

METIS CALGARY FAMILY SERVICES SOCIETY
Financial Statements
Year Ended March 31, 2023



Telephone: (403) 212-3880
Fax: (403) 212-3884

230, 340 Midpark Way SE
Calgary, Alberta T2X 1P1

INDEPENDENT AUDITOR'S REPORT

To the Members of Metis Calgary Family Services Society

Opinion

We have audited the financial statements of Metis Calgary Family Services Society (the Society), which comprise the statement of financial position as at March 31, 2023, and the statements of revenues and expenditures, 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, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

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 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.

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 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.

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Independent Auditor's Report to the Members of Metis Calgary Family Services Society (*continued*)

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.

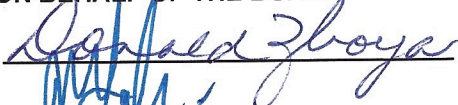

Calgary, Alberta
July 19, 2023


LOCKHART LLP
Chartered Professional Accountants

METIS CALGARY FAMILY SERVICES SOCIETY
Statement of Financial Position
March 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 2,016,965	\$ 2,608,538
Restricted cash (Note 3)	530,151	526,221
Accounts receivable	58,609	107,763
Goods and services tax recoverable	20,590	15,690
Prepaid expenses	74,964	81,628
Deposits	16,000	120,000
Current portion of loan receivable (Note 4)	15,494	-
	<u>2,732,773</u>	<u>3,459,840</u>
LOAN RECEIVABLE (Note 4)	376,855	-
PROPERTY AND EQUIPMENT (Note 5)	<u>6,458,214</u>	<u>6,721,874</u>
	<u>\$ 9,567,842</u>	<u>\$ 10,181,714</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 72,265	\$ 314,552
Employee wages payable	3,307	5,897
Deposits	38,085	29,885
Callable debt (Note 6)	64,231	78,146
Deferred contributions (Note 7)	481,707	786,394
Current portion of deferred contributions related to property and equipment (Note 8)	252,045	252,045
Current portion of mortgage (Note 9)	13,042	12,594
	<u>924,682</u>	<u>1,479,513</u>
DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT (Note 8)	1,706,999	1,959,044
MORTGAGE PAYABLE (Note 9)	<u>308,200</u>	<u>321,271</u>
	<u>2,939,881</u>	<u>3,759,828</u>
NET ASSETS		
General fund	2,057,684	3,511,998
Invested in property and equipment	<u>4,570,277</u>	<u>2,909,888</u>
	<u>6,627,961</u>	<u>6,421,886</u>
	<u>\$ 9,567,842</u>	<u>\$ 10,181,714</u>

ON BEHALF OF THE BOARD

 Member
 Member

See notes to financial statements
Lockhart LLP

METIS CALGARY FAMILY SERVICES SOCIETY**Statement of Revenues and Expenditures****Year Ended March 31, 2023**

	2023	2022
REVENUES		
Government of Alberta	\$ 1,090,849	\$ 1,744,263
Government of Canada	978,205	1,076,601
City of Calgary	870,781	746,245
Daycare user fees	655,183	377,749
Operations	530,422	506,542
Stoney Nakoda TsuuT'ina Tribal Council	350,024	-
Amortization of deferred contributions	264,545	264,545
United Way	62,500	-
Grants and sundry income	55,383	291,061
Calgary Homeless Foundation	31,819	755,652
	<u>4,889,711</u>	<u>5,762,658</u>
EXPENSES		
Personnel	2,919,461	2,845,337
Amortization	424,002	388,188
Materials	383,548	368,502
Rent, utilities, computer support and security	333,490	499,425
Transportation	220,823	193,462
Cultural supports	109,593	107,040
Program costs	98,757	427,645
Insurance	81,396	95,565
Professional services	37,337	40,543
Property taxes	23,829	19,528
Education, resources and workshops	17,704	51,206
Interest	16,367	2,980
Accreditation and evaluation	14,914	871
Bank charges	10,463	11,695
Office supplies	2,721	2,632
Recreational activities and youth incentives	1,253	607
Advertising and promotion	195	1,859
Interest on long term debt	-	22,897
	<u>4,695,853</u>	<u>5,079,982</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	193,858	682,676
OTHER INCOME		
Gain on disposal of property and equipment	<u>12,217</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	\$ 206,075	\$ 682,676

METIS CALGARY FAMILY SERVICES SOCIETY
Statement of Changes in Net Assets
Year Ended March 31, 2023

	General Fund	Invested in Property and Equipment	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 3,511,998	\$ 2,909,888	\$ 6,421,886	\$ 5,739,210
Excess of revenues over expenses	206,075	-	206,075	682,676
Purchase of property and equipment (net)	(1,805,931)	1,805,931	-	-
Amortization	424,002	(424,002)	-	-
Amortization of deferred contributions	(264,545)	264,545	-	-
Repayment of callable debt	(13,915)	13,915	-	-
NET ASSETS - END OF YEAR	\$ 2,057,684	\$ 4,570,277	\$ 6,627,961	\$ 6,421,886

METIS CALGARY FAMILY SERVICES SOCIETY

Statement of Cash Flows Year Ended March 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 206,075	\$ 682,676
Items not affecting cash:		
Amortization of property and equipment	424,002	388,188
Gain on disposal of property and equipment	(12,217)	-
Amortization of deferred contributions	(264,545)	(264,545)
	<u>353,315</u>	<u>806,319</u>
Changes in non-cash working capital:		
Accounts receivable	49,154	(81,680)
Goods and services tax recoverable	(4,900)	(5,067)
Prepaid expenses	6,664	(64,008)
Deposits	104,000	185,000
Accounts payable and accrued liabilities	(242,287)	291,553
Employee wages payable	(2,590)	5,897
Deposits	8,200	10,035
Deferred contributions	(304,687)	(420,674)
	<u>(386,446)</u>	<u>(78,944)</u>
Cash flow from (used by) operating activities	<u>(33,131)</u>	<u>727,375</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(574,306)	(2,049,800)
Proceeds on disposal of property and equipment	438,652	-
Addition to loans and notes receivable	(392,349)	-
Cash flow used by investing activities	<u>(528,003)</u>	<u>(2,049,800)</u>
FINANCING ACTIVITIES		
Callable debt	(13,915)	(15,020)
Proceeds from Calgary Homeless Foundation grant	-	1,312,500
Repayment of mortgage	(12,594)	(12,131)
Cash flow from (used by) financing activities	<u>(26,509)</u>	<u>1,285,349</u>
DECREASE IN CASH FLOW	<u>(587,643)</u>	<u>(37,076)</u>
Cash - beginning of year	<u>3,134,759</u>	<u>3,171,835</u>
CASH - END OF YEAR	<u>\$ 2,547,116</u>	<u>\$ 3,134,759</u>
CASH CONSISTS OF:		
Cash	\$ 2,016,965	\$ 2,608,538
Restricted cash	<u>530,151</u>	<u>526,221</u>
	<u>\$ 2,547,116</u>	<u>\$ 3,134,759</u>

METIS CALGARY FAMILY SERVICES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2023

PURPOSE OF THE SOCIETY

Metis Calgary Family Services Society (the "Society") is a not-for-profit organization incorporated federally under the Canada Not-for-profit Corporations Act. The Society is a registered charity and is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The Society identifies priority health and development needs of aboriginal children and others who are at risk, and develops comprehensive, integrated and culturally sensitive programs that promote the health and social development of these children and their families.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and cash equivalents

Cash and cash equivalents include deposits with financial institutions. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Property and equipment is amortized over its estimated useful life at the following rates and methods:

Buildings	20 years	straight-line method
Computer equipment	30%	declining balance method
Furniture and fixtures	20%	declining balance method
Vehicles	30%	declining balance method

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Deferred contributions related to property and equipment

Deferred contributions related to property and equipment represent the unamortized portion of restricted contributions that were used to purchase the Society's property and equipment. Recognition of these amounts as revenue is deferred to periods when the related property and equipment are amortized.

Revenue recognition

The Society follows the deferral method of accounting for contributions, which include grants and donations.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, including grants, daycare user fees, rental program user fees, and other income, are recognized as revenue when persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable, and collection is reasonably assured.

Leases

Leases are classified as either capital or operating leases. At the time the Society enters into a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred.

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METIS CALGARY FAMILY SERVICES SOCIETY
Notes to Financial Statements
Year Ended March 31, 2023

1. 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. Such estimates include expected useful life of property and equipment and accrued liabilities and are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. All other financial instruments are reported at amortized cost, and tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Contributed services

A number of volunteers contribute their time to assist the Society in carrying out its service delivery activities. Due to the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

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.

2. PROGRAM DESCRIPTIONS

Aboriginal Student Program

The Aboriginal Student Program provides stay-in-school support assistance to urban aboriginal students.

Community Voice Mail Program

Community Voice Mail provides a free voice mail number for anyone needing such a service during homelessness, employment search, school/teachers, medical appointments, or housing searches. Community voice mail provides a community contact and messaging system for marginalized clients seeking housing, employment, or services, without the stigma associated with poverty or race, it can be accessed for free through the Native Network center or any of the CVM partner agencies.

Early Child Development Programs

The Early Child Development Programs promote family wellness for urban aboriginal children and their families. These programs provide a safe environment for families experiencing difficulties parenting young children and allows mothers access to age appropriate child development services and to community resources. These programs include the Medicine Wheel Early Learning Centre which provides aboriginal children with a culturally appropriate nursery school program, as well as Ke Mama Nnanik Early Child Development community activities.

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METIS CALGARY FAMILY SERVICES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2023

2. PROGRAM DESCRIPTIONS *(continued)*

Home Owner's Assist Program

The Home Owner's Assist Program provides first time aboriginal families with ownership assistance by way of funding resources for down payment and ownership costs.

In Home Family Support Program

The In Home Family Support Program provides short and long-term assistance towards healthy development to meet the unique needs of aboriginal families and children facing challenges. This program can be accessed on an emergency basis.

Indian Residential School Survivor Program

The Indian Residential School Survivor Program assists individuals experiencing the effects of residential schools, with one on one assistance including cultural, ceremonial Elder supports.

Little Dancing Buffalo Program

The Little Dancing Buffalo Program provides cultural specific enrichment programming delivered as dance and craft activities within the Calgary aboriginal community.

Little Metis Childcare Program

The Little Metis Childcare Program provides an age appropriate learning environment for children and families.

Little Sundance Childcare Program

The Little Sundance Childcare Program provides an age appropriate learning environment for children and families.

Little Thunderbirds Afterschool Program

The Little Thunderbirds Afterschool Program is an initiative that provides services during the vulnerable hours.

Native Network Program

The Native Network Program provides a common meeting ground for people in the aboriginal community to come together for support and cultural programs. It provides assistance and support to aboriginals and Metis at large.

Parent Link Centre Program

The Parent Link Centre Program provides aboriginal families with various services including parenting programs, youth focused resources, literacy skills, support circles, parenting resources and life skills workshops in conjunction with the Native Network.

Rainbow Lodge Program

The Rainbow Lodge Program is supported housing for homeless families, wherein a nurtured living community provides a positive development environment addressing risk elements within families. It works in concert with frontline service providers.

3. RESTRICTED CASH

Restricted cash is comprised of cash subject to restrictions imposed by funding agreements outstanding at March 31, 2023.

METIS CALGARY FAMILY SERVICES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2023

4. LOAN RECEIVABLE

In February 2023, the Society assumed the remaining mortgage debt from a family at risk of mortgage default. The Society now acts as the lender and offers more accommodating repayment terms. The Society is registered on title of the property.

Mortgage loan bearing interest at 1.00% per annum, repayable in monthly blended payments of \$1,510. The loan matures on February 29, 2028, and is secured by the property.

Amounts receivable within one year

	2023	2022
	\$ 392,349	\$ -
	(15,494)	-
	<u>\$ 376,855</u>	<u>\$ -</u>

Principal repayment terms are approximately:

2024	\$ 15,494
2025	14,417
2026	14,562
2027	14,708
2028	333,168
	<u>\$ 392,349</u>

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	\$ 2,400,485	\$ -	\$ 2,400,485	\$ 2,413,359
Buildings	7,880,171	3,956,647	3,923,524	4,180,056
Vehicles	452,503	390,339	62,164	49,266
Computer equipment	204,605	185,855	18,750	19,622
Furniture and fixtures	193,285	139,994	53,291	59,571
	<u>\$ 11,131,049</u>	<u>\$ 4,672,835</u>	<u>\$ 6,458,214</u>	<u>\$ 6,721,874</u>

6. CALLABLE DEBT

Connect First Credit Union demand loan bearing interest at prime plus 1% per annum, repayable in monthly blended payments of \$1,500. As of March 31, 2023, the interest rate was 7.70% (2022 - 4.70%). The loan is secured by a general security agreement and charge on land, which matures on January 1, 2027.

	2023	2022
	\$ 64,231	\$ 78,146

METIS CALGARY FAMILY SERVICES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2023

7. DEFERRED CONTRIBUTIONS

	2023	2022
Alberta Indigenous Relations	\$ 109,607	\$ -
Canadian Accreditation Council of Human Services	13,297	-
City of Calgary Family and Community Support Services Grants	112,925	139,980
Government of Alberta Community Initiatives Program	37,500	-
Canada Mortgage and Housing Corporation	21,892	596,414
Stoney Nakoda TsuuT'ina Tribal Council Ltd. (G4)	186,486	-
United Way Aboriginal Students Program	-	50,000
	<u>\$ 481,707</u>	<u>\$ 786,394</u>

8. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT

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

	2023	2022
Balance, beginning of year	\$ 2,211,089	\$ 1,163,134
Add: Calgary Homeless Foundation grant	-	1,312,500
Less: amortization of deferred contributions	<u>(264,545)</u>	<u>(264,545)</u>
	1,946,544	2,211,089
Current portion of deferred capital contribution	<u>(252,045)</u>	<u>(252,045)</u>
	<u>\$ 1,694,499</u>	<u>\$ 1,959,044</u>

9. MORTGAGE PAYABLE

Connect First mortgage loan bearing interest at 3.75% per annum, repayable in monthly blended payments of \$2,075. The loan matures on November 5, 2025 and is secured by a general security agreement and charge on land owned by the Society.

Amounts payable within one year

	2023	2022
	\$ 321,243	\$ 333,865
	<u>(13,042)</u>	<u>(12,594)</u>
	<u>\$ 308,201</u>	<u>\$ 321,271</u>

Principal repayment terms are approximately:

2024	\$ 13,572
2025	<u>294,629</u>
	<u>\$ 308,201</u>

METIS CALGARY FAMILY SERVICES SOCIETY
Notes to Financial Statements
Year Ended March 31, 2023

10. FINANCIAL INSTRUMENTS

The Society, as part of its operations, carries numerous 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.
