

WOMEN IN CRISIS (ALGOMA) INC.

FINANCIAL STATEMENTS

MARCH 31, 2016

	Page
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Changes in Restricted Net Assets	3
Consolidated Statement of Revenue and Expenditures and Unrestricted Net Assets	4
Statement of Revenue and Expenditures – Emergency Shelter Service & Capacity Building	5
Statement of Revenue and Expenditures – Counselling Service	6
Statement of Revenue and Expenditures – Transitional Housing Support Program	7
Statement of Revenue and Expenditures – Domestic Violence	8
Statement of Revenue and Expenditures – Court Support Worker Program	9
Statement of Revenue and Expenditures – Sexual Assault Abuse Program	10
Statement of Allocated Administration	11
Statement of Cash Flows	12
Notes to Financial Statements	13 – 15

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Women In Crisis (Algoma) Inc.

I have audited the accompanying financial statements of Women In Crisis (Algoma) Inc., which comprise the statement of financial position as at March 31, 2016, and the statements of revenue and expenditures and unrestricted net assets, changes in restricted net assets and cash flows for the year then ended, and 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 the reporting provisions required by the Province of Ontario to comply with the mortgage agreement with CMHC 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 the auditor's 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, the auditor considers 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, Women In Crisis (Algoma) Inc. derives revenue from donations, fundraising and other receipts, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization. My audit opinion on the financial statements for the year ended March 31, 2015 was also qualified because of the possible effects of this limitation in scope. Therefore I was not able to determine whether any adjustments might be necessary to revenue and excess of revenue over expenditures for the years ended March 31, 2016 and 2015, and assets and net assets as at March 31, 2016 and 2015.

Qualified Opinion

In my opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Women In Crisis (Algoma) Inc. as at March 31, 2016 and the results of its operations and cash flows for the year then ended in accordance with the financial reporting provisions of the mortgage agreement with CMHC.

Basis of Accounting and Restriction on Use

Without modifying my opinion, I draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Women In Crisis (Algoma) Inc. to comply with the reporting provisions of the mortgage agreement referred to above. As a result, the financial statements may not be suitable for another purpose. My report is intended solely for the Members and Directors of Women In Crisis (Algoma) Inc. and the Province of Ontario and should not be used by any other parties.

Sault Ste. Marie, Ontario
June 7, 2016


Chartered Professional Accountant
Licensed Public Accountant

WOMEN IN CRISIS (ALGOMA) INC.
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash and term deposits - note 4	\$ 518,704	\$ 557,143
Receivables	32,497	44,783
Prepaid expenses	25,051	9,602
	<u>576,252</u>	<u>611,528</u>
CAPITAL - note 5	<u>538,263</u>	<u>576,370</u>
	<u>\$ 1,114,515</u>	<u>\$ 1,187,898</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 104,416	\$ 161,648
Deferred contributions	41,269	41,269
Current portion of mortgage payable	40,620	38,107
	<u>186,305</u>	<u>241,024</u>
LONG-TERM		
Mortgage payable - note 6	538,263	576,370
Less: principal due within one year	40,620	38,107
	<u>497,643</u>	<u>538,263</u>
NET ASSETS		
RESTRICTED	<u>430,567</u>	<u>408,611</u>
	<u>\$ 1,114,515</u>	<u>\$ 1,187,898</u>

APPROVED BY THE BOARD:

 _____ Director
 _____ Director

WOMEN IN CRISIS (ALGOMA) INC.
 STATEMENT OF CHANGES IN RESTRICTED NET ASSETS
 YEAR ENDED MARCH 31, 2016

	Capital	Building	Other	2016 Total	2015 Total
BALANCE, beginning of year	\$ 133,105	\$ 220,202	\$ 55,304	\$ 408,611	\$ 414,298
Interest	612	1,003	-	1,615	4,653
Allocation from operations	6,188	17,668	2,004	25,860	10,965
Expenditures	<u>-</u>	<u>-</u>	<u>(5,519)</u>	<u>(5,519)</u>	<u>(21,305)</u>
BALANCE, end of year	<u>\$ 139,905</u>	<u>\$ 238,873</u>	<u>\$ 51,789</u>	<u>\$ 430,567</u>	<u>\$ 408,611</u>

WOMEN IN CRISIS (ALGOMA) INC.

CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURES AND UNRESTRICTED NET ASSETS
YEAR ENDED MARCH 31, 2016

	2016 Budget Unaudited	2016 Actual Audited	2015 Actual Audited
REVENUE			
Ontario Ministries			
Community and Social Services	\$ 1,545,397	\$ 1,545,397	\$ 1,533,594
Health and Long-Term Care	63,721	63,721	63,721
Attorney General	197,598	197,598	188,067
United Way of Sault Ste. Marie	29,354	29,354	31,906
District of Sault Ste. Marie Social Services Administration Board	-	55,000	11,675
Donations	30,000	23,070	20,443
Other	-	10,766	12,933
	<u>1,866,070</u>	<u>1,924,906</u>	<u>1,862,339</u>
EXPENDITURES			
Salaries and benefits	1,491,075	1,482,411	1,411,040
Conferences and meetings	3,860	9,104	11,180
Public education and awareness	10,001	12,171	20,060
Program supplies	41,803	33,926	39,429
Staff expenses	17,665	20,424	14,402
Client services	5,500	16,571	13,871
Utilities	26,400	25,836	26,594
Telephone	7,200	7,723	7,632
Insurance	17,000	18,167	17,812
Occupancy	73,912	73,708	73,721
Repairs, maintenance and renovations	49,000	81,936	100,744
Office	21,900	32,403	32,618
Legal and audit	8,400	7,308	8,070
Memberships	4,500	5,115	4,014
Capacity Building	47,730	47,730	40,912
Algoma Council on Domestic Violence	26,517	26,517	31,279
Capital reserve allocation	6,188	6,188	6,188
Building reserve allocation	-	17,668	2,773
	<u>1,858,651</u>	<u>1,924,906</u>	<u>1,862,339</u>
EXCESS OF REVENUE OVER EXPENDITURES	7,419	-	-
UNRESTRICTED NET ASSETS, beginning of year		<u>-</u>	<u>-</u>
UNRESTRICTED NET ASSETS, end of year		<u>\$ -</u>	<u>\$ -</u>

WOMEN IN CRISIS (ALGOMA) INC.
STATEMENT OF REVENUE AND EXPENDITURES
EMERGENCY SHELTER SERVICE - 8771 & CAPACITY BUILDING - 8786
YEAR ENDED MARCH 31, 2016

	2016 Budget Unaudited	2016 Actual Audited	2015 Actual Audited
REVENUE			
Ministry of Community and Social Services			
Operating	\$ 1,248,388	\$ 1,246,288	\$ 1,222,485
Supportive housing	131,952	131,952	131,952
One time	71,605	71,605	85,741
Other sources	53,941	116,431	73,132
	<u>1,505,886</u>	<u>1,566,276</u>	<u>1,513,310</u>
EXPENDITURES			
Salaries and benefits	1,131,116	1,103,339	1,023,882
Conferences and meetings	-	6,964	9,086
Public education and awareness	-	1,472	8,486
Program supplies	2,247	28,122	34,525
Staff expenses	-	5,791	3,699
Client services	-	15,064	12,079
Utilities	25,400	22,236	22,994
Telephone	-	2,081	1,335
Insurance	16,000	11,468	14,511
Occupancy	73,912	73,708	73,721
Repairs, maintenance and renovations	63,465	74,337	92,844
Office	9,000	12,869	13,318
Legal and audit	-	-	6,970
Memberships	-	3,615	4,014
Capacity Building	47,730	47,730	40,912
Capital reserve allocation	6,188	6,188	6,188
Building reserve allocation	-	17,668	2,773
Allocated administration	130,828	133,624	141,973
	<u>1,505,886</u>	<u>1,566,276</u>	<u>1,513,310</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WOMEN IN CRISIS (ALGOMA) INC.
STATEMENT OF REVENUE AND EXPENDITURES
COUNSELLING SERVICE - 8773
YEAR ENDED MARCH 31, 2016

	2016 Budget Unaudited	2016 Actual Audited	2015 Actual Audited
REVENUE			
Ministry of Community and Social Services	\$ 25,003	\$ 25,003	\$ 23,001
Ministry of Health and Long-Term Care	<u>63,721</u>	<u>63,721</u>	<u>63,721</u>
	<u>88,724</u>	<u>88,724</u>	<u>86,722</u>
EXPENDITURES			
Salaries and benefits	72,788	72,570	72,207
Conferences and meetings	-	600	600
Staff expenses	-	600	66
Client services	-	557	1,117
Telephone	-	600	950
Insurance	-	1,700	1,200
Office	-	2,497	-
Repairs and maintenance	-	7,000	7,900
Allocated administration	2,600	2,600	2,682
Other	<u>13,336</u>	<u>-</u>	<u>-</u>
	<u>88,724</u>	<u>88,724</u>	<u>86,722</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WOMEN IN CRISIS (ALGOMA) INC.
STATEMENT OF REVENUE AND EXPENDITURES
TRANSITIONAL HOUSING SUPPORT PROGRAM - 8779
YEAR ENDED MARCH 31, 2016

	2016 Budget Unaudited	2016 Actual Audited	2015 Actual Audited
REVENUE			
Ministry of Community and Social Services	\$ 41,932	\$ 41,932	\$ 40,898
Other sources	<u>-</u>	<u>1,759</u>	<u>2,063</u>
	<u>41,932</u>	<u>43,691</u>	<u>42,961</u>
EXPENDITURES			
Salaries and benefits	32,395	34,705	39,140
Conferences and meetings	-	100	-
Staff expenses	-	308	79
Telephone	-	341	648
Insurance	-	1,700	-
Repairs and maintenance	-	600	-
Office	5,037	1,437	-
Allocated administration	<u>4,500</u>	<u>4,500</u>	<u>3,094</u>
	<u>41,932</u>	<u>43,691</u>	<u>42,961</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WOMEN IN CRISIS (ALGOMA) INC.
 STATEMENT OF REVENUE AND EXPENDITURES
 DOMESTIC VIOLENCE - 8787
 YEAR ENDED MARCH 31, 2016

	2016 Budget Unaudited	2016 Actual Audited	2015 Actual Audited
REVENUE			
Ministry of Community and Social Services	\$ 26,517	\$ 26,517	\$ 29,517
Other	<u>-</u>	<u>-</u>	<u>1,762</u>
	<u>26,517</u>	<u>26,517</u>	<u>31,279</u>
EXPENDITURES			
Public education and awareness	<u>26,517</u>	<u>26,517</u>	<u>31,279</u>
	<u>26,517</u>	<u>26,517</u>	<u>31,279</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WOMEN IN CRISIS (ALGOMA) INC.
STATEMENT OF REVENUE AND EXPENDITURES
COURT SUPPORT WORKER PROGRAM
YEAR ENDED MARCH 31, 2016

	2016 Budget Unaudited	2016 Actual Audited	2015 Actual Audited
REVENUE			
Ministry of the Attorney General	\$ 48,750	\$ 48,750	\$ 48,750
EXPENDITURES			
Salaries and benefits	31,109	31,109	31,109
Conferences and meetings	1,000	1,080	1,394
Public education and awareness	2,500	3,199	3,100
Program supplies	3,941	3,941	3,941
Staff expenses	3,100	2,371	2,431
Client services	1,000	950	675
Telephone	700	700	700
Insurance	900	900	900
Office	2,700	2,700	2,700
Administration	1,800	1,800	1,800
	<u>48,750</u>	<u>48,750</u>	<u>48,750</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WOMEN IN CRISIS (ALGOMA) INC.
STATEMENT OF REVENUE AND EXPENDITURES
SEXUAL ASSAULT ABUSE PROGRAM
YEAR ENDED MARCH 31, 2016

	2016 Budget Unaudited	2016 Actual Audited	2015 Actual Audited
REVENUE			
Ministry of the Attorney General	<u>\$ 148,848</u>	<u>\$ 148,848</u>	<u>\$ 139,317</u>
EXPENDITURES			
Salaries and benefits	116,461	114,872	109,953
Conferences and meetings	360	360	100
Public education and awareness	3,500	3,500	4,474
Program supplies	1,862	1,862	963
Staff expenses	9,765	11,354	8,127
Utilities	3,600	3,600	3,600
Telephone	4,000	4,000	4,000
Insurance	2,400	2,400	1,200
Office	4,900	4,900	5,200
Administration	<u>2,000</u>	<u>2,000</u>	<u>1,700</u>
	<u>148,848</u>	<u>148,848</u>	<u>139,317</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

WOMEN IN CRISIS (ALGOMA) INC.
 STATEMENT OF ALLOCATED ADMINISTRATION
 YEAR ENDED MARCH 31, 2016

	2016 Budget	2016 Actual	2015 Actual
EXPENDITURES			
Salaries and benefits	\$ 121,928	\$ 125,816	\$ 134,749
Other	<u>16,000</u>	<u>14,908</u>	<u>13,000</u>
	<u>\$ 137,928</u>	<u>\$ 140,724</u>	<u>\$ 147,749</u>
PROGRAM ALLOCATIONS			
Program - 8771	\$ 130,828	\$ 133,624	\$ 141,973
Program - 8773	2,600	2,600	2,682
Program - 8779	<u>4,500</u>	<u>4,500</u>	<u>3,094</u>
	<u>\$ 137,928</u>	<u>\$ 140,724</u>	<u>\$ 147,749</u>

WOMEN IN CRISIS (ALGOMA) INC.
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2016

	2016	2015
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ -	\$ -
Item not requiring the use of cash		
Amortization of capital assets	<u>38,107</u>	<u>35,749</u>
	38,107	35,749
Changes in non-cash working capital		
Receivables	12,286	(10,513)
Prepaid expenses	(15,449)	(446)
Accounts payable and accrued liabilities	(57,232)	48,240
Deferred contributions	<u>-</u>	<u>6,284</u>
	<u>(22,288)</u>	<u>79,314</u>
FINANCING ACTIVITIES		
Repayment of mortgage principal	<u>(38,107)</u>	<u>(35,749)</u>
OTHER ACTIVITIES		
Increase (Decrease) in restricted reserves	<u>21,956</u>	<u>(5,687)</u>
Increase In Cash and Term Deposits	(38,439)	37,878
CASH AND TERM DEPOSITS, beginning of year	<u>557,143</u>	<u>519,265</u>
CASH AND TERM DEPOSITS, end of year	<u>\$ 518,704</u>	<u>\$ 557,143</u>

WOMEN IN CRISIS (ALGOMA) INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016

1. PURPOSE OF THE ORGANIZATION

Women In Crisis (Algoma) Inc. provides emergency shelter in a home-like atmosphere, as well as support and information, referrals, and counselling, for women, with or without children, who find themselves in a crisis situation.

The corporation is incorporated without share capital under the laws of Ontario and is a registered charity under the Income Tax Act.

2. BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the mortgage agreement with Canada Mortgage and Housing Corporation (CMHC). The basis of accounting used in these financial statements materially differs from Canadian generally accepted accounting principles because:

- a. Amortization is not provided on building and furniture and equipment purchased from the original mortgage debt over the estimated useful lives of these assets but rather at a rate equal to the annual principal reduction of the mortgage.
- b. Capital assets:
 - i) Purchased from accumulated surplus are charged to operations in the year the expenditure is incurred, and
 - ii) Purchased from the capital reserve are charged against the capital reserve account, rather than being capitalized on the statement of financial position and amortized over their estimated useful lives; and
- c. A reserve for future capital replacement is appropriated annually from operations. These funds, along with accumulated interest, must be held in a separate bank account and may only be used for specific identified items.

3. SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Women In Crisis (Algoma) Inc. follows the deferral method of accounting for contributions related to program delivery and administrative activities.

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. Restricted reserve contributions which include allocations from operations, are recognized as direct increases in net assets.

Investment income is recognized as revenue when earned.

Cash

Cash is comprised of cash on hand, bank balances and short term deposits.

WOMEN IN CRISIS (ALGOMA) INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Net Assets

Internally restricted net assets are set aside for specific purposes by resolution of the Board of Directors.

Financial Instruments

The organization initially measures its financial assets and financial liabilities at fair value and subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and term deposits and receivables.

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

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Funding

Various ministries of the province of Ontario partially fund the organization according to approved budgets. Advances in excess of related expenditures are reported on the statement of financial position as amounts payable to the ministries. These financial statements reflect agreed funding arrangements approved by the ministries but subject to review with respect to the year ended March 31, 2016.

Funds received for projects which are not completed at year end, and are unspent, are reported as deferred contributions.

Contributed Services

Volunteers contributed many hours during the year to assist Women In Crisis (Algoma) Inc. in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Allocation of Expenses

The organization allocates some of its expenses to the programs funded by Ontario Ministries of Community and Social Services, Health and Long-Term Care and Attorney General.

Wages and payroll costs are prorated to the hours worked for each program.

Operating costs are allocated to the programs based on the budget for each program.

WOMEN IN CRISIS (ALGOMA) INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016

4. CASH AND TERM DEPOSITS

	2016	2015
Cash	\$386,050	\$183,538
Capital reserve term deposit	132,654	125,137
Internally restricted term deposits	<u>-</u>	<u>248,468</u>
	<u>\$518,704</u>	<u>\$557,143</u>

5. CAPITAL ASSETS

	2016	2015
	Cost	Accumulated Amortization
Land	\$ 161,815	\$ -
Building	<u>881,959</u>	<u>505,511</u>
	<u>\$1,043,774</u>	<u>\$467,404</u>
Net book value		<u>\$538,263</u>

6. MORTGAGE PAYABLE

The 6.490% mortgage matures January 1, 2026 and is repayable in monthly instalments of \$6,159 including interest and is secured by property at 23 Oakland Avenue, Sault Ste. Marie, Ontario. Principal payments due over the next five fiscal years are approximately as follows:

2017	\$40,620	2020	\$49,199
2018	\$43,300	2021	\$52,444
2019	\$46,155		

7. ECONOMIC DEPENDENCE

Approximately 80% of the organization's revenue is received from the Ministry of Community and Social Services. The continuation of this organization is dependent on this funding.

8. FINANCIAL INSTRUMENTS

Financial instruments are comprised of cash and term deposits, receivables, accounts payable and mortgage payable. Unless otherwise noted, it is management's opinion that there are no significant interest, currency or credit risks arising from these financial instruments.

