

E2S - EDMONTON 2 SPIRIT SOCIETY
FINANCIAL REPORT
Year Ended March 31, 2023

E2S - EDMONTON 2 SPIRIT SOCIETY

FINANCIAL STATEMENTS

Year Ended March 31, 2023

E2S - EDMONTON 2 SPIRIT SOCIETY

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INDEPENDENT AUDITOR'S REPORT

To the Members of E2S - Edmonton 2 Spirit Society

Qualified Opinion

We have audited the financial statements of E2S - Edmonton 2 Spirit Society (the organization), 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, 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 flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Qualified Opinion

Due to a lack of appropriate evidence for the honorarium and travel expenses we were unable to perform sufficient audit procedures to determine if adjustments were necessary to expenditures over expenses. For the year ended March 31, 2022, a disclaimer of opinion was issued due to an inability to obtain sufficient appropriate audit evidence on all expenses thus for the comparatives, we were not able to determine whether any adjustments might be necessary to excess of revenue over expenditures, or assets and liabilities.

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 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.

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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.

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.

E2S - EDMONTON 2 SPIRIT SOCIETY
Statement of Revenues and Expenditures
Year Ended March 31, 2023

	2023	2022
REVENUES		
Grants	\$ 219,566	\$ 197,776
Women and gender equality grant	173,850	184,844
Papal Visit Support Fund	58,519	-
Donations	24,869	27,355
Professional service income	18,500	9,900
Other Income	6,518	1,066
	<u>501,822</u>	<u>420,941</u>
EXPENSES		
Advertising and promotion	1,129	6,481
Amortization of tangible assets	2,233	1,873
Business taxes, licences and memberships	-	1,349
Delivery, freight and express	-	266
Employee benefits	3,123	6,666
Honorariums	29,035	79,958
Insurance	693	3,280
Interest and bank charges	2,140	1,322
Meals and entertainment	9,859	2,544
Office	7,380	19,035
Professional fees	32,722	21,902
Programs and events	54,314	109,814
Rental	17,726	8,677
Repairs and maintenance	300	1,643
Salaries and wages	163,489	147,906
Travel	28,518	40,493
Utilities	3,963	1,923
	<u>356,624</u>	<u>455,132</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	<u>\$ 145,198</u>	<u>\$ (34,191)</u>

E2S - EDMONTON 2 SPIRIT SOCIETY

Statement of Changes in Net Assets

Year Ended March 31, 2023

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 46,274	\$ 80,465
EXCESS OF REVENUES OVER EXPENSES	145,198	(34,191)
NET ASSETS - END OF YEAR	\$ 191,472	\$ 46,274

E2S - EDMONTON 2 SPIRIT SOCIETY**Statement of Financial Position****March 31, 2023**

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 883,166	\$ 170,366
Accounts receivable	82,181	-
Goods and services tax recoverable	18	18
Prepaid expenses	3,129	-
	968,494	170,384
PROPERTY, PLANT AND EQUIPMENT <i>(Note 4)</i>	4,029	6,262
	\$ 972,523	\$ 176,646
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 17,745	\$ 22,788
Other accrued liabilities	33,900	7,000
Deferred grant revenue	729,406	100,584
	781,051	130,372
NET ASSETS		
General fund	191,472	46,274
	\$ 972,523	\$ 176,646

E2S - EDMONTON 2 SPIRIT SOCIETY**Statement of Cash Flows****Year Ended March 31, 2023**

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 145,198	\$ (34,191)
Item not affecting cash:		
Amortization of property, plant and equipment	<u>2,233</u>	<u>1,873</u>
	<u>147,431</u>	<u>(32,318)</u>
Changes in non-cash working capital:		
Accounts receivable	(82,181)	-
Accounts payable	(5,043)	7,910
Other accrued liabilities	26,900	3,500
Deferred revenue	628,822	100,584
Prepaid expenses	<u>(3,129)</u>	<u>-</u>
	<u>565,369</u>	<u>111,994</u>
Cash flow from operating activities	<u>712,800</u>	<u>79,676</u>
INVESTING ACTIVITY		
Purchase of property, plant and equipment	<u>-</u>	<u>(7,012)</u>
INCREASE IN CASH FLOW	712,800	72,664
Cash - beginning of year	<u>170,366</u>	<u>97,701</u>
CASH - END OF YEAR	<u>\$ 883,166</u>	<u>\$ 170,365</u>

E2S - EDMONTON 2 SPIRIT SOCIETY

Notes to Financial Statements

Year Ended March 31, 2023

1. PURPOSE OF THE ORGANIZATION

E2S - Edmonton 2 Spirit Society (the "organization") is a not-for-profit organization of Alberta. As a not for profit the organization is exempt from the payment of income tax under Subsection 149(12) of the Income Tax Act.

The organization operates to re-establish and enhance the traditional roles and responsibilities of Two Spirit people in Indigenous communities while creating supportive environments within all societies for contemporary Two Spirit peoples.

2. BASIS OF PRESENTATION

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash includes a chequing and savings account.

Revenue recognition

E2S - Edmonton 2 Spirit 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.

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis. In the year of acquisition, amortization is applied at one-half the stated rate at the following rates and methods:

Computer equipment	55%	declining balance method
Furniture and fixtures	20%	declining balance method

Contributed services

The operations of the society depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

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E2S - EDMONTON 2 SPIRIT SOCIETY

Notes to Financial Statements

Year Ended March 31, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

The society initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

Financial assets measured at amortized cost include cash, goods and services tax recoverable, capital assets and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and other accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The amount of the reversal is recognized in the statements of operations in the period the reversal occurs.

Transaction costs

The society recognizes its transaction costs in the statement of revenues and expenditures in the period incurred except for financial instruments that will be subsequently measured at amortized cost.

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 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.

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 4,716	\$ 3,455	\$ 1,261	\$ 2,802
Furniture and fixtures	3,844	1,076	2,768	3,460
	<u>\$ 8,560</u>	<u>\$ 4,531</u>	<u>\$ 4,029</u>	<u>\$ 6,262</u>

5. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.