

WOMEN IN CRISIS (ALGOMA) INC.

FINANCIAL STATEMENTS

MARCH 31, 2018

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# LAURA J. SZCZEPANIAK

## CHARTERED ACCOUNTANT

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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, 2018, 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, 2017 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, 2018 and 2017, and assets and net assets as at March 31, 2018 and 2017.

#### 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, 2018 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 12, 2018


  
Chartered Professional Accountant  
Licensed Public Accountant

WOMEN IN CRISIS (ALGOMA) INC.  
STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2018

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and term deposits - note 4	\$ 612,472	\$ 581,171
Receivables	36,808	21,717
Prepaid expenses	15,161	9,276
	<u>664,441</u>	<u>612,164</u>
 CAPITAL - note 5	 <u>454,344</u>	 <u>497,643</u>
	 <u>\$ 1,118,785</u>	 <u>\$ 1,109,807</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 70,000	\$ 71,376
Government remittances payable	50,049	44,792
Deferred contributions	49,983	41,416
Current portion of mortgage payable	46,155	43,299
	<u>216,187</u>	<u>200,883</u>
 <b>LONG-TERM</b>		
Mortgage payable - note 6	454,344	497,643
Less: principal due within one year	46,155	43,299
	<u>408,189</u>	<u>454,344</u>
<b>NET ASSETS</b>		
<b>RESTRICTED</b>	<u>494,409</u>	<u>454,580</u>
	 <u>\$ 1,118,785</u>	 <u>\$ 1,109,807</u>

APPROVED BY THE BOARD:

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

WOMEN IN CRISIS (ALGOMA) INC.  
 STATEMENT OF CHANGES IN RESTRICTED NET ASSETS  
 YEAR ENDED MARCH 31, 2018

	Capital	Building	Other	2018 Total	2017 Total
BALANCE, beginning of year	\$ 148,018	\$ 252,769	\$ 53,793	\$ 454,580	\$ 430,567
Interest	2,200	3,535	-	5,735	1,925
Allocation from operations	6,188	29,900	2,004	38,092	22,088
Expenditures	<u>-</u>	<u>-</u>	<u>(3,998)</u>	<u>(3,998)</u>	<u>-</u>
BALANCE, end of year	<u>\$ 156,406</u>	<u>\$ 286,204</u>	<u>\$ 51,799</u>	<u>\$ 494,409</u>	<u>\$ 454,580</u>

WOMEN IN CRISIS (ALGOMA) INC.  
CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURES AND UNRESTRICTED NET ASSETS  
YEAR ENDED MARCH 31, 2018

	2018 Budget Unaudited	2018 Actual Audited	2017 Actual Audited
<b>REVENUE</b>			
Ontario Ministries			
Community and Social Services	\$ 1,471,792	\$ 1,573,562	\$ 1,571,822
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	20,000	32,000	16,846
Donations	20,000	58,436	27,373
Other	-	21,245	19,506
	<u>1,773,111</u>	<u>1,946,562</u>	<u>1,896,866</u>
<b>EXPENDITURES</b>			
Salaries and benefits	1,488,294	1,457,078	1,455,758
Conferences and meetings	7,500	11,418	18,245
Public education and awareness	4,000	23,956	11,676
Program supplies	36,000	31,782	39,356
Staff expenses	4,200	17,997	11,669
Client services	6,000	19,814	15,757
Utilities	24,000	25,126	26,034
Telephone	3,000	8,519	8,025
Insurance	15,000	19,367	18,424
Occupancy	73,912	73,681	73,695
Repairs, maintenance and renovations	49,000	148,051	76,443
Office	21,000	26,486	35,069
Legal and audit	6,000	8,951	7,136
Memberships	4,500	5,413	5,248
Capacity Building	-	6,318	47,730
Algoma Council on Domestic Violence	24,517	26,517	26,517
Capital reserve allocation	6,188	6,188	6,188
Building reserve allocation	-	29,900	13,896
	<u>1,773,111</u>	<u>1,946,562</u>	<u>1,896,866</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	-	-	-
<b>UNRESTRICTED NET ASSETS, beginning of year</b>		<u>-</u>	<u>-</u>
<b>UNRESTRICTED NET ASSETS, end of year</b>		<u>\$ -</u>	<u>\$ -</u>

WOMEN IN CRISIS (ALGOMA) INC.  
STATEMENT OF REVENUE AND EXPENDITURES  
EMERGENCY SHELTER SERVICE - 8771, SUPPORTIVE HOUSING - 8780,  
CAPACITY BUILDING - 8786 & PARTNER FACILITY RENEWAL - 8915  
YEAR ENDED MARCH 31, 2018

	2018 Budget Unaudited	2018 Actual Audited	2017 Actual Audited
<b>REVENUE</b>			
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	-	99,770	98,030
Other sources	<u>40,000</u>	<u>110,481</u>	<u>63,725</u>
	<u>1,420,340</u>	<u>1,590,591</u>	<u>1,542,095</u>
<b>EXPENDITURES</b>			
Salaries and benefits	1,079,540	1,085,553	1,068,318
Conferences and meetings	-	9,716	17,001
Public education and awareness	2,100	16,036	847
Program supplies	24,635	26,497	34,897
Staff expenses	-	4,379	2,720
Client services	-	17,954	14,404
Utilities	24,900	20,325	21,134
Telephone	-	4,106	3,705
Insurance	16,000	14,209	12,770
Occupancy	73,912	73,681	73,695
Repairs, maintenance and renovations	63,965	140,979	72,573
Office	6,900	7,893	21,867
Legal and audit	-	1,470	5,236
Memberships	-	3,913	3,748
Capacity Building	-	6,318	47,730
Capital reserve allocation	6,188	6,188	6,188
Building reserve allocation	-	29,900	13,896
Allocated administration	<u>122,200</u>	<u>121,474</u>	<u>121,366</u>
	<u>1,420,340</u>	<u>1,590,591</u>	<u>1,542,095</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WOMEN IN CRISIS (ALGOMA) INC.  
STATEMENT OF REVENUE AND EXPENDITURES  
COUNSELLING SERVICE - 8773  
YEAR ENDED MARCH 31, 2018

	2018 Budget Unaudited	2018 Actual Audited	2017 Actual Audited
<b>REVENUE</b>			
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>
<b>EXPENDITURES</b>			
Salaries and benefits	76,542	74,603	74,988
Conferences and meetings	-	600	600
Public education and awareness	-	-	240
Staff expenses	-	849	787
Client services	-	-	546
Utilities	-	1,200	1,900
Telephone	-	600	600
Insurance	-	1,000	1,500
Office	-	3,339	1,193
Repairs and maintenance	-	4,033	3,870
Allocated administration	2,500	2,500	2,500
Other	<u>9,682</u>	<u>-</u>	<u>-</u>
	<u>88,724</u>	<u>88,724</u>	<u>88,724</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<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, 2018

	2018 Budget Unaudited	2018 Actual Audited	2017 Actual Audited
<b>REVENUE</b>			
Ministry of Community and Social Services	\$ 41,932	\$ 41,932	\$ 41,932
Other sources	<u>-</u>	<u>1,200</u>	<u>-</u>
	<u>41,932</u>	<u>43,132</u>	<u>41,932</u>
<b>EXPENDITURES</b>			
Salaries and benefits	33,814	34,981	33,814
Conferences and meetings	-	600	-
Public education and awareness	-	-	600
Staff expenses	-	197	244
Telephone	-	600	600
Utilities	-	600	-
Insurance	-	558	600
Repairs and maintenance	-	42	600
Office	4,618	1,554	1,974
Allocated administration	<u>3,500</u>	<u>4,000</u>	<u>3,500</u>
	<u>41,932</u>	<u>43,132</u>	<u>41,932</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**WOMEN IN CRISIS (ALGOMA) INC.**  
**STATEMENT OF REVENUE AND EXPENDITURES**  
**DOMESTIC VIOLENCE - 8787**  
**YEAR ENDED MARCH 31, 2018**

	2018 Budget Unaudited	2018 Actual Audited	2017 Actual Audited
<b>REVENUE</b>			
Ministry of Community and Social Services	<u>\$ 24,517</u>	<u>\$ 26,517</u>	<u>\$ 26,517</u>
<b>EXPENDITURES</b>			
Public education and awareness	<u>24,517</u>	<u>26,517</u>	<u>26,517</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<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, 2018

	2018 Budget Unaudited	2018 Actual Audited	2017 Actual Audited
<b>REVENUE</b>			
Ministry of the Attorney General	\$ <u>48,750</u>	\$ <u>48,750</u>	\$ <u>48,750</u>
<b>EXPENDITURES</b>			
Salaries and benefits	34,658	34,658	34,658
Conferences and meetings	-	502	644
Public education and awareness	1,500	1,501	1,500
Program supplies	2,672	2,672	2,422
Staff expenses	3,000	2,505	2,599
Client services	800	800	807
Telephone	720	712	720
Insurance	1,200	1,200	1,200
Office	2,400	2,400	2,400
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>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WOMEN IN CRISIS (ALGOMA) INC.  
 STATEMENT OF REVENUE AND EXPENDITURES  
 SEXUAL ASSAULT ABUSE PROGRAM  
 YEAR ENDED MARCH 31, 2018

	2018 Budget Unaudited	2018 Actual Audited	2017 Actual Audited
<b>REVENUE</b>			
Ministry of the Attorney General	\$ 148,848	\$ 148,848	\$ 148,848
<b>EXPENDITURES</b>			
Salaries and benefits	108,709	108,709	128,815
Occupancy	3,000	3,000	-
Public education and awareness	4,436	4,400	2,024
Program supplies	2,503	2,613	2,037
Staff expenses	10,000	10,066	5,318
Client Expenses	1,200	1,060	-
Utilities	3,000	3,000	2,400
Telephone	2,500	2,500	2,400
Insurance	2,400	2,400	2,354
Office	7,400	7,400	1,500
Memberships	1,500	1,500	-
Administration	2,200	2,200	2,000
	<u>148,848</u>	<u>148,848</u>	<u>148,848</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WOMEN IN CRISIS (ALGOMA) INC.  
 STATEMENT OF ALLOCATED ADMINISTRATION  
 YEAR ENDED MARCH 31, 2018

	2018 Budget	2018 Actual	2017 Actual
<b>EXPENDITURES</b>			
Salaries and benefits	\$ 113,900	\$ 115,674	\$ 115,166
Other	14,300	12,300	12,200
	<u>\$ 128,200</u>	<u>\$ 127,974</u>	<u>\$ 127,366</u>
<b>PROGRAM ALLOCATIONS</b>			
Program - 8771	\$ 122,200	\$ 121,474	\$ 121,366
Program - 8773	2,500	2,500	2,500
Program - 8779	3,500	4,000	3,500
	<u>\$ 128,200</u>	<u>\$ 127,974</u>	<u>\$ 127,366</u>

WOMEN IN CRISIS (ALGOMA) INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2018

	2018	2017
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ -	\$ -
Item not requiring the use of cash		
Amortization of capital assets	<u>43,299</u>	<u>40,620</u>
	43,299	40,620
Changes in non-cash working capital		
Receivables	(15,091)	10,780
Prepaid expenses	(5,885)	15,775
Accounts payable and accrued liabilities	(1,376)	17,148
Government remittances payable	5,257	(5,396)
Deferred contributions	<u>8,567</u>	<u>147</u>
	<u>34,771</u>	<u>79,074</u>
FINANCING ACTIVITIES		
Repayment of mortgage principal	(43,299)	(40,620)
Increase in restricted reserves	<u>39,829</u>	<u>24,013</u>
	<u>(3,470)</u>	<u>(16,607)</u>
Increase in Cash and Term Deposits	31,301	62,467
CASH AND TERM DEPOSITS, beginning of year	<u>581,171</u>	<u>518,704</u>
CASH AND TERM DEPOSITS, end of year	<u>\$ 612,472</u>	<u>\$ 581,171</u>

WOMEN IN CRISIS (ALGOMA) INC.  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2018

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, 2018

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, 2018.

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, 2018

4. CASH AND TERM DEPOSITS

	2018	2017
Cash	\$122,159	\$446,593
Capital reserve term deposit	136,778	134,578
Restricted fund term deposit	<u>353,535</u>	<u>-</u>
	<u>\$612,472</u>	<u>\$581,171</u>

5. CAPITAL ASSETS

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 161,815	\$ -	\$ 161,815	\$ -
Building	881,959	589,430	881,959	546,131
	<u>\$1,043,774</u>	<u>\$589,430</u>	<u>\$1,043,774</u>	<u>\$546,131</u>
Net book value		<u>\$454,344</u>		<u>\$497,643</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:

2019	\$46,155	2022	\$55,903
2020	\$49,199	2023	\$63,520
2021	\$52,444		

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.