

**Women Building Futures Society**  
**Financial Statements**  
*June 30, 2023*

## Management's Responsibility

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To the Members of Women Building Futures Society:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed entirely of Directors who are neither management nor employees of the Society. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the Society's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

October 6, 2023

*signed by "Carol Moen"*

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President & CEO

*signed by "Donna Sawchuk"*

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Director, Finance and Shared Services

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To the Members of Women Building Futures Society:

## Opinion

We have audited the financial statements of Women Building Futures Society (the "Society"), which comprise the statement of financial position as at June 30, 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 June 30, 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.

## 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 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

October 6, 2023

*MNP LLP*

Chartered Professional Accountants

# Women Building Futures Society

## Statement of Financial Position

*As at June 30, 2023*

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	3,546,135	11,854,782
Restricted cash (Note 3)	79,888	38
Guaranteed investment certificates (Note 4)	7,055,553	502,538
Accounts receivable (Note 5)	751,708	230,326
Prepaid expenses	190,583	125,182
	<b>11,623,867</b>	<b>12,712,866</b>
<b>Capital assets (Note 6)</b>	<b>5,081,786</b>	<b>5,512,095</b>
	<b>16,705,653</b>	<b>18,224,961</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 7)	731,947	556,143
Loan payable (Note 8)	-	16,801
Deferred contributions (Note 9), (Note 13)	7,676,028	8,602,251
Deferred revenue (Note 10)	606,235	720,814
	<b>9,014,210</b>	<b>9,896,009</b>
<b>Deferred capital contributions (Note 11)</b>	<b>3,804,670</b>	<b>4,203,964</b>
	<b>12,818,880</b>	<b>14,099,973</b>
<b>Commitments (Note 14)</b>		
<b>Net Assets</b>		
Invested in capital assets	1,277,116	1,291,330
Internally restricted (Note 12)	2,500,000	2,500,000
Unrestricted	109,657	333,658
	<b>3,886,773</b>	<b>4,124,988</b>
	<b>16,705,653</b>	<b>18,224,961</b>

**Approved on behalf of the Board**

*signed by "Landa Richards"*

**Director**

*signed by "Bob Masterson"*

**Director**

*The accompanying notes are an integral part of these financial statements*

**Women Building Futures Society**  
**Statement of Operations**  
*For the year ended June 30, 2023*

	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Grants <i>(Note 9) (Schedule 1)</i>	<b>3,981,630</b>	3,923,426
Tuition <i>(Note 9), (Note 10)</i>	<b>3,656,683</b>	2,909,731
Sponsorship <i>(Note 9)</i>	<b>969,793</b>	913,527
Interest income	<b>331,018</b>	21,604
Rental income	<b>282,039</b>	186,834
Donations and casino <i>(Note 9), (Note 13)</i>	<b>196,869</b>	41,467
Other	<b>146,300</b>	119,417
	<b>9,564,332</b>	8,116,006
<b>Expenses</b>		
Salaries and benefits <i>(Schedule 1)</i>	<b>5,406,143</b>	4,601,592
General and administrative	<b>1,546,506</b>	1,304,431
Program expenses	<b>1,540,223</b>	1,236,163
Marketing and advertising	<b>980,912</b>	447,693
Building expenses	<b>190,277</b>	133,549
Interest and bank charges <i>(Note 8)</i>	<b>10,863</b>	11,894
Bad debts	<b>7,835</b>	41,477
	<b>9,682,759</b>	7,776,799
<b>Excess (deficiency) of revenue over expenses before other items</b>	<b>(118,427)</b>	339,207
<b>Other items</b>		
Amortization of deferred capital contributions <i>(Note 11)</i>	<b>399,294</b>	608,259
Amortization of capital assets	<b>(519,082)</b>	(658,353)
	<b>(119,788)</b>	(50,094)
<b>Excess (deficiency) of revenue over expenses</b>	<b>(238,215)</b>	289,113

*The accompanying notes are an integral part of these financial statements*

**Women Building Futures Society**  
**Statement of Changes in Net Assets**

*For the year ended June 30, 2023*

	<i>Invested in capital assets</i>	<i>Internally restricted</i>	<i>Unrestricted</i>	<b>2023</b>	<i>2022</i>
<b>Net assets, beginning of year</b>	<b>1,291,330</b>	<b>2,500,000</b>	<b>333,658</b>	<b>4,124,988</b>	3,835,875
<b>Excess (deficiency) of revenue over expenses</b>	<b>(102,987)</b>	-	<b>(135,228)</b>	<b>(238,215)</b>	289,113
<b>Invested in capital assets, net</b>	<b>88,773</b>	-	<b>(88,773)</b>	-	-
<b>Net assets, end of year</b>	<b>1,277,116</b>	<b>2,500,000</b>	<b>109,657</b>	<b>3,886,773</b>	4,124,988

*The accompanying notes are an integral part of these financial statements*

**Women Building Futures Society**  
**Statement of Cash Flows**  
*For the year ended June 30, 2023*

	<b>2023</b>	<b>2022</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	(238,215)	289,113
Forgiveness of loan payable	(16,801)	(22,400)
Bad debts	7,835	41,477
Amortization of deferred capital contributions	(399,294)	(608,259)
Amortization of capital assets	519,082	658,353
	<b>(127,393)</b>	<b>358,284</b>
Changes in working capital accounts		
Accounts receivable	(529,217)	162,659
Prepaid expenses	(65,401)	21,571
Accounts payable and accrued liabilities	175,804	(77,356)
Deferred contributions	(926,223)	3,722,535
Deferred revenue	(114,579)	629,133
	<b>(1,587,009)</b>	<b>4,816,826</b>
<b>Investing</b>		
Proceeds on disposal of guaranteed investment certificates	502,538	-
Purchase of guaranteed investment certificates	(7,055,553)	(502,538)
Purchase of capital assets	(88,773)	(203,544)
	<b>(6,641,788)</b>	<b>(706,082)</b>
<b>Increase (decrease) in cash resources</b>	<b>(8,228,797)</b>	<b>4,110,744</b>
<b>Cash resources, beginning of year</b>	<b>11,854,820</b>	<b>7,744,076</b>
<b>Cash resources, end of year</b>	<b>3,626,023</b>	<b>11,854,820</b>

*The accompanying notes are an integral part of these financial statements*



# Women Building Futures Society

## Notes to the Financial Statements

For the year ended June 30, 2023

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### 1. Incorporation and nature of the organization

Women Building Futures Society (the "Society") is a social purpose organization located in Edmonton, Alberta. As a non-profit organization incorporated under the Societies Act (Alberta) and a registered charity under the Income Tax Act (Canada), the Society is exempt from income taxes under the Income Tax Act, provided certain requirements of the Income Tax Act are met.

Since 1988, the Society's mission has been to help women move from poverty and underemployment to achieve economic freedom through employment in the Alberta construction trades which include oil and gas, mining, energy, forestry, manufacturing, transportation and road building. The Society delivers pre-apprenticeship and heavy equipment operator training programs for women and successfully prepares and integrates women into the Alberta construction industry. Programs run year round and are delivered in classrooms and training facilities across Western Canada. The Society's main facility in Edmonton also supports women in transition with subsidized housing solely for women and their children.

### 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 using the following significant accounting policies:

#### **Revenue recognition**

The Society follows the deferral method of accounting for contributions which include donations and casino and grants. 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. Operating contributions are recognized in the year to which they relate. Contributions of capital assets and contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Tuition and rental income are recognized as revenue in the year to which they relate.

Interest income is comprised of interest from cash and cash equivalents and is recognized on an accrual basis.

Sponsorships and other revenue are recognized as revenue in the period when the services are provided or the goods are sold.

#### **Cash and cash equivalents**

Cash and cash equivalents includes balances with banks.

#### **Capital assets**

Purchased capital assets are recorded at cost.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Rate</b>
Building	4 %
Computer equipment	33 %
Digital ecosystem	25 %
Furniture and fixtures	20 %

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

***Long-lived assets***

Long-lived assets consist of capital assets, which 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 asset 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.

***Donated goods and services***

The work of the Society is dependent on donated goods and volunteer services. These goods and services are not normally purchased by the Society and because of the difficulty in determining their fair market value, donated goods and services are not recognized in the financial statements.

***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 (deficiency) 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.

***Related party financial instruments***

The Society initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

All other related party financial instruments are measured at cost on initial recognition. .

At initial recognition, the Society may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value. The Society has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Society subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess (deficiency) of revenue over expenses.

# Women Building Futures Society

## Notes to the Financial Statements

*For the year ended June 30, 2023*

### 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 (deficiency) 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 (deficiency) of revenue over expenses in the year the reversal occurs.

#### **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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization of capital assets and amortization of deferred capital contributions is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenue over expenses in the years in which they become known.

### 3. Restricted cash

Externally restricted cash includes \$79,888 (2022 - \$38) in proceeds from a casino which can only be used in accordance with the licensing agreements with Alberta Gaming, Liquor and Cannabis.

### 4. Guaranteed investment certificates

Guaranteed investment certificates ("GICs") are with ATB Financial and have the following terms:

	<b>2023</b>	<b>2022</b>
GIC is non-redeemable, bears interest at 4.05%, and matures October 12, 2023	<b>50,000</b>	-
GIC is non-redeemable, bears interest at 5.05%, and matures December 6, 2023	<b>455,253</b>	-
GIC is non-redeemable, bears interest at 5.05%, and matures December 6, 2023	<b>50,300</b>	-
GIC is non-redeemable, bears interest at 4.50%, and matures September 10, 2023	<b>5,000,000</b>	-
GIC is non-redeemable, bears interest at 4.71%, and matures July 23, 2023	<b>1,500,000</b>	-
GIC, redeemed during the year	-	502,538
	<b>7,055,553</b>	502,538

**Women Building Futures Society**  
**Notes to the Financial Statements**  
*For the year ended June 30, 2023*

**5. Accounts receivable**

	2023	2022
Tuition and employer sponsored	597,284	125,782
Sponsorship	50,000	60,000
GST	47,904	39,025
Other	57,435	9,662
	752,623	234,469
Allowance for doubtful accounts	(915)	(4,143)
	751,708	230,326

**6. Capital assets**

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Building	10,651,753	6,480,827	4,170,926	4,542,130
Computer equipment	562,291	501,877	60,414	82,179
Digital ecosystem	2,251,767	2,239,781	11,986	50,012
Furniture and fixtures	189,934	176,474	13,460	12,774
Land	825,000	-	825,000	825,000
	14,480,745	9,398,959	5,081,786	5,512,095

**7. Accounts payable and accrued liabilities**

Included in accounts payable and accrued liabilities are government remittances of \$1,028 (2022 - \$19,083).

**8. Loan payable**

	2023	2022
Canada Mortgage and Housing Corporation ("CMHC") Residential Rehabilitation Assistance Program ("RRAP") forgivable loan	-	16,801
	-	16,801

**Women Building Futures Society**  
**Notes to the Financial Statements**  
*For the year ended June 30, 2023*

**9. Deferred contributions**

Deferred contributions represents restricted funding which has not been expended at period end:

	<i>Opening balance</i>	<i>Contributions received or receivable</i>	<i>Contributions recognized as revenue</i>	<i>Transfers</i>	<b>2023</b>
Grants	4,833,442	3,471,775	(3,687,733)	(342,250)	<b>4,275,234</b>
Sponsorships	538,230	844,250	(969,793)	24,750	<b>437,437</b>
Donations and casino	57	273,158	(196,869)	-	<b>76,346</b>
Student awards fund <i>(Note 13)</i>	3,230,522	41,226	(603,036)	218,299	<b>2,887,011</b>
	<b>8,602,251</b>	<b>4,630,409</b>	<b>(5,457,431)</b>	<b>(99,201)</b>	<b>7,676,028</b>

Transfers includes \$99,201 (2022 - \$100,000) to deferred revenue (Note 10).

The student awards fund represents funding received to grant scholarship monies for students requiring assistance paying their full tuition and other related expenses.

**10. Deferred revenue**

Deferred revenue represents amounts received which relate to future years:

	<i>Opening balance</i>	<i>Amounts received or receivable</i>	<i>Recognized as revenue</i>	<i>Transfers</i>	<b>2023</b>
Tuition	720,814	3,132,174	(3,345,954)	99,201	<b>606,235</b>

**11. Deferred capital contributions**

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:

	<b>2023</b>	<b>2022</b>
Balance, beginning of year	<b>4,203,964</b>	4,812,223
Less: amortization during the period	<b>(399,294)</b>	(608,259)
	<b>3,804,670</b>	4,203,964

**Women Building Futures Society**  
**Notes to the Financial Statements**  
*For the year ended June 30, 2023*

**12. Internally restricted net assets**

	2023	2022
Financial Stabilization Reserve	2,000,000	2,000,000
Capital Asset Replacement Reserve	500,000	500,000
	<b>2,500,000</b>	<b>2,500,000</b>

The Financial Stabilization Reserve was established to provide for future unexpected shortfalls in operating funding as well as to provide for future strategic opportunities.

The Capital Asset Replacement Reserve was established to provide for future capital repairs to the building.

Access to the funds requires prior Board Approval.

**13. Edmonton Community Foundation**

The JudyLynn Archer Fund and the Women Building Futures Fund Family of Funds are endowment funds established through the Edmonton Community Foundation totaling \$424,743 as of December 31, 2022 (December 31, 2021 - \$460,860). The Society receives an annual distribution from both of these endowment funds.

During the year, the Society received \$18,434 (2022 - \$15,752) and \$59,635 (2022 - \$42,196) is included in deferred contributions at June 30, 2023.

**14. Commitments**

The Society is contingently liable to the extent of \$452,538 (2022 - \$452,538) under the terms of a letter of guarantee in favour of the Minister of Employment, Immigration & Industry Workforce Supports Division Employment & Training Services relating to the tuition programs currently approved by the Society.

**15. 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.

***Credit risk***

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The Society regularly monitors the activities and balances in its accounts receivable to manage its credit risk and to assess the need for an allowance for any doubtful accounts. The Society deals with creditworthy counterparties to mitigate the risk of financial loss from defaults.

Accounts receivable from one source (2022 - two sources) represents 68% (2022 - 73%) of total accounts receivable as at June 30, 2023. The Society believes that there is minimal risk associated with the collection of these receivables.

***Liquidity risk***

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. Accounts payable and accrued liabilities are generally due within 60 days of receipt of an invoice.

**Women Building Futures Society**  
**Schedule 1 - Family and Community Support Services**  
**Revenues and Expenses**  
*For the year ended June 30, 2023*

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	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Family and Community Support Services	<b>60,224</b>	120,446
<b>Expenses</b>		
Salaries and benefits	<b>60,224</b>	120,446
<b>Excess of revenue over expenses</b>	<b>-</b>	-

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