

**DRAGONFLY COUNSELLING & SUPPORT CENTRE**

**Financial Statements**

**Year Ended March 31, 2023**

**DRAGONFLY COUNSELLING & SUPPORT CENTRE**

**Index to Financial Statements**

**Year Ended March 31, 2023**

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	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	
<b>INDEPENDENT AUDITOR'S REPORT</b>	
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying financial statements are the responsibility of management and have been approved by the Board. The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and of necessity include some amounts that are based on estimates and judgments.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, standards and procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system is designed to provide management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded.

The ultimate responsibility for the financial statements lies with the Board. The Board appoints external auditors to audit the financial statements and to meet with management to review their findings. The external auditors report directly to the Board; their report follows. The external auditors have full and free access to management to discuss their audit, as well as their findings concerning the integrity of Dragonfly Counselling and Support Centre Society's financial reporting and the adequacy of its system of internal controls.

The external auditors, Baker Tilly RSG LLP Chartered Professional Accountants, provide an independent audit of the financial statements. Their examination is conducted in accordance with Canadian generally accepted auditing standards and includes tests and other procedures, which allow them to report on the fairness of the financial statements prepared by management.

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Mikaela Moulton, Interim Executive  
Director

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Lisa Murphy, President

Bonnyville, Alberta  
June 22, 2023



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## **INDEPENDENT AUDITOR'S REPORT**

To the Directors of Dragonfly Counselling & Support Centre

### *Opinion*

We have audited the financial statements of Dragonfly Counselling & Support Centre (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.

### *Annual Report*

Management is responsible for the annual report. The annual report comprises the information, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this annual report, we are required to report that fact. We have nothing to report in this regard.

### *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.

*(continues)*

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Independent Auditor's Report to the Directors of Dragonfly Counselling & Support Centre *(continued)*

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.

*Baker Tilly RSG LLP*

Bonnyville, Alberta  
June 22, 2023

Chartered Professional Accountants

**DRAGONFLY COUNSELLING & SUPPORT CENTRE****Statement of Financial Position****March 31, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 368,946	\$ 196,284
Short-term investments (Note 3)	70,000	-
Accounts receivable (Note 4)	34,582	109,821
Inventory	17,248	10,165
Goods and services tax recoverable	5,686	3,794
Prepaid expenses	12,906	8,675
	<b>509,368</b>	<b>328,739</b>
<b>CAPITAL ASSETS (Note 5)</b>	<b>10,711</b>	<b>22,229</b>
	<b>\$ 520,079</b>	<b>\$ 350,968</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 116,994	\$ 42,662
Deferred contributions (Note 7)	20,000	62,000
	<b>136,994</b>	<b>104,662</b>
<b>DEFERRED CAPITAL CONTRIBUTIONS</b>	<b>-</b>	<b>14,991</b>
	<b>136,994</b>	<b>119,653</b>
<b>NET ASSETS</b>		
Unrestricted net assets	372,374	224,076
Invested in capital assets	10,711	7,239
	<b>383,085</b>	<b>231,315</b>
	<b>\$ 520,079</b>	<b>\$ 350,968</b>

**ON BEHALF OF THE BOARD**\_\_\_\_\_  
*President*\_\_\_\_\_  
*Interim Executive Director*

**DRAGONFLY COUNSELLING & SUPPORT CENTRE****Statement of Revenues and Expenditures****Year Ended March 31, 2023**

	2023	2022
<b>REVENUES</b>		
Grants	\$ 1,506,096	\$ 1,407,829
Fees for services	105,817	52,769
Donations	32,638	51,039
Amortization of deferred capital contributions	14,991	29,981
	<b>1,659,542</b>	<b>1,541,618</b>
<b>EXPENSES</b>		
Advertising and promotion	20,750	9,526
Agency support expenditures	63,216	66,908
Amortization	22,357	35,377
Building repairs and maintenance	10,156	10,442
Clinical program expenditures	90,852	91,845
Insurance and licenses	11,882	10,551
Office	32,711	34,860
Professional fees	19,061	17,494
Rental	101,796	101,796
System administrations support expenditures	45,197	28,360
Training	15,816	19,016
Travel and accommodations	56,052	29,963
Utilities	29,361	28,224
Wages and benefits	988,565	1,033,271
	<b>1,507,772</b>	<b>1,517,633</b>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>151,770</b>	<b>23,985</b>
<b>OTHER ITEM</b>		
COVID-19 funding	-	23,013
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 151,770</b>	<b>\$ 46,998</b>

The accompanying notes are an integral part of these financial statements

**DRAGONFLY COUNSELLING & SUPPORT CENTRE****Statement of Changes in Net Assets****Year Ended March 31, 2023**

	Unrestricted net assets	Invested in capital assets	<b>2023</b>	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 224,076	\$ 7,239	<b>\$ 231,315</b>	\$ 184,317
Excess of revenues over expenses	151,770	-	<b>151,770</b>	46,998
Amortization of deferred capital contributions	(14,991)	14,991	-	-
Amortization of capital assets	22,357	(22,357)	-	-
Additions to capital assets	(10,838)	10,838	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 372,374</b>	<b>\$ 10,711</b>	<b>\$ 383,085</b>	<b>\$ 231,315</b>

The accompanying notes are an integral part of these financial statements



**DRAGONFLY COUNSELLING & SUPPORT CENTRE****Statement of Cash Flows****Year Ended March 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 151,770	\$ 46,998
Items not affecting cash:		
Amortization of capital assets	22,357	35,377
Amortization of deferred capital contributions	(14,991)	(29,981)
	<b>159,136</b>	52,394
Changes in non-cash working capital:		
Accounts receivable	75,239	(100,996)
Inventory	(7,083)	8,944
Accounts payable and accrued liabilities	74,331	(22,388)
Prepaid expenses	(4,231)	(2,596)
Goods and services tax payable	(1,892)	5,407
Deferred contributions	(42,000)	41,571
	<b>94,364</b>	(70,058)
Cash flow from (used by) operating activities	<b>253,500</b>	(17,664)
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(10,838)	(1,250)
Purchase of short-term investment	(70,000)	-
Cash flow used by investing activities	<b>(80,838)</b>	(1,250)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>172,662</b>	(18,914)
Cash - beginning of year	196,284	215,198
<b>CASH - END OF YEAR</b>	<b>\$ 368,946</b>	\$ 196,284

The accompanying notes are an integral part of these financial statements

# DRAGONFLY COUNSELLING & SUPPORT CENTRE

## Notes to Financial Statements

Year Ended March 31, 2023

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### 1. PURPOSE OF THE ORGANIZATION

Dragonfly Counselling and Support Centre (the Society) is a not-for-profit organization incorporated provincially under the Companies Act of Alberta. As a registered charity, the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Society provides specialized services to address the needs of people impacted directly or indirectly by sexual violence. Services offered include crisis intervention, counselling and advocacy. Additionally, the society provides sexual violence related education for the general public and education and training for professionals prone to disclosures.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are the representations of management, prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). The significant aspects of the accounting policies adopted by the Society are as follows:

#### 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.

#### Deferred contributions

Externally restricted non-capital contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

#### Deferred capital contributions

Government funding for the purchase of capital assets has been recognized as a deferred capital contribution and recognized as revenue in the same manner as the related capital assets.

#### 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.

#### Inventory

Inventory consists of various promotional goods that are valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

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# DRAGONFLY COUNSELLING & SUPPORT CENTRE

## Notes to Financial Statements

Year Ended March 31, 2023

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the Society's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of capital assets;
- the estimated useful lives of assets, and;
- the recoverability of capital assets.

#### Capital assets

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

Computer equipment	3 years
Computer software	2 years
Equipment	2 years

The Society regularly reviews its capital assets to eliminate obsolete items. Capital assets acquired during the year but not placed in use are not amortized until they are placed in use.

#### Revenue recognition

The 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. Government grants are recognized as revenue when the conditions of the grant are met.

The Society recognizes revenue from services at the time the service is rendered in the normal course of business.

Donations and contributions in kind are recorded at fair value when such value can be reasonably determined.

#### Financial instruments

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

The Society subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

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

### 3. SHORT-TERM INVESTMENTS

Consists of a fixed redeemable term deposit held with Lakeland Credit Union Ltd. The term deposit matures on February 16, 2024 and earns interest at 2.96% per annum.

# DRAGONFLY COUNSELLING & SUPPORT CENTRE

## Notes to Financial Statements

Year Ended March 31, 2023

### 4. ACCOUNTS RECEIVABLE

	2023	2022
Government grants receivable	\$ 12,720	\$ 97,051
Other accounts receivable	21,862	12,770
	<b>\$ 34,582</b>	<b>\$ 109,821</b>

### 5. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 25,293	\$ 19,978	\$ 5,315	\$ 5,996
Computer software	59,963	59,963	-	14,991
Equipment	16,280	10,884	5,396	1,242
	<b>\$ 101,536</b>	<b>\$ 90,825</b>	<b>\$ 10,711</b>	<b>\$ 22,229</b>

### 6. ACCOUNTS PAYABLE

	2023	2022
Government grants payable (Note 10)	\$ 43,405	\$ -
Other accounts payable	73,589	42,662
	<b>\$ 116,994</b>	<b>\$ 42,662</b>

### 7. DEFERRED CONTRIBUTIONS

Deferred contributions, which represent restricted funds designated for the expense of a future period and which will be recognized as revenue when the related expense is incurred, include the following:

	Opening Balance	Receipts	Expenditures	Ending Balance
Canadian Women's Foundation: Shockproofing Communities	\$ 62,000	\$ 20,000	\$ 62,000	\$ 20,000

### 8. ECONOMIC DEPENDENCE

The ongoing operations of the Society depend primarily on the continuation of funding from the Government of Alberta. Approximately 93% (2022: 95%) of all recognized grant revenue is funded by the Alberta government and, as such, any contract changes with the Alberta government could have a significant impact on the Society's financial position.

**DRAGONFLY COUNSELLING & SUPPORT CENTRE**

**Notes to Financial Statements**

**Year Ended March 31, 2023**

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**9. LEASE COMMITMENTS**

The Society has various long-term leases with respect to its premises and the use of automobiles and equipment with varying expiry dates to March 2026 that contain renewal options and are subject to triple net costs. Future minimum lease payments are as follows:

2024	\$	76,718
2025		53,453
2026		15,169
		<hr/>
	\$	<u>145,340</u>

**10. SUBSEQUENT EVENTS**

Subsequent to year end, the Society had the following transactions:

1. A request has been forwarded to the Minister of Community and Social Services to defer \$43,405 of the Society's unused core funding to be utilized in the 2024 fiscal year in addition to their regular funding agreement. A response on this matter has not been received as of the date of issuance of the Independent Auditor's Report, therefore the funds have been classified as accounts payable at year-end.
2. The Society was approved for additional grants totaling \$563,770 for the 2024 fiscal year.

**11. FINANCIAL INSTRUMENTS**

The Society's financial instruments consist of cash, account receivable, accounts payable and accrued liabilities. It is management's opinion that the Society is not exposed to significant interest, currency or credit risk arising from these financial instruments. The carrying value of these financial instruments approximate their fair value due to their short term maturity of capacity of prompt liquidation.

**12. REVIEW AND APPROVAL OF FINANCIAL STATEMENTS**

These financial statements have been reviewed and approved by the members of the Board of Directors and management.