

SAGESSE DOMESTIC VIOLENCE PREVENTION SOCIETY

FINANCIAL STATEMENTS

DECEMBER 31, 2023

SAGESSE DOMESTIC VIOLENCE PREVENTION SOCIETY
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December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

**To: The Directors of
Sagesse Domestic Violence Prevention Society**

Opinion

We have audited the financial statements of Sagesse Domestic Violence Prevention Society (the "Society"), which comprise the statement of financial position as at December 31, 2023, 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 December 31, 2023, 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 ("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 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.

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.

INDEPENDENT AUDITOR'S REPORT, 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.

INDEPENDENT AUDITOR'S REPORT, continued

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.

Baker Tilly Catalyst LLP

**CALGARY, ALBERTA
JUNE 24, 2024**

**CHARTERED PROFESSIONAL
ACCOUNTANTS**

SAGESSE DOMESTIC VIOLENCE PREVENTION SOCIETY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

	2023	2022
Assets		
Current		
Cash and cash equivalents (Note 3)	\$ 211,233	\$ 231,375
Short-term investments (Note 4)	1,664,242	1,405,049
Accounts receivable	58,949	10,800
Prepaid expenses	58,781	24,372
Goods and services tax recoverable	17,249	49,131
	2,010,454	1,720,727
Capital assets (Note 5)	42,401	66,053
Security deposit	12,593	12,593
	\$ 2,065,448	\$ 1,799,373
Liabilities and fund balances		
Current		
Accounts payable and accrued liabilities	\$ 186,768	\$ 111,916
Deferred contributions (Note 6)	1,483,410	1,301,384
Current portion of deferred capital contributions (Note 7)	12,800	12,800
Current portion of deferred lease inducements (Note 8)	7,007	7,007
	1,689,985	1,433,107
Deferred capital contributions	-	12,800
Deferred lease inducements (Note 8)	31,620	38,626
	1,721,605	1,484,533
Fund balances		
Invested in capital assets	29,601	40,453
Internally restricted funds (Note 9)	518,375	518,375
Unrestricted net assets	(204,133)	(243,988)
	343,843	314,840
	\$ 2,065,448	\$ 1,799,373

Commitments (Note 10)

Approved on behalf of the Board

Tessa Penick
 _____ Director

Rebecca Stephen
 _____ Director

SAGESSE DOMESTIC VIOLENCE PREVENTION SOCIETY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
Revenues		
Grants (Notes 7 and 10)	\$ 2,220,843	\$ 2,568,184
United Way	350,162	372,867
FCSS City of Calgary	219,210	239,210
Interest and other	148,756	123,182
Casino contributions	74,549	-
Donation and fundraising (Note 12)	55,705	44,349
	3,069,225	3,347,792
Expenditures		
Salaries and benefits	2,225,353	2,219,163
Programs and services	414,655	894,371
Administrative and operational (Note 5)	401,658	426,557
Fundraising (Note 12)	5,831	2,685
	3,047,497	3,542,776
Excess (deficiency) of revenues over expenditures from operations	21,728	(194,984)
Other income		
COVID support	7,275	78,164
	7,275	78,164
Excess (deficiency) of revenues over expenditures for the year	\$ 29,003	\$ (116,820)

SAGESSE DOMESTIC VIOLENCE PREVENTION SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Invested in capital assets	Internally restricted funds (Note 9)	Unrestricted net assets	2023	2022
Balance, beginning of year	\$ 40,453	\$ 518,375	\$ (243,988)	\$ 314,840	\$ 431,660
Excess (deficiency) of revenues over expenditures	(10,852)	-	39,855	29,003	(116,820)
Balance, end of year	\$ 29,601	\$ 518,375	\$ (204,133)	\$ 343,843	\$ 314,840

SAGESSE DOMESTIC VIOLENCE PREVENTION SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
Cash flows from operating activities		
Excess (deficiency) of revenues over expenditures for the year \$	29,003	\$ (116,820)
Adjustments for		
Amortization of deferred lease inducement	(7,006)	(7,006)
Amortization of capital assets	23,652	58,396
Amortization of deferred capital contributions	(12,800)	(12,800)
	32,849	(78,230)
Change in non-cash working capital items		
Accounts receivable	(48,149)	104,274
Prepaid expenses	(34,409)	(15,083)
Goods and services tax recoverable	31,882	(20,191)
Accounts payable and accrued liabilities	74,852	11,254
Deferred contributions	182,026	(23,011)
	239,051	(20,987)
Cash flows from investing activities		
Purchase of short-term investments	(1,664,242)	(1,405,049)
Proceeds from sale of short-term investments	1,405,049	1,320,462
	(259,193)	(84,587)
Cash flows from financing activity		
Repayment of CEBA loan	-	(60,000)
	(20,142)	(165,574)
Decrease in cash and cash equivalents		
	(20,142)	(165,574)
Cash and cash equivalents, beginning of year	231,375	396,949
Cash and cash equivalents, end of year	\$ 211,233	\$ 231,375

SAGESSE DOMESTIC VIOLENCE PREVENTION SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. Purpose of the organization

Sagesse Domestic Violence Prevention Society ("Sagesse" or the "Society") was incorporated under the Societies Act of the Province of Alberta in 1986 and is a registered charity under the Income Tax Act of Canada and is therefore not taxable under section 149(I).

Sagesse is creating individual and systemic change to promote healthy, respectful and peaceful relationships.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at year-end.

(b) Goods and services tax

Goods and services tax is recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expenditure with the rebate treated as a receivable.

(c) Capital assets

Capital assets are recorded at cost, less accumulated amortization. Individual assets with a cost of \$5,000 or less are expensed in the year of acquisition. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Software	5 years
Office equipment	5 years

In the year of acquisition, amortization is half the annual amounts. In the year of disposition, no amortization is recorded.

SAGESSE DOMESTIC VIOLENCE PREVENTION SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

2. Significant accounting policies, continued

(d) Deferred lease inducements

Sagesse accounts for leasehold inducements by deferring the inducements in the year received and recognizing them over the period specified in the lease agreement.

(e) Revenue recognition

Sagesse follows the deferral method of accounting for contributions.

Contributions and restricted operating grants containing conditions as to its use are deferred until the conditions are fulfilled and the expenses incurred.

Unrestricted contributions and operating grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

(f) Government assistance

Government assistance includes subsidies associated with the COVID-19 pandemic support initiatives, and is recognized when there is reasonable assurance that the assistance will be received.

Government assistance related to an expenditure item is recognized as other income in the period in which the subsidy is approved.

Government assistance recorded in current and prior periods is subject to government review, which could result in future adjustments to income.

(g) Contributed services

Volunteers assist Sagesse in carrying out certain activities. Due to uncertainty in determining fair value of the service and given that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

SAGESSE DOMESTIC VIOLENCE PREVENTION SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

2. Significant accounting policies, continued

(h) Financial instruments

(i) Measurement of financial instruments

The Society initially measures its financial assets and liabilities at fair value.

The Society subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents, short-term investments, and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Society has not designated any financial asset or financial liability to be measured at fair value.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

(i) Measurement uncertainty

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of estimates include: useful lives of capital assets, deferred contributions, deferred capital contributions, and deferred lease inducements. Actual results may differ from management's best estimates as additional information becomes available in the future.

SAGESSE DOMESTIC VIOLENCE PREVENTION SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

3. Cash and cash equivalents

	2023	2022
Unrestricted cash	\$ 201,219	\$ 231,316
Restricted cash	10,014	59
	\$ 211,233	\$ 231,375

4. Short-term investments

Short-term investments consist of Guaranteed Investment Certificates (GICs) with interest rates of 4.45% to 5.60% (2022: 0.75% to 3.25%). Sagesse has classified these investments as current as they could be liquidated at any time.

	2023	2022
Unrestricted GICs	\$ 1,145,867	\$ 812,183
Internally restricted GICs (Note 9)	518,375	518,375
Externally restricted GICs	-	74,491
	\$ 1,664,242	\$ 1,405,049

5. Capital assets

	2023		2022	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Software	\$ 105,000	\$ 62,952	\$ 42,048	\$ 63,000
Office equipment	23,208	22,855	353	3,053
	\$ 128,208	\$ 85,807	\$ 42,401	\$ 66,053

Amortization relating to the above capital assets is \$23,652 (2022 - \$58,396) and is included in administrative and operational expenditures.

SAGESSE DOMESTIC VIOLENCE PREVENTION SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

6. Deferred contributions

Deferred contributions represent unspent externally restricted funds and donations for specific programs and projects.

	2023	2022
Balance, beginning of year	\$ 1,301,384	\$ 1,311,595
Contributions received	3,046,790	2,501,183
Amounts recognized as revenue in the year	(2,864,764)	(2,511,394)
	\$ 1,483,410	\$ 1,301,384

7. Deferred capital contributions

During 2020, the Society received contributions towards building its own database. These contributions will be amortized over the life of the database software, which is estimated to be five years.

	2023	2022
Deferred capital contributions, beginning of year	\$ 25,600	\$ 38,400
Amount amortized during the year	(12,800)	(12,800)
	12,800	25,600
Less: Current portion	(12,800)	(12,800)
	\$ -	\$ 12,800

Amortization of deferred contributions of \$12,800 (2022 - \$12,800) is recorded under revenues from grants.

SAGESSE DOMESTIC VIOLENCE PREVENTION SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

8. Deferred lease inducements

Deferred lease inducements represent tenant improvements and free rent.

	2023	2022
Leasehold inducements, beginning of year	\$ 45,633	\$ 52,640
Amortization of leasehold inducements	(7,006)	(7,007)
	38,627	45,633
Less: Current portion	(7,007)	(7,006)
	\$ 31,620	\$ 38,627

Amortization of deferred leasehold inducements of \$7,006 (2022 - \$7,007) is recorded against administrative and operations expenditures.

9. Internally restricted funds

The Sagesse Board reviews net assets annually and may increase or decrease the amount designated as internally restricted net assets. These funds are to be set aside an operating contingency fund that can be drawn upon should funding be insufficient to meet expenditures.

	2023	2022
Disaster relief fund	\$ 249,094	\$ 249,094
Closing cost reserve	134,000	134,000
Emergency response fund	75,000	75,000
Contingency for future operations	60,281	60,281
	\$ 518,375	\$ 518,375

10. Economic dependence

The Society receives 58% (2022 - 46%) of its revenue through funding agreements with the Government of Alberta. The Society's continued operations are dependent on these funding agreements and on satisfying the terms of the agreements.

SAGESSE DOMESTIC VIOLENCE PREVENTION SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

11. Commitments

Sagesse is committed to payments under an operating lease for an office space and office equipment. The future minimum commitments are as follows:

2024	\$ 65,397
2025	69,800
2026	69,800
2027	76,411
2028	83,756
Subsequent years	<u>39,007</u>
	<u>\$ 404,171</u>

12. Donations and fundraising

As required under Section 7(2) of the Regulations of the Charitable Fundraising Act of Alberta, the Society discloses that the services costs incurred for the purposes of soliciting contributions were \$nil (2022 - \$nil). Salaries paid for the purposes of fundraising were \$nil (2022 - \$nil). The total amount paid as expenditures related to fundraising is disclosed below, along with the donation and fundraising revenues received.

	<u>2023</u>	<u>2022</u>
Donation revenue	\$ 36,969	\$ 36,691
Fundraising revenue	<u>18,736</u>	<u>5,420</u>
	<u>\$ 55,705</u>	<u>\$ 42,111</u>
Fundraising expenditures	<u>\$ 5,831</u>	<u>\$ 2,685</u>

SAGESSE DOMESTIC VIOLENCE PREVENTION SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

13. Financial instruments

Sagesse is subject to the following financial instrument risk:

(a) Liquidity risk

Liquidity risk is the risk that Sagesse will be unable to fulfill its obligations on a timely basis or at a reasonable cost.

Sagesse manages its liquidity risk by monitoring its operating requirements. Sagesse prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, and operating lease commitments.

(b) Interest rate risk

Interest rate risk arises on short-term investments. Sagesse is exposed to interest rate risk due to fluctuations in interest rates.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

14. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.