

File No. NPF-002

December 22, 2023

Tammy Menssa, CAO
North Peace Housing Foundation
6780 103 Avenue
Peace River, AB T8S 0B6

Re: 2022 Audit

Dear Ms. Menssa:

We have completed our review of your 2022 audited financial statements, which indicates the amount of \$ 57,741.97 **over-budget**. We will make a one-time payment for this overspend. Payment will be received shortly through electronic fund transfer.

Please see below for notes from the audit review:

1. We noted an amount of \$29,220.22 reported in 'Account 430040 – ASHC Grants for Restricted Purposes' in addition to the social housing utility grant funding of \$29,400. Please provide the details of what is included in this amount.
2. We also note an opening deficit balance in the Statement of Changes in Net Assets of \$78,058.41. This has been noted in prior year audits as well. We understand that some of this balance includes your audit deficit result from the 2021 audit year, for which ASHC has remitted funds to cover, but it is important that the remaining balance is reconciled with details provided to us on what is included in the calculation in order to have it reviewed for possible payment.
3. The Restricted Operating Fund account has a balance that is \$ 1,000,801 higher than its expected balance of \$67,400, and this discrepancy keeps increasing year over year, as it was also noted on your prior year audit letter. While we understand that this difference includes the proceeds from the disposition of buildings in both 2020 and 2021, it is important that these proceeds are reported appropriately on the financial statements. The proceeds received from the sale are best reported under "Restricted Net Assets" as opposed to "Restricted Operating Reserve Fund" as it does not represent a true liability to the ASHC so long as the use of the proceeds remains within the social housing program.

If you have any questions or require further clarification, please feel free to contact Rachael Obasan at 780-638-2979 or at rachael.obasan@gov.ab.ca.

Sincerely,



Ilan Hadary, CPA
Manager, Analysis and Administration
Seniors, Community and Social Services

cc: Dora Fitz, Housing Advisor