

REGINA TRANSITION HOUSE INC.

Financial Statements

Year Ended March 31, 2016

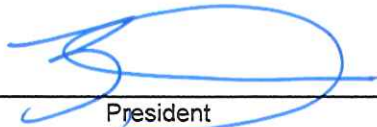
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Regina Transition House Inc. (formerly 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 House Inc.'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.



President



Executive Director

Regina, SK
June 14, 2016



Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Directors of Regina Transition House Inc.

We have audited the accompanying financial statements of Regina Transition House Inc., (formerly Regina Transition Women's Society) which comprise the statement of financial position as at March 31, 2016 and the statements of operations, changes in 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 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 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

Basis for Qualified Opinion

In common with many charitable organizations, the Corporation is unable to economically implement controls that will offer assurance on the completeness of donations and fundraising revenues and we are unable to satisfy ourselves on amounts reported using other procedures. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Corporation 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 House Inc. as at March 31, 2016 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.

Emphasis of Matter

We draw your attention to Note 1 of the financial statements which provides information on the change in the name of the Corporation in the current year. Our opinion is not modified with respect to this matter.



Chartered Professional Accountants

Regina, Saskatchewan
June 14, 2016

REGINA TRANSITION HOUSE INC.

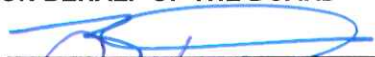

Statement of Financial Position

March 31, 2016

	Operating	Restricted	2016	2015
ASSETS				
CURRENT				
Cash and investments (Note 3)	\$ 336,557	\$ 475,000	\$ 811,557	\$ 724,819
Accounts receivable (Note 4)	5,733	-	5,733	12,517
Prepaid expenses	13,546	-	13,546	11,190
	355,836	475,000	830,836	748,526
INVESTMENTS (Note 5)	6,364	-	6,364	6,002
CAPITAL ASSETS (Note 6)	1,541,872	-	1,541,872	1,610,344
	\$ 1,904,072	\$ 475,000	\$ 2,379,072	\$ 2,364,872
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable	\$ 51,215	\$ -	\$ 51,215	\$ 11,349
Employee education and wellness	3,956	-	3,956	4,502
Vacation and wages payable	60,314	-	60,314	56,951
Current portion of long term debt (Note 7)	9,777	-	9,777	9,330
Deferred revenue (Note 8)	2,000	-	2,000	-
	127,262	-	127,262	82,132
LONG TERM DEBT (Note 7)	46,154	-	46,154	55,931
	173,416	-	173,416	138,063
NET ASSETS				
Operating				
Unrestricted	244,715	-	244,715	216,725
Invested in capital assets	1,485,941	-	1,485,941	1,545,084
Internally restricted				
Future costs	-	300,000	300,000	300,000
Building fund	-	175,000	175,000	165,000
	1,730,656	475,000	2,205,656	2,226,809
	\$ 1,904,072	\$ 475,000	\$ 2,379,072	\$ 2,364,872

CONTINGENT LIABILITY (Note 11)

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

See accompanying notes

REGINA TRANSITION HOUSE INC.

Statement of Operations

For the Year Ended March 31, 2016

	Operating Budget	2016	2015
REVENUES			
<u>Grant funding</u>			
Ministry of Justice	\$ 823,352	\$ 823,350	\$ 815,200
United Way Regina	75,877	75,877	75,877
City of Regina	27,000	27,000	35,000
Saskatchewan Housing Corporation - mortgage subsidies	4,552	4,552	4,552
Project grants	36,917	34,647	44,446
<u>Other sources</u>			
Donations	105,816	96,870	143,703
Fundraising	120,000	148,340	138,024
Memberships	350	195	270
Investment income	8,000	4,170	7,100
Other income	-	4,045	1,200
	<u>1,201,864</u>	<u>1,219,046</u>	<u>1,265,372</u>
EXPENSES			
Salaries	732,500	732,450	696,523
Project salaries	6,500	6,546	16,294
Employee benefits	112,529	109,084	104,989
Training and professional development	16,000	19,842	18,530
Building occupancy (<i>Schedule 1</i>)	167,200	169,984	167,225
Administrative (<i>Schedule 2</i>)	116,500	96,962	59,939
Purchased services (<i>Schedule 3</i>)	99,200	105,331	90,204
	<u>1,250,429</u>	<u>1,240,199</u>	<u>1,153,704</u>
EXCESS OF REVENUES (EXPENSES)	<u>\$ (48,565)</u>	<u>\$ (21,153)</u>	<u>\$ 111,668</u>

See accompanying notes

REGINA TRANSITION HOUSE INC.

Statement of Changes in Net Assets

Year Ended March 31, 2016

	2015 Balance	Excess of revenues (expenses)	Interfund transfers (Note 9)	2016 Balance
<u>Operating</u>				
Unrestricted	\$ 216,725	\$ 87,265	\$ (49,275)	\$ 254,715
Invested in Capital Assets	1,545,084	(108,418)	49,275	1,485,941
	<u>1,761,809</u>	<u>(21,153)</u>	<u>-</u>	<u>1,740,656</u>
<u>Internally Restricted</u>				
Future Costs	300,000	-	-	300,000
Capital Fund	165,000	-	-	165,000
	<u>465,000</u>	<u>-</u>	<u>-</u>	<u>465,000</u>
	<u>\$ 2,226,809</u>	<u>\$ (21,153)</u>	<u>\$ -</u>	<u>\$ 2,205,656</u>

See accompanying notes

REGINA TRANSITION HOUSE INC.

Statement of Cash Flows Year Ended March 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ (21,153)	\$ 111,668
Amortization	108,418	108,249
Unrealized gain on investment	(39)	(299)
	<u>87,226</u>	<u>219,618</u>
Changes in non-cash working capital:		
Accounts receivable	6,784	(9,034)
Accounts payable	39,865	(15,855)
Deferred revenue	2,000	(10,000)
Prepaid expenses	(2,356)	2,938
Wages payable	3,363	8,600
Employee education and wellness	(546)	(542)
	<u>49,110</u>	<u>(23,893)</u>
Cash flow from operating activities	<u>136,336</u>	<u>195,725</u>
INVESTING ACTIVITIES		
Purchase of investments	(323)	(323)
Purchase of capital assets	(39,945)	(37,836)
Net cash from investing activities	<u>(40,268)</u>	<u>(38,159)</u>
FINANCING ACTIVITY		
Repayment of long term debt	(9,330)	(8,932)
Cash flow from (used by) financing activity	<u>(9,330)</u>	<u>(8,932)</u>
INCREASE IN CASH FLOW	86,738	148,634
CASH - BEGINNING OF YEAR	<u>724,819</u>	<u>576,185</u>
CASH - END OF YEAR	<u>\$ 811,557</u>	<u>\$ 724,819</u>

See accompanying notes

REGINA TRANSITION HOUSE INC.

Notes to Financial Statements

Year Ended March 31, 2016

1. NATURE OF THE ORGANIZATION

The Regina Transition House Inc. (the "Corporation") was created under the provisions of the Non-Profit Corporation Act and is a registered charity and as such, is exempt from income taxes.

The Corporation serves the needs of women and children through the provision of safe temporary shelter and support services and they provide education and offer a voice to address family violence.

In the current year, the Corporation officially changed their name from Regina Transition Women's Society to Regina Transition House Inc.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Fund accounting

A portion of the monies received by the Corporation 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 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 Corporation 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 service

Invested in Capital Assets

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

Building fund

The building fund has been internally restricted by the Corporation for the acquisition of new property or maintenance of the existing property.

Future Costs

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

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REGINA TRANSITION HOUSE INC.

Notes to Financial Statements

Year Ended March 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Corporation follows the restricted fund method of accounting for contributions, which include grants, donations and sponsorships. Restricted contributions are recognized as revenue in 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.

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. 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.)

Land		non-depreciable
Buildings	4%	straight-line method
Household equipment & security system	10 - 20%	straight-line method
Playground equipment	10%	straight-line method
Automotive	30%	straight-line method
Computer equipment	30%	straight-line method

Financial instruments policy

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 long term debt are measured at amortized cost.

3. CASH AND INVESTMENTS

	2016	2015
Cash	\$ 493,541	\$ 409,778
Guaranteed investment certificates	318,016	315,041
	<u>\$ 811,557</u>	<u>\$ 724,819</u>

GIC's bear interest between 0.49% and 2.0% and mature between April 2, 2016 and March 31, 2017.

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

REGINA TRANSITION HOUSE INC.

Notes to Financial Statements

Year Ended March 31, 2016

4. ACCOUNTS RECEIVABLE

	2016	2015
Goods and services tax rebate	\$ 2,607	\$ 2,489
Grants receivable	2,440	8,384
Other trade receivables	686	1,644
	\$ 5,733	\$ 12,517

5. INVESTMENTS

	2016	2015
Bank of Montreal shares	\$ 2,366	\$ 2,277
Life insurance bequests	3,998	3,725
	\$ 6,364	\$ 6,002

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Land	\$ 31,737	\$ -	\$ 31,737	\$ 31,737
Buildings	1,941,448	498,744	1,442,704	1,481,581
Household equipment & security system	98,460	54,858	43,602	57,775
Playground equipment	9,587	3,835	5,752	6,711
Automotive	33,621	20,173	13,448	23,535
Computer equipment	26,281	21,652	4,629	9,005
	\$ 2,141,134	\$ 599,262	\$ 1,541,872	\$ 1,610,344

7. LONG TERM DEBT

	2016	2015
SHC loan bearing interest at 4.69% per annum, repayable in monthly blended payments of \$1,016. The loan matures on May 1, 2021 with a renewal date of August 1, 2016 and is secured by a mortgage on the property.	\$ 55,931	\$ 65,261
Amounts payable within one year	(9,777)	(9,330)
	\$ 46,154	\$ 55,931

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REGINA TRANSITION HOUSE INC.

Notes to Financial Statements

Year Ended March 31, 2016

7. LONG TERM DEBT (continued)

Principal repayment terms are approximately:

2017	\$	9,777
2018		10,245
2019		10,736
2020		11,251
2021		11,790

8. DEFERRED REVENUE

Deferred revenue consists of funding received for improvements to the living quarters which were not completed in the year. The improvements will be completed in the subsequent year.

9. INTERFUND TRANSFERS

Transfers from the Unrestricted Fund to the Invested in Capital Asset Fund of \$49,275 include \$9,330 for the scheduled repayment of the mortgage and \$39,945 for the acquisition of capital assets.

10. PENSION

Employees participate in the Public Employee 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 \$28,868 (2015 - \$29,537).

11. CONTINGENT LIABILITY

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

	2016	2015
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%.	\$ 155,092	\$ 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%.	55,000	91,667
	<u>\$ 210,092</u>	<u>\$ 259,249</u>

REGINA TRANSITION HOUSE INC.

Notes to Financial Statements

Year Ended March 31, 2016

12. FINANCIAL INSTRUMENTS

The Corporation 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 Corporation's risk exposure and concentration as of March 31, 2016.

Liquidity risk

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

Interest rate risk

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 Corporation 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.

REGINA TRANSITION HOUSE INC.

Building Occupancy

(Schedule 1)

Year Ended March 31, 2016

	Budget	2016	2015
Interest expense	\$ 3,000	\$ 2,862	\$ 3,259
Utilities	18,000	19,618	18,063
Maintenance	28,000	28,843	27,434
Insurance	10,500	10,243	10,220
Amortization	107,700	108,418	108,249
	<u>\$ 167,200</u>	<u>\$ 169,984</u>	<u>\$ 167,225</u>

Administrative Expenses

(Schedule 2)

Year Ended March 31, 2016

	Budget	2016	2015
Audit and legal fees	\$ 18,000	\$ 13,292	\$ 14,822
Bank service charges	1,000	1,471	982
Fundraising	10,000	12,751	5,229
Supplies	8,000	17,760	9,190
Service contracts	12,000	13,507	8,753
Telephone and fax	16,000	13,812	9,515
Promotion and publicity	45,000	17,654	1,394
AGM and Board	6,500	6,715	10,013
Volunteer purchases	-	-	29
Miscellaneous	-	-	12
	<u>\$ 116,500</u>	<u>\$ 96,962</u>	<u>\$ 59,939</u>

Purchased Services

(Schedule 3)

Year Ended March 31, 2016

	Budget	2016	2015
Transportation	\$ 20,000	\$ 21,647	\$ 18,883
Food and household supplies	65,000	71,280	56,942
Client personal/medical supplies	2,200	1,522	1,815
Recreation, education and project	12,000	10,882	12,564
	<u>\$ 99,200</u>	<u>\$ 105,331</u>	<u>\$ 90,204</u>

See accompanying notes