

WOMEN'S CENTRE OF CALGARY
Financial Statements
December 31, 2018

WOMEN'S CENTRE OF CALGARY
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For the Year Ended December 31, 2018

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Tel: 403-266-5608
Fax: 403-233-7833
www.bdo.ca

BDO Canada LLP
903 - 8th Avenue SW, Suite 620
Calgary AB T2P 0P7 Canada

INDEPENDENT AUDITOR'S REPORT

To the Members of Women's Centre of Calgary:

Opinion

We have audited the financial statements of Women's Centre of Calgary: (the "Organization"), which comprise the statement of financial position as at December 31, 2018, and the statement of operations, changes in net assets and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Organization for the year ended December 31, 2017, were audited by the firm of Calvista LLP, whose practice now operates under BDO Canada LLP, and who expressed an unmodified opinion on those statements on April 10, 2018.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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Independent Auditor's Report to the Members of Women's Centre of Calgary: *(continued)*

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

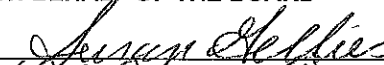

Chartered Professional Accountants

Calgary, Alberta
February 20, 2019

WOMEN'S CENTRE OF CALGARY
Statement of Financial Position
As at December 31, 2018

	2018	2017
Assets		
Current		
Cash and cash equivalents	\$ 856,082	\$ 506,606
Restricted cash (Note 6)	81,500	274,301
Short term investments (Note 4)	1,327,890	1,912,060
Donations and interest receivable	14,622	8,091
Goods and services tax recoverable	10,477	11,515
Prepaid expenses	29,638	18,184
	<u>2,320,209</u>	<u>2,730,757</u>
Property and equipment (Note 3)	208,085	248,093
Long term Investments (Note 4)	250,000	-
	<u>\$ 2,778,294</u>	<u>\$ 2,978,850</u>
Liabilities and Net assets		
Current		
Accounts payable and accrued liabilities	\$ 41,670	\$ 40,187
Deferred contributions related to operations	190,476	363,010
	<u>232,146</u>	<u>403,197</u>
Deferred contributions related to property and equipment (Note 6)	168,515	199,751
	<u>400,661</u>	<u>602,948</u>
Net Assets		
Invested in property and equipment	39,570	48,342
Restricted internally (Note 5)		
Operating reserve	1,488,063	1,587,560
Contingency fund	850,000	740,000
	<u>2,377,633</u>	<u>2,375,902</u>
	<u>\$ 2,778,294</u>	<u>\$ 2,978,850</u>

ON BEHALF OF THE BOARD

 Director
 Director

WOMEN'S CENTRE OF CALGARY
Statement of Operations

For the Year Ended December 31, 2018

	Operating Fund	FCSS Fund	AB Law Foundation	2018	2017
Revenue	\$	\$	\$	\$	\$
City of Calgary Family & Community Support Service	-	845,453	-	845,453	892,466
Donations	216,047	63,649	-	279,696	323,279
United Way of Calgary	231,311	-	-	231,311	229,717
Grants	107,382	-	37,797	145,179	121,313
Casino (Note 6)	-	48,825	-	48,825	46,949
Earned capital contributions (Note 6)	31,236	-	-	31,236	22,592
Interest income	22,352	-	-	22,352	18,165
Fundraising	18,210	-	-	18,210	24,037
	626,538	957,927	37,797	1,622,262	1,678,518
Expenses					
Salaries, wages and benefits	457,497	747,019	37,876	1,242,392	1,135,080
Rent and maintenance	8,801	148,096	6,000	162,897	144,896
Professional fees	13,731	35,609	1,000	50,340	42,326
Office supplies	12,700	29,276	601	42,577	25,452
Amortization	40,007	-	-	40,007	38,389
Emergency fund	5,150	-	-	5,150	10,556
Equipment and software	2,961	12,460	1,885	17,306	16,863
Utilities	2,866	6,832	-	9,698	8,763
Insurance	-	8,723	-	8,723	8,117
Travel	898	7,681	-	8,579	7,630
Training	2,716	4,648	-	8,364	4,430
Volunteer appreciation	99	6,599	1,000	7,700	11,150
Printing	1,285	3,270	1,217	5,772	4,638
Interest and bank charges	1,815	2,044	-	3,859	3,376
Dues and memberships	-	3,136	-	3,136	11,184
Fundraising	-	2,213	-	2,213	1,431
Planning	232	474	468	1,174	676
Advertising and promotion	-	645	-	645	1,461
	550,758	1,018,725	51,049	1,620,532	1,476,418
Excess (deficiency) of revenue over expenses	\$ 75,780	\$ (60,798)	\$ (13,252)	\$ 1,730	\$ 202,100

The accompanying notes are an integral part of these financial statements.

WOMEN'S CENTRE OF CALGARY
Statement of Changes in Fund Balances
For the Year Ended December 31, 2018

	Invested in property and equipment	FCSS Fund	AB Law Foundation	Internally Restricted (Note 5)		2018	2017
				Operating Reserve	Contingency Fund		
Balance, beginning of year	\$ 48,342	\$ -	\$ -	\$ 1,587,560	\$ 740,000	\$ 2,375,902	\$ 2,173,802
Excess (deficiency) of revenue over expenses	(8,772)	(60,798)	(13,252)	84,553	-	1,731	202,100
Interfund transfers (Note 9)	-	60,798	13,252	(184,050)	110,000	-	-
Balance, end of year	\$ 39,570	\$ -	\$ -	\$ 1,488,063	\$ 850,000	\$ 2,377,633	\$ 2,375,902

The accompanying notes are an integral part of these financial statements.

WOMEN'S CENTRE OF CALGARY
Statement of Cash Flows
For the Year Ended December 31, 2018

	Operating Fund	FCSS Fund	AB Law Foundation	2018	2017
Operating activities					
Excess (deficiency) of revenue over expenses items not affecting cash:	\$ 75,780	\$ (60,798)	\$ (13,252)	\$ 1,730	\$ 202,100
Amortization of property and equipment	40,007	-	-	40,007	38,389
Earned capital contributions	(31,236)	-	-	(31,236)	(22,592)
	-	-	-	-	-
	84,551	(60,798)	(13,252)	10,501	217,897
Changes in non-cash working capital:					
Donations and interest receivable	(6,531)	-	-	(6,531)	11,243
Accounts payable and accrued liabilities	1,484	-	-	1,484	(10,493)
Prepaid expenses	(11,454)	-	-	(11,454)	(999)
Goods and services tax recoverable	1,038	-	-	1,038	952
Deferred contributions related to operations	39,622	(212,156)	-	(172,534)	(58,687)
	24,159	(212,156)	-	(187,997)	(57,984)
Cash flows from operating activities	108,710	(272,954)	(13,252)	(177,496)	159,913
Investing activity					
Redemption (purchase) of investments	334,170	-	-	334,170	(625,244)
Other cash flow items					
Interfund transfer	(74,050)	60,798	13,252	-	-
Net change in cash and cash equivalents during the year	368,830	(212,156)	-	156,674	(465,331)
Cash and cash equivalents - beginning of year	568,751	212,156	-	780,907	1,246,238
Cash and cash equivalents - end of year	\$ 937,581	\$ -	\$ -	\$ 937,581	\$ 780,907

The accompanying notes are an integral part of these financial statements.

WOMEN'S CENTRE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2018

1. Purpose of the organization

The Women's Centre of Calgary (the "Organization") is incorporated under the Companies Act of Alberta. The Organization is committed to serving the needs of women in the community through the provision of education, support, information, resources, social interaction and crisis prevention. The Organization provides a centre for women to build community and to encourage the development and growth of women's skills and abilities. The Organization is a registered charitable organization and therefore exempt from the payment of income tax under section 149(f)(1) of the Income Tax Act of Canada.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook, and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Fund accounting

The Operating Fund is used to account for all the revenue and expenses related to program delivery, fundraising and general and administrative activities of the Organization.

The FCSS Fund is used to account for the grants received from The City of Calgary Family and Community Support Services (FCSS) and other assigned fundraising revenues and the use of those monies on direct costs and administration related to program areas funded by the City of Calgary.

The AB Law Foundation is used to account for the grant received from the Alberta Law Foundation and the related program expenses.

b) Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the operating fund when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Amounts pledged as future donations are not recognized in the accounts.

Unrestricted contributions are recognized in the operating fund in the year received.

Interest revenue is recognized on an accrual basis in the period in which it is earned.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and investments in treasury bills that are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

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WOMEN'S CENTRE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2018

2. Summary of significant accounting policies *(continued)*

d) Property and equipment

Property and equipment are recorded at cost. Amortization is provided using the cost of assets over their estimated useful lives. The amortization methods and rates are as follows:

Computer equipment	straight-line	3 years
Leasehold improvements	straight-line	Remaining lease term

The Organization has set the capitalization threshold at \$1,500 for property and equipment purchases.

e) Goods and Services Tax

Goods and services tax is recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

f) Financial instruments

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

The financial assets measured at amortized cost include cash and cash equivalents, restricted cash, short term investments, donations and interest receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

g) Contributed materials and services

Volunteers contributed significant time to assist the Organization in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Contributed materials that are used in operations are disclosed at their estimated fair value in Note 8, but are not recognized in the financial statements. In previous years, the Organization recognized these amounts as revenue and expenses. The effect of this retroactive change has been described in Note 13.

h) Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. Estimates and assumptions made in the preparation of these financial statements include the useful life of property and equipment, and the amount of restricted revenue to be recognized in the period.

WOMEN'S CENTRE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2018

3. Property and equipment

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Computer equipment	\$ 39,592	\$ 39,592	\$ -	\$ -
Leasehold improvements	390,799	182,714	208,085	248,093
	\$ 430,391	\$ 222,306	\$ 208,085	\$ 248,093

4. Investments

	2018	2017
<u>Short term investments</u>		
Guaranteed investment certificates, bearing interest rates ranging from 2.0% to 3.25% (2017: from 0.8% to 1.28%) per annum, with a maturity date of less than one year.	\$ 1,327,890	\$ 1,912,060
<u>Long term investments</u>		
Guaranteed investment certificates with maturity dates greater than one year from the year end, bearing interest rate 2.75% per annum, maturing May 14, 2020.	250,000	-
	\$ 1,577,890	\$ 1,912,060

5. Internally restricted funds

Internally restricted funds represent the balance of excess of revenue over expenses from operations, which includes funds raised from donations and current year fundraising events. These funds have been designated by the board of directors as restricted funds for specific purposes in subsequent periods as described below. Internally restricted funds cannot be spent without board approval.

The intention of the Operating Reserve is to accumulate current year fundraising dollars to support the following year operations. It is also intended as a source of internal funds for investments in long term capacity building.

The board of directors approved the set up of a Contingency fund to be equal to approximately six months operating costs in case there are unanticipated significant shortfalls in revenue. An amount of \$850,000 (2017: \$740,000) had been approved to be kept in the contingency fund in the current year.

	2018	2017
Operating reserve	\$ 1,472,299	\$ 1,571,796
Basic needs fund	15,764	15,764
	1,488,063	1,587,560
Contingency fund	850,000	740,000
	\$ 2,338,063	\$ 2,327,560

WOMEN'S CENTRE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2018

6. Deferred contributions

Deferred contributions related to operations are amounts received in the current period for future period operations.

	<u>Beginning</u>	<u>Additions</u>	<u>Utilizations</u>	<u>Ending</u>
<u>Related to operations</u>				
Girl Power	\$ 74,862	\$ 76,200	\$ 63,649	\$ 87,413
Casino	62,145	68,180	48,825	81,500
Basic Needs	13,847	10,096	3,782	20,161
Status of Women	-	29,834	28,432	1,402
City of Calgary Family and Community Support Services	212,156	633,297	845,453	-
United Way	-	231,311	231,311	-
The Calgary Foundation	-	926	926	-
Alberta Law Foundation	-	37,797	37,797	-
Alberta Government	-	7,267	7,267	-
Total	<u>\$ 363,010</u>	<u>\$ 1,094,908</u>	<u>\$ 1,267,442</u>	<u>\$ 190,476</u>

	<u>Beginning</u>	<u>Additions</u>	<u>Utilizations</u>	<u>Ending</u>
<u>Related to property and equipment</u>				
Grants and donations for leasehold improvements	\$ 199,751	\$ -	\$ 31,236	\$ 168,515

7. Endowment fund

The Calgary Foundation ("the Foundation") holds an endowment fund for the benefit of the Organization. Endowment gifts may be donated to the Organization directly, or to the Foundation for the benefit of the Organization. The Foundation protects the capital and annually distributes the net investment income to the Organization in the form of a grant. Endowment gifts made directly to the Organization are gifted to the Foundation, and the Organization surrenders ownership of such gifts to the Foundation, therefore the endowment assets held by the Foundation for the benefit of the Organization are not reported as assets or fund balances in these financial statements. At December 31, 2018, the Foundation held \$22,217 in the endowment fund (2017: \$23,058).

	2018	2017
Held by The Calgary Foundation	<u>\$ 22,217</u>	<u>\$ 23,058</u>

8. Contributed materials

The Organization received donations related to the following gifts-in-kind: groceries, gifts, and tickets. Total gifts in kind revenue and expenses for 2018 are \$34,427 (2017: \$25,241).

WOMEN'S CENTRE OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2018

9. Inter-fund transfer

During the year the Organization transferred \$60,798 (2017: \$58,945) from the Operating Fund to provide for expenses in the FCSS Fund. \$13,252 (2017: \$26,286) in the program supported by the Alberta Law Foundation was covered by the Operating fund. During the year, the board has approved \$110,000 (2017: \$NIL) transferred from Operating Reserve fund to Contingency Fund.

10. Financial instruments

The Organization's financial instruments consist of cash and cash equivalents, restricted cash, short term investments, donations and interest receivable, long term investments, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. There has been no change in exposure to risk from that reported in the prior year.

11. Additional information to comply with the disclosure requirement of the Charitable Fund-Raising Act of Alberta and regulations

As required under Section 7(2) of the Regulations of the Charitable Fund-raising Act of Alberta, staff expenses in the amount of \$35,000 (2017: \$25,000) were incurred in the year for the purposes of soliciting donations.

Gross contributions received were \$314,124 (2017: \$348,520).

12. Commitments

The Organization had an operating lease for office space, which requires monthly rent payments of \$9,000 until May 2018. The renewal of above lease was signed on February 5, 2018 at the same rate for another 5 years. The estimated minimum annual rental payments, excluding operating costs, for the next five years under the lease agreement are as follows:

2019	\$	108,000
2020		108,000
2021		108,100
2022		108,000
2023		<u>45,000</u>
	\$	<u>477,100</u>

13. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation. This reclassification has no effect on prior year excess of revenues over expenses.

As a result of the change in accounting policy in respect of contributed materials described in Note 2(g), the prior year donation revenue and emergency fund expenses have each been reduced by \$25,241.
