

WOMEN IN CRISIS (ALGOMA) INC.

FINANCIAL STATEMENTS

MARCH 31, 2017

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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, 2017, 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 qualified 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, 2016 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, 2017 and 2016, and assets and net assets as at March 31, 2017 and 2016.

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, 2017 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 13, 2017



Chartered Professional Accountant
Licensed Public Accountant

WOMEN IN CRISIS (ALGOMA) INC.
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash and term deposits - note 4	\$ 581,171	\$ 518,704
Receivables	21,717	32,497
Prepaid expenses	<u>9,276</u>	<u>25,051</u>
	<u>612,164</u>	<u>576,252</u>
CAPITAL - note 5	<u>497,643</u>	<u>538,263</u>
	<u>\$ 1,109,807</u>	<u>\$ 1,114,515</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 71,376	\$ 54,228
Government remittances payable	44,792	50,188
Deferred contributions	41,416	41,269
Current portion of mortgage payable	<u>43,299</u>	<u>40,620</u>
	<u>200,883</u>	<u>186,305</u>
LONG-TERM		
Mortgage payable - note 6	497,643	538,263
Less: principal due within one year	<u>43,299</u>	<u>40,620</u>
	<u>454,344</u>	<u>497,643</u>
NET ASSETS		
RESTRICTED	<u>454,580</u>	<u>430,567</u>
	<u>\$ 1,109,807</u>	<u>\$ 1,114,515</u>

APPROVED BY THE BOARD:


 _____ Director


 _____ Director

WOMEN IN CRISIS (ALGOMA) INC.
 STATEMENT OF CHANGES IN RESTRICTED NET ASSETS
 YEAR ENDED MARCH 31, 2017

	Capital	Building	Other	2017 Total	2016 Total
BALANCE, beginning of year	\$ 139,905	\$ 238,873	\$ 51,789	\$ 430,567	\$ 408,611
Interest	1,925	-	-	1,925	1,615
Allocation from operations	6,188	13,896	2,004	22,088	25,860
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,519)</u>
BALANCE, end of year	<u>\$ 148,018</u>	<u>\$ 252,769</u>	<u>\$ 53,793</u>	<u>\$ 454,580</u>	<u>\$ 430,567</u>

WOMEN IN CRISIS (ALGOMA) INC.

CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURES AND UNRESTRICTED NET ASSETS
YEAR ENDED MARCH 31, 2017

	2017 Budget Unaudited	2017 Actual Audited	2016 Actual Audited
REVENUE			
Ontario Ministries			
Community and Social Services	\$ 1,546,522	\$ 1,571,822	\$ 1,545,397
Health and Long-Term Care	63,721	63,721	63,721
Attorney General	197,598	197,598	197,598
United Way of Sault Ste. Marie	16,846	16,846	29,354
District of Sault Ste. Marie Social Services Administration Board	-	-	55,000
Donations	20,000	27,373	23,070
Other	-	19,506	10,766
	<u>1,844,687</u>	<u>1,896,866</u>	<u>1,924,906</u>
EXPENDITURES			
Salaries and benefits	1,459,807	1,455,758	1,482,411
Conferences and meetings	7,500	18,245	9,104
Public education and awareness	8,800	11,676	12,171
Program supplies	40,506	39,356	33,926
Staff expenses	12,200	11,669	20,424
Client services	6,468	15,757	16,571
Utilities	26,400	26,034	25,836
Telephone	6,120	8,025	7,723
Insurance	18,500	18,424	18,167
Occupancy	73,912	73,695	73,708
Repairs, maintenance and renovations	74,000	76,443	81,936
Office	24,800	35,069	32,403
Legal and audit	7,500	7,136	7,308
Memberships	6,000	5,248	5,115
Capacity Building	47,730	47,730	47,730
Algoma Council on Domestic Violence	26,717	26,517	26,517
Capital reserve allocation	6,188	6,188	6,188
Building reserve allocation	-	13,896	17,668
	<u>1,853,148</u>	<u>1,896,866</u>	<u>1,924,906</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(8,461)	-	-
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,
SUPPORTIVE HOUSING - 8780 & CAPACITY BUILDING - 8786
YEAR ENDED MARCH 31, 2017

	2017 Budget Unaudited	2017 Actual Audited	2016 Actual Audited
REVENUE			
Ministry of Community and Social Services			
Operating	\$ 1,248,388	\$ 1,248,388	\$ 1,248,388
Supportive housing	131,952	131,952	131,952
One time	72,730	98,030	71,605
Other sources	<u>26,538</u>	<u>63,725</u>	<u>114,331</u>
	<u>1,479,608</u>	<u>1,542,095</u>	<u>1,566,276</u>
EXPENDITURES			
Salaries and benefits	1,087,880	1,068,318	1,103,339
Conferences and meetings	-	17,001	6,964
Public education and awareness	-	847	1,472
Program supplies	26,647	34,897	28,122
Staff expenses	-	2,720	5,791
Client services	-	14,404	15,064
Utilities	25,400	21,134	22,236
Telephone	-	3,705	2,081
Insurance	16,000	12,770	11,468
Occupancy	73,912	73,695	73,708
Repairs, maintenance and renovations	63,465	72,573	74,337
Office	9,000	21,867	12,869
Legal and audit	-	5,236	-
Memberships	-	3,748	3,615
Capacity Building	47,730	47,730	47,730
Capital reserve allocation	6,188	6,188	6,188
Building reserve allocation	-	13,896	17,668
Allocated administration	<u>123,386</u>	<u>121,366</u>	<u>133,624</u>
	<u>1,479,608</u>	<u>1,542,095</u>	<u>1,566,276</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, 2017

	2017 Budget Unaudited	2017 Actual Audited	2016 Actual Audited
REVENUE			
Ministry of Community and Social Services	\$ 25,003	\$ 25,003	\$ 25,003
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>88,724</u>
EXPENDITURES			
Salaries and benefits	75,254	74,988	72,570
Conferences and meetings	-	600	600
Public education and awareness	-	240	-
Staff expenses	-	787	600
Client services	-	546	557
Utilities	-	1,900	-
Telephone	-	600	600
Insurance	-	1,500	1,700
Office	-	1,193	2,497
Repairs and maintenance	-	3,870	7,000
Allocated administration	2,500	2,500	2,600
Other	<u>10,970</u>	<u>-</u>	<u>-</u>
	<u>88,724</u>	<u>88,724</u>	<u>88,724</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, 2017

	2017 Budget Unaudited	2017 Actual Audited	2016 Actual Audited
REVENUE			
Ministry of Community and Social Services	\$ 41,932	\$ 41,932	\$ 41,932
Other sources	<u>-</u>	<u>-</u>	<u>1,759</u>
	<u>41,932</u>	<u>41,932</u>	<u>43,691</u>
EXPENDITURES			
Salaries and benefits	33,814	33,814	34,705
Conferences and meetings	-	-	100
Public education and awareness	-	600	-
Staff expenses	-	244	308
Telephone	-	600	341
Insurance	-	600	1,700
Repairs and maintenance	-	600	600
Office	4,618	1,974	1,437
Allocated administration	<u>3,500</u>	<u>3,500</u>	<u>4,500</u>
	<u>41,932</u>	<u>41,932</u>	<u>43,691</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, 2017

	2017 Budget Unaudited	2017 Actual Audited	2016 Actual Audited
REVENUE			
Ministry of Community and Social Services	<u>\$ 26,517</u>	<u>\$ 26,517</u>	<u>\$ 26,517</u>
EXPENDITURES			
Public education and awareness	<u>26,517</u>	<u>26,517</u>	<u>26,517</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 REVENUE AND EXPENDITURES
COURT SUPPORT WORKER PROGRAM
YEAR ENDED MARCH 31, 2017

	2017 Budget Unaudited	2017 Actual Audited	2016 Actual Audited
REVENUE			
Ministry of the Attorney General	<u>\$ 48,750</u>	<u>\$ 48,750</u>	<u>\$ 48,750</u>
EXPENDITURES			
Salaries and benefits	34,658	34,658	31,109
Conferences and meetings	500	644	1,080
Public education and awareness	1,500	1,500	3,199
Program supplies	2,672	2,422	3,941
Staff expenses	2,500	2,599	2,371
Client services	800	807	950
Telephone	720	720	700
Insurance	1,200	1,200	900
Office	2,400	2,400	2,700
Administration	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>
	<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, 2017

	2017 Budget Unaudited	2017 Actual Audited	2016 Actual Audited
REVENUE			
Ministry of the Attorney General	<u>\$ 148,848</u>	<u>\$ 148,848</u>	<u>\$ 148,848</u>
EXPENDITURES			
Salaries and benefits	128,814	128,815	114,872
Conferences and meetings	-	-	360
Public education and awareness	2,500	2,024	3,500
Program supplies	1,834	2,037	1,862
Staff expenses	5,000	5,318	11,354
Utilities	2,400	2,400	3,600
Telephone	2,400	2,400	4,000
Insurance	2,400	2,354	2,400
Office	1,500	1,500	4,900
Administration	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
	<u>148,848</u>	<u>148,848</u>	<u>148,848</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WOMEN IN CRISIS (ALGOMA) INC.
 STATEMENT OF ALLOCATED ADMINISTRATION
 YEAR ENDED MARCH 31, 2017

	2017 Budget	2017 Actual	2016 Actual
EXPENDITURES			
Salaries and benefits	\$ 117,886	\$ 115,166	\$ 125,816
Other	11,500	12,200	14,908
	<u>\$ 129,386</u>	<u>\$ 127,366</u>	<u>\$ 140,724</u>
PROGRAM ALLOCATIONS			
Program - 8771	\$ 123,386	\$ 121,366	\$ 133,624
Program - 8773	2,500	2,500	2,600
Program - 8779	3,500	3,500	4,500
	<u>\$ 129,386</u>	<u>\$ 127,366</u>	<u>\$ 140,724</u>

WOMEN IN CRISIS (ALGOMA) INC.
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2017

	2017	2016
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ -	\$ -
Item not requiring the use of cash		
Amortization of capital assets	<u>40,620</u>	<u>38,107</u>
	40,620	38,107
Changes in non-cash working capital		
Receivables	10,780	12,286
Prepaid expenses	15,775	(15,449)
Accounts payable and accrued liabilities	17,148	(71,012)
Government remittances payable	(5,396)	13,780
Deferred contributions	<u>147</u>	<u>-</u>
	<u>79,074</u>	<u>(22,288)</u>
FINANCING ACTIVITIES		
Repayment of mortgage principal	<u>(40,620)</u>	<u>(38,107)</u>
OTHER ACTIVITIES		
Increase in restricted reserves	<u>24,013</u>	<u>21,956</u>
Increase (Decrease) in Cash and Term Deposits	62,467	(38,439)
CASH AND TERM DEPOSITS, beginning of year	<u>518,704</u>	<u>557,143</u>
CASH AND TERM DEPOSITS, end of year	<u>\$ 581,171</u>	<u>\$ 518,704</u>

WOMEN IN CRISIS (ALGOMA) INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

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, 2017

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, 2017.

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, 2017

4. CASH AND TERM DEPOSITS

	2017	2016
Cash	\$446,593	\$386,050
Capital reserve term deposit	<u>134,578</u>	<u>132,654</u>
	<u>\$581,171</u>	<u>\$518,704</u>

5. CAPITAL ASSETS

	2017 Cost	2017 Accumulated Amortization	2016 Cost	2016 Accumulated Amortization
Land	\$ 161,815	\$ -	\$ 161,815	\$ -
Building	<u>881,959</u>	<u>546,131</u>	<u>881,959</u>	<u>505,511</u>
	<u>\$1,043,774</u>	<u>\$546,131</u>	<u>\$1,043,774</u>	<u>\$505,511</u>
Net book value		<u>\$497,643</u>		<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:

2018	\$43,299	2021	\$52,444
2019	\$46,155	2022	\$55,903
2020	\$49,199		

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.