

(d) General reserve

This reserve has been established to provide for operating expenses in the event of significant funding decreases. During the year, \$236,199 (2022 - \$36,985) was transferred to the General reserve from the Operating fund.

(e) Capital reserve

This reserve was established in 2013 after completion of the construction of Home Next Door building and reflects revenue and expenses related to fundraising for future capital requirements of the Society. No transfers to this fund were completed during the year.

(f) Rocky Forest Daycare operating fund

This operating fund was established in 2016 to account for the daycare operation of the Home Next Door building. This fund reports unrestricted resources and operating grants for the Rocky Forest Daycare. During the year, \$17,139 (2022 - \$Nil) was transferred to the Rocky Forest Daycare operating fund from the Operating fund.

(g) Home Next Door operating fund

The operating fund has been established to account for the general operation of the Home Next Door building which was completed in 2013. This fund reports unrestricted resources and operating grants for the Home Next Door. No transfers to this fund were completed during the year.

(continues)

WINGS OF PROVIDENCE SOCIETY**Notes to Financial Statements****Year Ended March 31, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*(h) Wings Operating fund

The operating fund accounts for the general operations of the Society. This fund reports unrestricted resources and operating grants. No transfers to this fund were completed during the year.

Financial instruments

All arm's length financial instruments are initially measured at fair value, and, unless otherwise noted, the Organization subsequently measures its financial instruments at amortized cost.

The measurement basis for related party financial instruments is disclosed in Note 8.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and on deposit in bank accounts adjusted for outstanding payments and deposits.

Included in cash is \$143,771 (2022 - \$22,208) externally restricted in accordance with the regulations of the Alberta Gaming, Liquor and Cannabis Commission (AGLC), that provide that the use of the net proceeds from a casino is limited to certain approved expenses of the Society in accordance with the agreement with AGLC.

Term deposits

Term deposits are recorded at amortized cost.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining basis at the following rates and methods:

Buildings	25 years
Furniture and equipment	5 - 10 years
Computer equipment	4 years

Purchases less than \$1,000 are expensed in the year of acquisition.

In the year of purchase, depreciation on capital assets is taken at one half of the normal amount.

Capital assets acquired during the year but not available for use are not depreciated until they are in the location and condition required for use.

Impairment of long lived assets

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

(continues)

WINGS OF PROVIDENCE SOCIETY**Notes to Financial Statements****Year Ended March 31, 2023****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. The following amounts are subject to measurement uncertainty: useful lives of capital assets, collectability of accounts receivable and accrued liabilities. These estimates are periodically reviewed and any necessary adjustments are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Donated services and materials

Volunteers contribute significant amounts of time to the activities of the Society without compensation. The Society also receives donated materials. The financial statements do not reflect these contributed services and materials as no reliable basis exists for determining an appropriate amount.

3. TERM DEPOSIT

	2023	2022
Term deposit	\$ 31,798	\$ 31,798

Term deposits bear interest of 1.80% (2022 - 0.54%) and matures on June 2, 2023.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	\$ 1,182,453	\$ -	\$ 1,182,453	\$ 1,182,453
Buildings	10,228,094	5,648,084	4,580,010	4,974,794
Furniture and fixtures	675,640	564,623	111,017	75,054
Computer equipment	144,238	137,300	6,938	11,562
	\$ 12,230,425	\$ 6,350,007	\$ 5,880,418	\$ 6,243,863

5. CREDIT FACILITY

The Organization has a credit facility with Servus Credit Union, which includes an approved operating line that can be drawn upon up to a maximum of \$200,000, which bears interest at prime plus 1%, and is payable on demand. The facility is secured by real property, assignment of rents and a General Security Agreement.

As at the Society's fiscal year-end, no draws have been made on the operating line of credit.

WINGS OF PROVIDENCE SOCIETY**Notes to Financial Statements****Year Ended March 31, 2023****6. DEFERRED INCOME**

	Beginning of the year	Contributions received in the year	Revenue earned during the year	2023	2022
AGLC Casino	\$ 22,208	\$ 129,211	\$ 7,647	\$ 143,772	\$ 22,208
City of Edmonton Community and Public Services	-	215,000	91,384	123,616	-
Second Harvest	25,000	-	25,000	-	25,000
Mothers Day Tea	4,885	22,169	14,540	12,514	4,885
Government of Alberta Food Security Grant	-	10,219	-	10,219	-
United Way	8,866	8,866	8,866	8,866	8,866
Other	5,754	14,630	13,052	7,332	5,754
Government of Alberta Community and Social Services	-	955,343	955,343	-	-
Women's Shelter Canada	-	180,000	180,000	-	-
City of Edmonton Community Investment Operating Grant	-	16,500	16,500	-	-
Alberta Jobs Now Program	-	7,500	7,500	-	-
Deferred income	\$ 66,713	\$ 1,559,438	\$ 1,319,832	\$ 306,319	\$ 66,713

The deferred contributions outstanding at March 31, 2023 are restricted for programs such as Empower U, hiring of nurse, psychologist and cultural workers and other initiatives. In addition, included above are funds restricted by the Alberta Gaming, Liquor and Cannabis Commission and limited to certain approved expenses of the Society in accordance with the agreement with AGLC.

7. ENDOWMENT FUND

An endowment fund was established in 2004 known as the WINGS of Providence Laurette Braconnier Tribute Fund (the "Fund"). The funds are held in perpetuity by the Edmonton Community Foundation. As the Society is a beneficiary of the Fund and cannot access the funds, the funds are not included in the statement of financial position. The interest income from the Fund is distributed to the Society annually to assist women and children who have experienced family violence. During the year, the Society received \$7,283 (2022 - \$7,878) in interest income from the Fund, included in Other Grants.

WINGS OF PROVIDENCE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2023

8. RELATED PARTY TRANSACTIONS

During the year, the Society paid fees for services in the amount of \$6,000 (2022 - \$nil) from a company associated with a member of the Board of Directors.

The transactions with related parties are measured at cost, which is equal to the undiscounted cash flows paid, or expected to be paid, not including expected interest, less any previously recognized impairment losses.

9. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2023. Unless otherwise noted, the Organization's risk exposure has not changed from the prior year.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk through its accounts receivable. As at March 31, 2023, 97% of accounts receivable were due from two parties (2022 - 68% from two parties).

WINGS OF PROVIDENCE SOCIETY
Schedule of Operating Fund Expenditures
Year Ended March 31, 2023

(Schedule 1)

	2023	2022
Administrative		
Advertising	\$ 3,754	\$ 3,322
Association dues	7,399	5,728
Bank charges	7,821	8,477
Labour and benefits	159,878	171,728
Other	9,057	3,829
Printing, postage, and stationery	12,102	14,756
Professional fees	27,427	19,473
Recruitment and training	24,138	785
Small furniture repairs	2,401	1,950
Telephone and communications	32,845	35,458
Volunteer expense	6,416	2,506
Administrative total	293,238	268,012
Direct client costs		
Education	13,762	1,188
Food	20,672	12,074
Labour and benefits	1,231,603	1,203,830
Materials and supplies	21,693	11,019
Other	48,053	25,255
Recreation	8,832	1,227
Telephone and communications	20,913	28,971
Travel subsistence	3,771	2,087
Direct client costs total	1,369,299	1,285,651
Facility		
Contract - security/maintenance	5,694	5,277
Labour and benefits	487	437
Maintenance and repairs	44,138	28,930
Small furnishings	16,684	3,158
Supplies	23,674	23,264
Utilities	70,279	64,259
Facility total	160,956	125,325
Fundraising		
Labour and benefits	127,724	100,184
Other	27,125	28,850
Fundraising total	154,849	129,034
	\$ 1,978,342	\$ 1,808,022

WINGS OF PROVIDENCE SOCIETY**Schedule of Home Next Door Operating Fund Expenditures****(Schedule 2)****Year Ended March 31, 2023**

	2023	2022
Facility		
Labour	\$ 1,151	\$ 1,204
Maintenance and repairs	51,032	47,365
Small furnishings	5,376	1,938
Supplies	7,476	7,476
Utilities	87,079	94,030
	\$ 152,114	\$ 152,013

WINGS OF PROVIDENCE SOCIETY**Schedule of Rocky Forest Daycare Operating Fund Expenditures****(Schedule 3)****Year Ended March 31, 2023**

	2023	2022
Direct client costs		
Education	\$ -	\$ 148
Food	15,408	9,408
Labour and benefits	296,515	220,321
Material and supplies	11,613	10,678
Other - direct	2,903	2,871
Recreation	686	-
Repairs and maintenance	124	615
Telephone and communication	1,634	1,692
Travel and subsistence	1,091	461
Direct client costs total	\$ 329,974	\$ 246,194