

REGINA TRANSITION WOMEN'S SOCIETY

Financial Statements

Year Ended March 31, 2014

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 Mintz & Wallace Chartered Accountants LLP, in accordance with Canadian generally accepted auditing standards.

Executive Director

Treasurer

Regina, Saskatchewan
June 17, 2014

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, 2014, 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.

(continues)

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 over 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, 2014 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.

Regina, Saskatchewan
June 17, 2014



Mintz & Wallace
Chartered Accountants LLP

REGINA TRANSITION WOMEN'S SOCIETY

Statement of Financial Position As at March 31, 2014

<u>ASSETS</u>	<u>Operating</u>	<u>Restricted</u>	<u>2014</u>	<u>2013</u>
CURRENT				
Cash and investments (Note 3)	\$ 181,185	\$ 395,000	\$ 576,185	\$ 358,407
Accounts receivable (Note 4)	3,483	-	3,483	311,463
Prepaid expenses	<u>14,128</u>	<u>-</u>	<u>14,128</u>	<u>14,138</u>
	198,796	395,000	593,796	684,008
INVESTMENTS (Note 5)	5,380	-	5,380	4,619
CAPITAL ASSETS (Note 6)	<u>1,680,757</u>	<u>-</u>	<u>1,680,757</u>	<u>1,702,087</u>
	\$ <u>1,884,933</u>	\$ <u>395,000</u>	\$ <u>2,279,933</u>	\$ <u>2,390,714</u>
 <u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES				
Accounts payable	\$ 27,206	\$ -	\$ 27,206	\$ 125,642
Employee education and wellness payable	5,044	-	5,044	4,936
Vacation and wages payable	48,351	-	48,351	77,290
Mortgage payable - current (Note 8)	8,902	-	8,902	8,493
Deferred revenue (Note 7)	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
	99,503	-	99,503	216,361
MORTGAGE PAYABLE (Note 8)	<u>65,291</u>	<u>-</u>	<u>65,291</u>	<u>74,228</u>
	<u>164,794</u>	<u>-</u>	<u>164,794</u>	<u>290,589</u>
CONTINGENT LIABILITY (Note 12)				
NET ASSETS				
Externally restricted	-	15,000	15,000	-
Internally restricted				
Future costs	-	280,000	280,000	220,000
Building fund	-	100,000	100,000	142,162
Unrestricted	<u>1,720,139</u>	<u>-</u>	<u>1,720,139</u>	<u>1,737,963</u>
	<u>1,720,139</u>	<u>395,000</u>	<u>2,115,139</u>	<u>2,100,125</u>
	\$ <u>1,884,933</u>	\$ <u>395,000</u>	\$ <u>2,279,933</u>	\$ <u>2,390,714</u>

See accompanying notes

Approved on behalf of the Board:

_____ Director

_____ Director

REGINA TRANSITION WOMEN'S SOCIETY

Statement of Operations Year Ended March 31, 2014

	<u>Operating Budget</u>	<u>Operating</u>	<u>Capital Fund</u>	<u>2014 Total</u>	<u>2013 Total</u>
REVENUES					
Grant Funding					
Ministry of Justice	\$ 815,200	\$ 815,200	\$ -	\$ 815,200	\$ 668,900
United Way Regina	84,779	84,185	-	84,185	86,555
City of Regina	20,000	20,000	-	20,000	18,510
Saskatchewan Housing Corporation					
- mortgage subsidies	4,552	4,552	-	4,552	4,552
- repair and adaptation program	-	-	-	-	187,359
- shelter enhancement program	-	-	-	-	110,000
Project grants	5,061	6,825	-	6,825	5,248
Government of Canada	-	-	-	-	51,200
Farm Credit Canada	-	-	15,000	15,000	-
Donations	81,789	127,477	68	127,545	330,397
Fundraising	45,000	67,505	-	67,505	60,545
Memberships	350	270	-	270	285
Investment income	2,000	707	-	707	680
	<u>1,058,731</u>	<u>1,126,721</u>	<u>15,068</u>	<u>1,141,789</u>	<u>1,524,231</u>
EXPENSES					
Salaries	664,784	694,181	-	694,181	610,088
Project salaries	10,500	8,316	-	8,316	5,248
Employee benefits	111,800	107,181	-	107,181	83,821
Training and professional development	15,000	17,764	-	17,764	8,067
Building occupancy (Schedule 1)	135,247	150,743	-	150,743	125,779
Administrative expenses (Schedule 1)	46,300	49,767	-	49,767	38,444
Purchased services (Schedule 1)	75,100	94,228	-	94,228	60,845
Capital campaign (Schedule 1)	-	-	4,595	4,595	13,755
	<u>1,058,731</u>	<u>1,122,180</u>	<u>4,595</u>	<u>1,126,775</u>	<u>946,047</u>
EXCESS OF REVENUE (EXPENSES)	<u>\$ -</u>	<u>\$ 4,541</u>	<u>\$ 10,473</u>	<u>\$ 15,014</u>	<u>\$ 578,184</u>

See accompanying notes

REGINA TRANSITION WOMEN'S SOCIETY

Statement of Changes in Net Assets Year Ended March 31, 2014

	Operating <u>Unrestricted</u>	Capital Fund		Future Costs Internally <u>Restricted</u>	2013 <u>Total</u>
		<u>Externally Restricted</u>	<u>Internally Restricted</u>		
NET ASSETS - beginning of year	\$ 1,737,963	\$ -	\$ 142,162	\$ 220,000	\$ 1,521,941
INTERFUND TRANSFERS (Note 10) - transfers	(22,365)	4,527	(42,162)	60,000	-
EXCESS OF REVENUE (EXPENSES)	<u>4,541</u>	<u>10,473</u>	<u>-</u>	<u>-</u>	<u>578,184</u>
NET ASSETS - end of year	\$ <u>1,720,139</u>	\$ <u>15,000</u>	\$ <u>100,000</u>	\$ <u>280,000</u>	\$ <u>2,100,125</u>
			\$ <u>142,162</u>	\$ <u>115,000</u>	\$ <u>2,115,139</u>
			\$ <u>10,473</u>	\$ <u>15,014</u>	\$ <u>2,100,125</u>

See accompanying notes

REGINA TRANSITION WOMEN'S SOCIETY

Statement of Cash Flow Year Ended March 31, 2014

	<u>2014</u>	<u>2013</u>
OPERATING ACTIVITIES		
Excess of revenue (expenses)	\$ 15,014	\$ 578,184
Plus item not affecting cash:		
- amortization	97,385	87,246
- unrealized loss (gain) on investments	<u>(438)</u>	<u>(273)</u>
	111,961	665,157
Net change in non-cash current		
- assets	307,990	(301,430)
- liabilities	<u>(117,267)</u>	<u>(20,446)</u>
Net cash from operating activities	<u>302,684</u>	<u>343,281</u>
INVESTING ACTIVITIES		
Purchase of investments	(323)	(342)
Purchase of capital assets	<u>(76,055)</u>	<u>(617,398)</u>
Net cash from investing activities	<u>(76,378)</u>	<u>(617,740)</u>
FINANCING ACTIVITIES		
Repayment of debt	<u>(8,528)</u>	<u>(8,151)</u>
Net cash from financing activities	<u>(8,528)</u>	<u>(8,151)</u>
INCREASE (DECREASE) IN CASH RESOURCES	217,778	(282,610)
CASH - beginning of year	<u>358,407</u>	<u>641,017</u>
CASH - end of year	\$ <u>576,185</u>	\$ <u>358,407</u>

See accompanying notes

REGINA TRANSITION WOMEN'S SOCIETY

Notes to the Financial Statements
March 31, 2014

1. NATURE OF THE ORGANIZATION

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

The mission of the Society is to provide safe temporary shelter and support services for women and children fleeing from any form of violence or abuse.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPO).

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:

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.

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, 2014

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>2014</u>	<u>2013</u>
Cash	\$ 266,040	\$ 358,407
Guaranteed investment certificates	<u>310,145</u>	<u>-</u>
	<u>\$ 576,185</u>	<u>\$ 358,407</u>

GIC's bear interest between 1.3% and 2.0% and mature between March 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, 2014

4. ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
<u>Operating</u>		
Goods and services tax rebate	\$ 2,548	\$ 7,976
Other trade receivables	<u>935</u>	<u>2,913</u>
	<u>3,483</u>	<u>10,889</u>
<u>Restricted</u>		
Saskatchewan Housing Corporation - grant funding	-	297,359
Government of Canada - grant funding	<u>-</u>	<u>3,215</u>
	<u>-</u>	<u>300,574</u>
	<u>\$ 3,483</u>	<u>\$ 311,463</u>

5. INVESTMENTS

	<u>2014</u>	<u>2013</u>
Bank of Montreal shares	\$ 2,219	\$ 1,900
Life insurance bequests	<u>3,161</u>	<u>2,719</u>
	<u>\$ 5,380</u>	<u>\$ 4,619</u>

6. CAPITAL ASSETS

	-----2014-----			---2013---	
	<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	346,589	1,557,754	1,596,927	4%
House equipment and security system	140,939	71,254	69,685	62,945	10-20%
Playground equipment	9,587	1,917	7,670	8,628	10%
Automotive	36,392	36,392	-	-	30%
Computer equipment	<u>30,812</u>	<u>16,901</u>	<u>13,911</u>	<u>1,850</u>	30%
	<u>\$ 2,153,810</u>	<u>\$ 473,053</u>	<u>\$ 1,680,757</u>	<u>\$ 1,702,087</u>	

7. DEFERRED REVENUE

Deferred revenue includes funding from the Mary Kay Ash Foundation to be used for children's programming and in-house childcare for clients of Regina Transition Women's Society.

REGINA TRANSITION WOMEN'S SOCIETY

Notes to the Financial Statements March 31, 2014

8. MORTGAGE PAYABLE

	<u>2014</u>	<u>2013</u>
SHC mortgage payable in monthly instalments of \$1,106 including interest at 4.69% with a renewal date of August 1, 2016; secured by the property.	\$ 74,193	\$ 82,721
Less current portion	<u>8,902</u>	<u>8,493</u>
	<u>\$ 65,291</u>	<u>\$ 74,228</u>

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

2015 - \$ 8,902
2016 - \$ 9,328
2017 - \$ 9,775
2018 - \$ 10,244
2019 - \$ 10,735

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 \$28,754 (2013 - \$22,612).

10. INTERFUND TRANSFERS

During the year the board approved a transfer of \$42,162 from the internally restricted building fund and \$17,838 from the unrestricted fund to the internally restricted future costs fund so the reserve contains three months operating costs.

The board also approved a transfer of \$4,527 from the unrestricted fund to the externally restricted fund to cover the final costs related to the expansion and renovation of the house.

11. COMMITMENTS

As at March 31, 2014 the Society has a commitment of \$3,800 related to a strategic planning session that will be held subsequent to yearend.

REGINA TRANSITION WOMEN'S SOCIETY

Notes to the Financial Statements March 31, 2014

12. 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%	\$ 179,032
Shelter enhancement program forgivable over 3 years at an incremental rate. Unforgiven amount payable on demand at principal plus accrued interest at 4.00%	97,778
	<u>\$ 276,810</u>

13. FINANCIAL INSTRUMENTS

The society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the society's risk exposure and concentration as of March 31, 2014.

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.

14. BUDGET

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

REGINA TRANSITION WOMEN'S SOCIETY

Schedule of Expenses Year Ended March 31, 2014

(Schedule 1)

	<u>Operating Budget</u>	<u>Operating</u>	<u>Capital Fund</u>	<u>2014 Total</u>	<u>2013 Total</u>
<u>Building Occupancy</u>					
Interest expense	\$ 4,040	\$ 3,664	\$ -	\$ 3,664	\$ 4,041
Utilities	17,500	14,455	-	14,455	14,158
Maintenance	16,000	25,390	-	25,390	11,048
Insurance	10,000	9,849	-	9,849	9,286
Amortization	<u>87,707</u>	<u>97,385</u>	-	<u>97,385</u>	<u>87,246</u>
	<u>\$ 135,247</u>	<u>\$ 150,743</u>	<u>\$ -</u>	<u>\$ 150,743</u>	<u>\$ 125,779</u>
<u>Administrative Expenses</u>					
Audit and legal fees	\$ 10,000	\$ 12,755	\$ -	\$ 12,755	\$ 8,713
Bank services charge	300	1,129	-	1,129	123
Fundraising	7,000	6,037	-	6,037	6,101
Supplies	7,500	8,149	-	8,149	6,514
Service contracts	8,000	7,169	-	7,169	7,013
Telephone and fax	8,500	7,365	-	7,365	7,293
Promotion and publicity	2,000	2,216	-	2,216	466
AGM and board	3,000	4,907	-	4,907	2,021
Volunteer purchases	-	40	-	40	200
	<u>\$ 46,300</u>	<u>\$ 49,767</u>	<u>\$ -</u>	<u>\$ 49,767</u>	<u>\$ 38,444</u>
<u>Purchased Services</u>					
Transportation	\$ 15,000	\$ 18,203	\$ -	\$ 18,203	\$ 12,525
Food and household supplies	40,000	65,848	-	65,848	31,310
Client personal/medical supplies	2,100	1,635	-	1,635	1,339
Recreation, education and project	<u>18,000</u>	<u>8,542</u>	-	<u>8,542</u>	<u>15,671</u>
	<u>\$ 75,100</u>	<u>\$ 94,228</u>	<u>\$ -</u>	<u>\$ 94,228</u>	<u>\$ 60,845</u>
<u>Capital Campaign</u>					
Fundraising consultant	\$ -	\$ -	\$ -	\$ -	\$ 875
Fundraising promotion	-	-	4,595	4,595	4,550
Fundraising costs	-	-	-	-	8,330
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,595</u>	<u>\$ 4,595</u>	<u>\$ 13,755</u>