

REGINA TRANSITION WOMEN'S SOCIETY

Financial Statements

Year Ended March 31, 2015



Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Directors of Regina Transition Women's Society

We have audited the accompanying financial statements of Regina Transition Women's Society, which comprise the statements of financial position as at March 31, 2015, and the statements of operations, changes in net assets and cash flows for the year then 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 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.

Auditor's 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 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.

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

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An asset to our clients, not an expense

2320 Lorne Street, Regina, SK S4P 2M9 ☎306-352-8621 📞306-565-8476 🌐mwc-cpa.ca

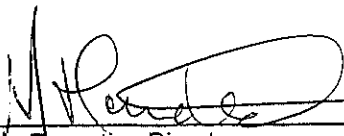
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Regina Transition Women's Society have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

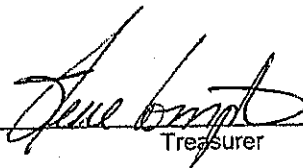
The integrity and reliability of Regina Transition Women's Society's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Finance and Audit Committee. The Committee is appointed by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by MWC Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.



Executive Director



Treasurer

Regina, Saskatchewan
June 19, 2015

Basis for Qualified Opinion

In common with many charitable organizations, the society derives revenue from donations and fundraising the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the society and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues (expenses), current assets and net assets.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Regina Transition Women's Society as at March 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

The image shows a handwritten signature in black ink that reads "MWC LLP". The letters are stylized and slanted to the right.

Chartered Professional Accountants

Regina, Saskatchewan
June 19, 2015

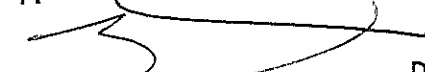
REGINA TRANSITION WOMEN'S SOCIETY

Statement of Financial Position As at March 31, 2015

	<u>Operating</u>	<u>Restricted</u>	<u>2015</u>	<u>2014</u>
ASSETS				
CURRENT				
Cash and investments (Note 3)	\$ 259,819	\$ 465,000	\$ 724,819	\$ 576,185
Accounts receivable (Note 4)	12,517	-	12,517	3,483
Prepaid expenses	<u>11,190</u>	<u>-</u>	<u>11,190</u>	<u>14,128</u>
	283,526	465,000	748,526	593,796
INVESTMENTS (Note 5)	6,002	-	6,002	5,380
CAPITAL ASSETS (Note 6)	<u>1,610,344</u>	<u>-</u>	<u>1,610,344</u>	<u>1,680,757</u>
	<u>\$ 1,899,872</u>	<u>\$ 465,000</u>	<u>\$ 2,364,872</u>	<u>\$ 2,279,933</u>
 LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 11,351	\$ -	\$ 11,351	\$ 27,206
Employee education and wellness payable	4,502	-	4,502	5,044
Vacation and wages payable	56,951	-	56,951	48,351
Mortgage payable - current (Note 8)	9,330	-	9,330	8,902
Deferred revenue (Note 7)	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
	82,134	-	82,134	99,503
MORTGAGE PAYABLE (Note 8)	<u>55,931</u>	<u>-</u>	<u>55,931</u>	<u>65,291</u>
	<u>138,065</u>	<u>-</u>	<u>138,065</u>	<u>164,794</u>
 CONTINGENT LIABILITY (Note 11)				
NET ASSETS				
Externally restricted	-	-	-	15,000
Internally restricted				
Future costs	-	300,000	300,000	280,000
Building fund	-	165,000	165,000	100,000
Unrestricted	216,724	-	216,724	113,575
Invested in capital assets	<u>1,545,083</u>	<u>-</u>	<u>1,545,083</u>	<u>1,606,564</u>
	<u>1,761,807</u>	<u>465,000</u>	<u>2,226,807</u>	<u>2,115,139</u>
	<u>\$ 1,899,872</u>	<u>\$ 465,000</u>	<u>\$ 2,364,872</u>	<u>\$ 2,279,933</u>

See accompanying notes

Approved on behalf of the Board:



Director



Director

REGINA TRANSITION WOMEN'S SOCIETY

Statement of Operations Year Ended March 31, 2015

	<u>Operating Budget</u>	<u>2015 Total</u>	<u>2014 Total</u>
REVENUES			
Grant Funding			
Ministry of Justice	\$ 815,200	\$ 815,200	\$ 815,200
United Way Regina	76,300	75,877	84,185
City of Regina	35,000	35,000	20,000
Saskatchewan Housing Corporation			
- mortgage subsidies	4,552	4,552	4,552
Project grants	52,313	44,446	6,825
Farm Credit Canada	-	-	15,000
Donations	120,000	143,703	53,045
Fundraising	120,000	138,024	142,005
Memberships	350	270	270
Investment income	2,000	7,100	707
Other income	-	1,200	-
	<u>1,225,715</u>	<u>1,265,372</u>	<u>1,141,789</u>
EXPENSES			
Salaries	705,265	696,523	694,181
Project salaries	11,880	16,294	8,316
Employee benefits	115,310	104,989	107,181
Training and professional development	16,000	18,530	17,764
Building occupancy (<i>Schedule 1</i>)	148,143	167,225	150,743
Administrative expenses (<i>Schedule 1</i>)	61,400	59,939	49,767
Purchased services (<i>Schedule 1</i>)	94,200	90,204	94,228
Capital campaign (<i>Schedule 1</i>)	-	-	4,595
	<u>1,152,198</u>	<u>1,153,704</u>	<u>1,126,775</u>
EXCESS OF REVENUE (EXPENSES)	\$ <u>73,517</u>	\$ <u>111,668</u>	\$ <u>15,014</u>

See accompanying notes

REGINA TRANSITION WOMEN'S SOCIETY

Statement of Changes in Net Assets
Year Ended March 31, 2015

		Operating	Capital Fund	Future Costs		
		Invested in				
		Capital				
		Assets				
		Unrestricted	Externally Restricted	Internally Restricted	2014 Total	
		Total	Total	Total	2015 Total	
NET ASSETS - beginning of year	\$ 113,575	\$ 1,606,564	\$ 1,720,139	\$ 115,000	\$ 2,115,139	\$ 2,100,125
INTERFUND TRANSFERS (Note 10)						
- transfers	(70,000)	-	(70,000)	(15,000)	65,000	50,000
- mortgage repayment	(8,932)	8,932	-	-	-	-
- purchase of capital assets	(37,836)	37,836	-	-	-	-
EXCESS OF REVENUE (EXPENSES)	<u>219,917</u>	<u>(108,249)</u>	<u>111,668</u>	<u>-</u>	<u>111,668</u>	<u>15,014</u>
NET ASSETS - end of year	\$ 216,724	\$ 1,545,083	\$ 1,761,807	\$ 165,000	\$ 300,000	\$ 2,115,139

See accompanying notes

REGINA TRANSITION WOMEN'S SOCIETY

Statement of Cash Flow Year Ended March 31, 2015

	<u>2015</u>	<u>2014</u>
OPERATING ACTIVITIES		
Excess of revenue (expenses)	\$ 111,668	\$ 15,014
Plus item not affecting cash:		
- amortization	108,249	97,385
- unrealized loss (gain) on investments	<u>(299)</u>	<u>(438)</u>
	<u>219,618</u>	111,961
Net change in non-cash current		
- assets	(6,096)	307,990
- liabilities	<u>(17,797)</u>	<u>(117,267)</u>
Net cash from operating activities	<u>195,725</u>	<u>302,684</u>
INVESTING ACTIVITIES		
Purchase of investments	(323)	(323)
Purchase of capital assets	<u>(37,836)</u>	<u>(76,055)</u>
Net cash from investing activities	<u>(38,159)</u>	<u>(76,378)</u>
FINANCING ACTIVITIES		
Repayment of debt	<u>(8,932)</u>	<u>(8,528)</u>
Net cash from financing activities	<u>(8,932)</u>	<u>(8,528)</u>
INCREASE IN CASH RESOURCES	148,634	217,778
CASH - beginning of year	<u>576,185</u>	<u>358,407</u>
CASH - end of year	<u>\$ 724,819</u>	<u>\$ 576,185</u>

See accompanying notes

REGINA TRANSITION WOMEN'S SOCIETY

Notes to the Financial Statements
March 31, 2015

1. NATURE OF THE ORGANIZATION

The Regina Transition Women's Society was created under the provisions of the Non-Profit Corporations Act and is a registered charity and as such, is exempt from income taxes.

Regina Transition House serves the needs of women and children through the provision of safe temporary shelter and support services. We provide education and offer a voice to address family violence.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

The Society follows the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue in the appropriate fund in the year received. 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.

Fundraising revenue and investment income are recognized in the period earned. Membership revenue is recognized when received.

Fund Accounting

A portion of the monies received by the Society may only be used for specific purposes and accordingly are accounted for in separate funds. Temporary transfers of monies between these funds are recorded as interfund receivables/payables. Permanent transfers are recorded as transfers in the net asset accounts.

The following major categories of funds include:

Unrestricted Operating Fund:

The operating fund reflects the primary operations of the Society including revenues received for the provision of services from the Ministry of Justice and Attorney General. Other revenue consists of grants, donations and fundraising revenue. Expenses are for the delivery of services.

Invested in Capital Assets:

The invested in capital assets consists of the book value of capital assets less related debt.

Capital Fund:

The capital fund has two parts, externally restricted capital funds and internally restricted reserves. The externally restricted capital fund includes revenue received as donations or from funding agents for construction of capital projects and/or the acquisition of capital assets. The internally restricted building fund has been restricted for the acquisition of new property or maintenance of the existing property.

REGINA TRANSITION WOMEN'S SOCIETY

Notes to the Financial Statements
March 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

Fund Accounting - cont'd

Future Costs Reserve Fund:

The future costs reserve fund has been internally restricted by the Society. The future costs fund has been earmarked as an emergency fund to contain up to three months operating costs.

Capital Assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized on a straight-line basis over their estimated useful lives as stated in Note 6. A full year of amortization is taken in the year of addition. Donated capital assets are recorded at their fair value at the date of contribution (if fair value can be reasonably determined).

Financial Instruments

Financial instruments are classified at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

Financial assets including cash and accounts receivable are reported at amortized cost. Investments are reported at fair value.

Financial liabilities including accounts payable, accrued liabilities and mortgage payable are measured at amortized cost.

3. CASH AND INVESTMENTS

	<u>2015</u>	<u>2014</u>
Cash	\$ 409,778	\$ 266,040
Guaranteed investment certificates	<u>315,041</u>	<u>310,145</u>
	<u>\$ 724,819</u>	<u>\$ 576,185</u>

GIC's bear interest between 0.9% and 2.0% and mature between September 21, 2015 and September 21, 2016.

Cash of the restricted fund includes an allocation of the above as all activity of the restricted fund is paid by the operating fund.

REGINA TRANSITION WOMEN'S SOCIETY

Notes to the Financial Statements March 31, 2015

4. ACCOUNTS RECEIVABLE

	<u>2015</u>	<u>2014</u>
<u>Operating</u>		
Goods and services tax rebate	\$ 2,489	\$ 2,548
Grants receivable	8,384	-
Other trade receivables	<u>1,644</u>	<u>935</u>
	<u>\$ 12,517</u>	<u>\$ 3,483</u>

5. INVESTMENTS

	<u>2015</u>	<u>2014</u>
Bank of Montreal shares	\$ 2,277	\$ 2,219
Life insurance bequests	<u>3,725</u>	<u>3,161</u>
	<u>\$ 6,002</u>	<u>\$ 5,380</u>

6. CAPITAL ASSETS

	2015			2014	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>	<u>Rates</u>
Land	\$ 31,737	\$ -	\$ 31,737	\$ 31,737	-
Buildings	1,904,343	422,763	1,481,580	1,557,754	4%
House equipment and security system	98,460	40,684	57,776	69,685	10-20%
Playground equipment	9,587	2,876	6,711	7,670	10%
Automotive	33,621	10,086	23,535	-	30%
Computer equipment	<u>23,440</u>	<u>14,435</u>	<u>9,005</u>	<u>13,911</u>	30%
	<u>\$ 2,101,188</u>	<u>\$ 490,844</u>	<u>\$ 1,610,344</u>	<u>\$ 1,680,757</u>	

7. DEFERRED REVENUE

Deferred revenue in the prior year was from the Mary Kay Ash Foundation for in-house childcare.

8. MORTGAGE PAYABLE

	<u>2015</u>	<u>2014</u>
SHC mortgage payable in monthly instalments of \$1,016 including interest at 4.69% with a renewal date of August 1, 2016; secured by the property.	\$ 65,261	\$ 74,193
Less current portion	<u>9,330</u>	<u>8,902</u>
	<u>\$ 55,931</u>	<u>\$ 65,291</u>

REGINA TRANSITION WOMEN'S SOCIETY

Notes to the Financial Statements
March 31, 2015

8. MORTGAGE PAYABLE - cont'd

Principal repayments in the next 5 years are estimated as follows:

2016 - \$	9,330
2017 - \$	9,777
2018 - \$	10,245
2019 - \$	10,736
2020 - \$	11,251

9. PENSION

Employees participate in the Public Employees Pension Plan (PEPP), which is a multi-employer defined contribution plan. The Board's financial obligation to the plan is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to \$26,778 (2014 - \$28,754).

10. INTERFUND TRANSFERS

During the year the board approved a transfer of \$20,000 to the internally restricted future costs fund and \$50,000 to the internally restricted capital fund from the unrestricted fund. The board also approved a transfer of \$15,000 from the externally restricted capital fund to the internally restricted building fund to close the fund as the expansion and renovation of the house is now complete.

11. CONTINGENT LIABILITY

Regina Transition Women's Society has contingent liabilities related to special funding received from Saskatchewan Housing Corporation. The Society would be required to repay the funding to Saskatchewan Housing Corporation if they do not meet the requirements of the funding agreement. The terms and balance remaining at year end are as follows:

Saskatchewan repair and adaptation program forgivable at \$12,491 per year over 15 years. Unforgiven amount payable on demand at principal plus accrued interest at 6.75%	\$ 167,582
Shelter enhancement program forgivable at \$36,667 per year over 3 years. Unforgiven amount payable on demand at principal plus accrued interest at 4.00%	91,667
	<u>\$ 259,249</u>

REGINA TRANSITION WOMEN'S SOCIETY

Notes to the Financial Statements
March 31, 2015

12. FINANCIAL INSTRUMENTS

The society is exposed to various risks through its financial instruments and management is responsible to monitor, evaluate and manage these risks. The following analysis provides information about the society's risk exposure and concentration as of March 31, 2015.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The society is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources, mortgage payable, contributions to the pension plan and accounts payable.

Interest rate

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society is exposed to interest rate risk primarily through its fixed rate mortgage.

13. BUDGET

Budgeted figures are presented for information purposes and are not subject to audit.

14. CORRESPONDING FIGURES

Some of the corresponding figures have been reclassified to conform to the current year's presentation.

REGINA TRANSITION WOMEN'S SOCIETY

Schedule of Expenses
Year Ended March 31, 2015

(Schedule 1)

	<u>Operating Budget</u>	<u>2015 Total</u>	<u>2014 Total</u>
<u>Building Occupancy</u>			
Interest expense	\$ 3,500	\$ 3,259	\$ 3,664
Utilities	16,000	18,063	14,455
Maintenance	21,000	27,434	25,390
Insurance	10,500	10,220	9,849
Amortization	97,143	108,249	97,385
	<u>\$ 148,143</u>	<u>167,225</u>	<u>\$ 150,743</u>
<u>Administrative Expenses</u>			
Audit and legal fees	\$ 13,000	\$ 14,822	\$ 12,755
Bank services charge	300	983	1,129
Fundraising	8,000	5,228	6,037
✓Supplies	8,000	9,190	8,149
✓Service contracts	10,000	8,752	7,169
Telephone and fax	10,000	9,515	7,365
- Promotion and publicity	2,100	1,394	2,216
AGM and board	10,000	10,013	4,907
Volunteer purchases	-	29	40
Miscellaneous	-	13	-
	<u>\$ 61,400</u>	<u>\$ 59,939</u>	<u>\$ 49,767</u>
<u>Purchased Services</u>			
- Transportation	\$ 17,000	\$ 18,882	\$ 18,203
Food and household supplies	60,000	56,943	65,848
Client personal/medical supplies	2,200	1,815	1,635
Recreation, education and project	15,000	12,564	8,542
	<u>\$ 94,200</u>	<u>\$ 90,204</u>	<u>\$ 94,228</u>
<u>Capital Campaign</u>			
Fundraising promotion	\$ -	\$ -	\$ 4,595