

**DRAFT** Financial Statements of

**EDMONTON WOMEN'S  
SHELTER LTD.**

Year ended March 31, 2018

# EDMONTON WOMEN'S SHELTER LTD.

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Year ended March 31, 2018

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## INDEPENDENT AUDITORS' REPORT

To the Members of Edmonton Women's Shelter Ltd.

We have audited the accompanying financial statements of Edmonton Women's Shelter Ltd., which comprise the statement of financial position as at March 31, 2018, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, Edmonton Women's Shelter Ltd. derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts in the records of Edmonton Women's Shelter Ltd. Therefore, we were not able to determine whether, as at or for the year ended March 31, 2018 any adjustments might be necessary to donations revenue, fundraising revenue, and excess of revenues over expenditures reported in the statement of operations, excess of revenues over expenditures reported in the statement of cash flows and current assets and unrestricted net assets reported in the statement of financial position.



*Opinion*

In our opinion, except for the possible effects of the matter described in Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Edmonton Women's Shelter Ltd. as at March 31, 2018, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

***DRAFT***

Chartered Professional Accountants

Edmonton, Canada

# EDMONTON WOMEN'S SHELTER LTD.

Statement of Financial Position

**DRAFT**

March 31, 2018, with comparative information for 2017

	2018	2017
<b>Assets</b>		
Current assets:		
Cash	\$ 527,196	\$ 621,052
Term deposits (note 2)	2,380,593	2,273,005
Accounts receivable	28,830	46,548
Prepaid expenses	40,893	37,873
	<u>2,977,512</u>	<u>2,978,478</u>
Capital assets (note 3)	834,996	950,074
	<u>\$ 3,812,508</u>	<u>\$ 3,928,552</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 271,008	\$ 242,024
Deferred revenue (note 4)	310,617	246,105
	<u>581,625</u>	<u>488,129</u>
Unamortized deferred capital contributions (note 5)	55,588	64,984
Net assets:		
Invested in capital assets	779,408	885,090
Internally restricted (note 6)	1,372,535	1,372,535
Unrestricted	1,023,352	1,117,814
	<u>3,175,295</u>	<u>3,375,439</u>
	<u>\$ 3,812,508</u>	<u>\$ 3,928,552</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# EDMONTON WOMEN'S SHELTER LTD.

Statement of Operations

**DRAFT**

Year ended March 31, 2018, with comparative information for 2017

	2018 Budget	2018 Actual	2017 Actual
Revenue:			
Grants	\$ 3,255,600	\$ 3,259,308	\$ 3,263,022
Donations (note 4)	842,700	740,686	799,439
Fundraising (note 4)	267,300	338,522	237,514
Interest	32,600	43,067	35,893
Membership fees	300	350	250
Amortization of deferred capital contributions (note 5)	-	9,396	9,396
	4,398,500	4,391,329	4,345,514
Expenses:			
Salaries and benefits	3,558,200	3,607,008	3,330,018
Facility	284,200	414,234	341,677
Administrative	199,100	240,349	195,097
Direct client costs	164,400	214,145	182,121
Fundraising	192,600	115,737	125,198
	4,398,500	4,591,473	4,174,111
Excess (deficiency) of revenues over expenditures	\$ -	\$ (200,144)	\$ 171,403

See accompanying notes to financial statements.

# EDMONTON WOMEN'S SHELTER LTD.

Statement of Changes in Net Assets

**DRAFT**

Year ended March 31, 2018, with comparative information for 2017

	Invested in capital assets	Internally restricted	Unrestricted	2018 Total	2017 Total
Balance, beginning of year	\$ 885,090	\$ 1,372,535	\$ 1,117,814	\$ 3,375,439	\$ 3,204,036
Excess (deficiency) of revenues over expenditures	(105,682)	-	(94,462)	(200,144)	171,403
	\$ 779,408	\$ 1,372,535	\$ 1,023,352	\$ 3,175,295	\$ 3,375,439

See accompanying notes to financial statements.

# EDMONTON WOMEN'S SHELTER LTD.

Statement of Cash Flows

**DRAFT**

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenues over expenditures	\$ (200,144)	\$ 171,403
Items not involving cash:		
Amortization of capital assets	115,078	139,267
Amortization of deferred capital assets	(9,396)	(9,396)
	(94,462)	301,274
Changes in non-cash operating working capital:		
Accounts receivable	17,718	(22,402)
Prepaid expenses	(3,020)	15,136
Accounts payable and accrued liabilities	28,984	(15,409)
Deferred revenue	64,512	40,318
	13,732	318,917
Investing activities:		
Purchase of capital assets	-	(148,329)
Purchase of term deposits, net of proceeds on disposal	(107,588)	(85,772)
	(107,588)	(234,101)
(Decrease) increase in cash	(93,856)	84,816
Cash, beginning of year	621,052	536,236
Cash, end of year	\$ 527,196	\$ 621,052

See accompanying notes to financial statements.



# EDMONTON WOMEN'S SHELTER LTD.

Notes to Financial Statements

**DRAFT**

Year ended March 31, 2018

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Edmonton Women's Shelter Ltd. ("WIN House") is a non-profit organization incorporated under the Companies Act of Alberta. Its principal activity is to provide temporary shelter and assistance to abused women and children. It operates Women in Need ("WIN") House I, House II and House III.

In the event of dissolution, the Memorandum of Association provides for the distribution of WIN House's assets to such other charitable organizations as the members may decide. WIN House is exempt from income taxes under Section 149(1) of the Income Tax Act.

## 1. Significant accounting policies:

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

### (a) Capital assets:

Capital assets are recorded at cost and are amortized using the straight-line method over the following periods:

Asset	Period
Buildings	10 - 25 Years
Furniture and equipment	3 - 10 Years
Automobiles	5 Years

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### (b) Revenue recognition:

WIN House follows the deferral method of accounting for contributions. Externally restricted fundraising revenues are deferred and recognized as revenue in the period in which the related expenses are incurred. 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 asset. Operating grants are recognized in the year to which they relate. Where a portion of the grant relates to a future period, it is deferred and recognized in that subsequent period. Unrestricted donations are recognized as revenue when received.

# EDMONTON WOMEN'S SHELTER LTD.

Notes to Financial Statements (continued)

**DRAFT**

Year ended March 31, 2018

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition (continued):

Investment income includes interest income, and realized and unrealized investment gains and losses. Unrealized gains and losses on financial assets are included in investment income and recognized in the statement of operations or deferred if external restrictions are imposed on the investment income. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Other unrestricted investment income is recognized as revenue when earned.

Volunteers contribute a significant amount of time each year to assist WIN House carrying out its programs and services. However, contributed services of volunteers are not recognized in these financial statements because fair value cannot be reasonably determined.

### (c) Employee future benefits:

The defined contribution plan provides pension and post-employment benefits for WIN House employees. It is funded by the employee and employer on a shared basis, each contributing 2% of applicable wages to the plan. Contributions to the plan for current service are recognized when the contribution is paid, or is payable, based on pay dates.

### (d) Financial instruments and risk management:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. WIN House has elected to carry its term deposit comprised of guaranteed investment certificates at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

# EDMONTON WOMEN'S SHELTER LTD.

Notes to Financial Statements (continued)

**DRAFT**

Year ended March 31, 2018

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## 1. Significant accounting policies (continued):

### (d) Financial instruments and risk management (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, WIN House determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount WIN House expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (e) Use of estimates:

The preparation of the financial statements 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 revenue and expenses during the year. Actual results could differ from those estimates.

## 2. Term deposits:

Term deposits are comprised of guaranteed investment certificates which bear interest at rates ranging from 1.75% to 2.25% (2017 - 1.52% to 1.95%) and maturing through March 2021 (2017 - July 2019). Term deposits are recorded at fair value, which includes accrued interest of \$14,543 (2017 - \$20,258).

Included in term deposits are internally restricted net assets of \$1,372,535 (2017 - \$1,372,535).

# EDMONTON WOMEN'S SHELTER LTD.

Notes to Financial Statements (continued)

**DRAFT**

Year ended March 31, 2018

### 3. Capital assets:

			2018	2017
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 388,946	\$ -	\$ 388,946	\$ 388,946
Building	1,736,205	1,346,742	389,464	464,472
Furniture and fixtures	502,475	460,289	42,187	77,457
Vehicles	82,737	68,338	14,399	19,199
	<b>\$ 2,710,363</b>	<b>\$ 1,875,369</b>	<b>\$ 834,996</b>	<b>\$ 950,074</b>

Amortization expense of \$115,078 (2017 - \$139,267) is included in facility expenditures.

### 4. Deferred revenue:

Changes in deferred revenue are as follows:

	Balance March 31, 2017	Received in 2018	Recognized in 2018	Balance March 31, 2018
<b>Grants:</b>				
Alberta Human Services	\$ -	\$ 2,691,891	\$(2,691,891)	\$ -
Childcare Grant	-	53,179	(53,179)	-
Shelter Enhancement Initiative	-	90,706	(68,611)	22,095
Parking Lot Enhancement	-	18,923	-	18,923
Homeward Trust	98,250	294,750	(393,000)	-
Stollery Nursing Grant	3,125	81,800	(9,194)	75,731
Community Grants	511	185,846	(42,539)	143,818
	<b>101,886</b>	<b>3,417,095</b>	<b>(3,258,414)</b>	<b>260,567</b>
<b>Donations and Fundraising:</b>				
Katz fund	48,623	-	(48,623)	-
Casino	69,326	63,972	(126,248)	7,050
Win Fore Win	26,270	48,580	(52,350)	22,500
Gala	-	22,541	(2,041)	20,500
	<b>144,219</b>	<b>135,092</b>	<b>(229,262)</b>	<b>50,050</b>
	<b>\$ 246,105</b>	<b>\$ 3,552,187</b>	<b>\$(3,487,676)</b>	<b>\$ 310,617</b>

# EDMONTON WOMEN'S SHELTER LTD.

Notes to Financial Statements (continued)

**DRAFT**

Year ended March 31, 2018

## 5. Unamortized deferred capital contributions:

Changes in unamortized deferred capital contributions are as follows:

	2018	2017
Balance, beginning of year	\$ 64,984	\$ 50,382
Capital contributions	-	23,998
Less amounts recognized as revenue in the year	(9,396)	(9,396)
Balance, end of year	\$ 55,588	\$ 64,984

## 6. Internally restricted net assets:

WIN House has internally restricted net assets for the following special purposes:

Contingency fund:

The purpose of the contingency fund is to cover the cost of ongoing programs in the event of an unanticipated loss of funding for WIN House. These funds are not to be used to fund budgeted deficits, unanticipated capital costs or new operating costs.

	2018	2017
Balance, beginning of year	\$ 1,372,535	\$ 1,315,749
Transfer from unrestricted net assets	-	56,786
Balance, end of year	\$ 1,372,535	\$ 1,372,535

The Board of Directors has determined that the principal amount of the fund will be maintained at 50% of the Alberta Human Services grant received for operations and childcare in the current year and is to be maintained at this level unless otherwise determined by the Board.

## 7. Additional information to comply with the disclosure requirement of Charitable Fundraising Act and Regulation:

No amounts (2017 - \$nil) were paid as remuneration to a fund raising business, including any expenses or fees paid by WIN House on behalf of the fund raising business or as reimbursement to the fundraising business.

# EDMONTON WOMEN'S SHELTER LTD.

Notes to Financial Statements (continued)

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Year ended March 31, 2018

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## **8. Financial risks:**

WIN House has a risk management framework to monitor, evaluate and manage the principal risks assumed in investments. The risks that arise from transacting financial instruments include credit risk, liquidity risk and price risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices. WIN House does not use derivative financial instruments.

Changes in interest rates and credit ratings are the main cause of changes in the fair value of interest bearing instruments resulting in favourable or unfavourable variance compared to book value. Interest rate risk is mitigated by managing maturity dates and payment frequency. Credit risk is managed by investing only with accredited chartered banks and providing trade terms to credit worthy entities.

It is management's opinion that WIN House is not exposed to significant interest, currency or credit risk arising from its financial instruments.