

**PINCHER CREEK WOMEN'S EMERGENCY SHELTER ASSOCIATION**

**FINANCIAL STATEMENTS**

**For the year ended March 31, 2021**

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**PINCHER CREEK WOMEN'S EMERGENCY SHELTER ASSOCIATION**  
**TABLE OF CONTENTS**  
**March 31, 2021**

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<b>INDEPENDENT AUDITOR'S REPORT</b>	1 - 2
<b>FINANCIAL STATEMENTS</b>	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF OPERATIONS	4
STATEMENT OF CHANGES IN NET ASSETS	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 10



CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors of  
Pincher Creek Women's Emergency Shelter Association

### *Opinion*

We have audited the financial statements of Pincher Creek Women's Emergency Shelter Association, which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Pincher Creek Women's Emergency Shelter Association as at March 31, 2021 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.

### *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 Association 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.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

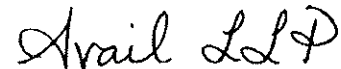
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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:

## INDEPENDENT AUDITOR'S REPORT, continued

### *Auditor's Responsibilities for the Audit of the Financial Statements, continued*

- ♦ 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 Association'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 Association'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 Association 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.



Pincher Creek, Alberta

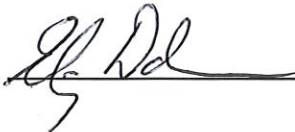
June 23, 2021

Chartered Professional Accountants

**PINCHER CREEK WOMEN'S EMERGENCY SHELTER ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
As at March 31, 2021

	2021	2020
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 221,951	\$ 127,323
Restricted cash (note 3)	101,839	75,902
GST receivable	1,538	1,369
Prepaid expenses	3,829	4,436
	329,157	209,030
<b>Investment</b>	204	204
<b>Capital assets (note 4)</b>	677,247	705,000
	\$ 1,006,608	\$ 914,234
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 126,648	\$ 134,740
Salaries payable	8,811	5,089
Deferred revenue (note 5)	107,724	4,981
Surplus retention reserve (note 6)	90,278	71,306
Current portion of long-term debt	-	21,667
	333,461	237,783
<b>Unamortized capital contributions (note 7)</b>	414,006	408,916
	747,467	646,699
<b>Net Assets</b>		
Unrestricted	(4,099)	(6,881)
Invested in capital assets	263,240	274,416
	259,141	267,535
	\$ 1,006,608	\$ 914,234

Approved on behalf of the board:

Director  \_\_\_\_\_

Director  \_\_\_\_\_

**PINCHER CREEK WOMEN'S EMERGENCY SHELTER ASSOCIATION**  
**STATEMENT OF OPERATIONS**  
For the year ended March 31, 2021

	2021 Budget (Unaudited)	2021 Actual	2020 Actual
<b>Revenue</b>			
Alberta Human Services	\$ 997,391	\$ 997,391	\$ 997,391
Canadian Women's Foundation grant	-	19,808	-
Amortization of capital contributions	-	16,577	17,361
Critical Worker Benefit grant	-	14,211	-
Canada - Alberta Job Training grant	-	11,971	-
Donations- business/groups	5,000	8,454	12,926
Donations- individual	-	3,603	1,350
Casino	1,500	555	25,893
Miscellaneous	-	177	232
Memberships	-	70	50
Innovative Child Care	100	-	-
Surplus adjustment	-	(27,688)	(57,260)
	1,003,991	1,045,129	997,943
<b>Expenses</b>			
Client development	715,586	693,636	640,451
Administration wages	144,927	162,217	160,500
Administration	52,578	55,834	56,454
Facility	37,000	42,917	65,750
Direct client costs	25,100	40,994	21,127
Office	16,500	17,907	15,306
Vehicle	7,300	6,213	7,262
Amortization	-	33,805	33,190
	998,991	1,053,523	1,000,040
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 5,000</b>	<b>\$ (8,394)</b>	<b>\$ (2,097)</b>

**PINCHER CREEK WOMEN'S EMERGENCY SHELTER ASSOCIATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
For the year ended March 31, 2021

	Unrestricted	Invested in capital assets	Total 2021	Total 2020
<b>Balance, beginning of year</b>	\$ (6,881)	\$ 274,416	\$ 267,535	\$ 269,632
<b>Deficiency of revenue over expenses</b>	(8,394)	-	(8,394)	(2,097)
<b>Amortization of capital assets</b>	33,805	(33,805)	-	-
<b>Purchase of capital assets</b>	(6,052)	6,052	-	-
<b>Capital contributions received</b>	21,667	(21,667)	-	-
<b>Amortization of capital contributions</b>	(16,577)	16,577	-	-
<b>Forgiveness of long-term debt</b>	(21,667)	21,667	-	-
<b>Balance, end of year</b>	\$ (4,099)	\$ 263,240	\$ 259,141	\$ 267,535

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**PINCHER CREEK WOMEN'S EMERGENCY SHELTER ASSOCIATION****STATEMENT OF CASH FLOWS**

For the year ended March 31, 2021

	2021	2020
<b>Cash flows from operating activities</b>		
Deficiency of revenue over expenses	\$ (8,394)	\$ (2,097)
Adjustments for items which do not affect cash		
Amortization of capital assets	33,805	33,190
Amortization of capital contributions	(16,577)	(17,361)
Loss on disposal of capital asset	-	846
	8,834	14,578
Change in non-cash working capital items		
GST receivable	(169)	(647)
Prepaid expenses	607	(1,852)
Accounts payable and accrued liabilities	(8,092)	28,973
Salaries payable	3,722	(20,656)
Deferred revenue	102,743	(23,862)
Surplus retention reserve	18,972	(16,253)
	126,617	(19,719)
<b>Cash flows from investing activity</b>		
Purchase of capital assets	(6,052)	(23,973)
<b>Cash flows from financing activities</b>		
Forgiveness of long-term debt	(21,667)	(21,667)
Capital contributions received	21,667	21,667
	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	120,565	(43,692)
<b>Cash and cash equivalents, beginning of year</b>	203,225	246,917
<b>Cash and cash equivalents, end of year</b>	\$ 323,790	\$ 203,225
<b>Cash and cash equivalents consist of:</b>		
Cash	\$ 221,951	\$ 127,323
Restricted cash	101,839	75,902
	\$ 323,790	\$ 203,225



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# PINCHER CREEK WOMEN'S EMERGENCY SHELTER ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

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### 1. Nature of operations

Pincher Creek Women's Emergency Shelter Association provides safe shelter and support services for women and children in Southwestern Alberta who are fleeing abusive situations. The Association is incorporated under the Societies Act of the Province of Alberta and is exempt from income taxes under the Income Tax Act, section 149(1)(f) as a charitable organization.

### 2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

(b) Cash and cash equivalents

The Association includes cash on hand and cash held by financial institutions in operating, surplus and casino accounts in the determination of cash and cash equivalents.

(c) Capital assets

Purchased capital assets are recorded at cost. Contributed assets are recorded at their fair value at the date of contribution. The Association provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Buildings	4%
Automotive	30%
Furniture and fixtures	20%
Computer equipment	30%

One-half the normal rate of amortization is recorded in the year of acquisition.

(d) Net assets invested in capital assets

Net assets invested in capital assets represents the unamortized portion of capital assets purchased with unrestricted resources, less related debt.

The Association has chosen to continue to treat net assets invested in capital assets as a separate component of net assets.

(e) Financial instruments

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

(f) Contributed services

Directors, committee members and owners volunteer their time to assist in the Association's activities. While these services benefit the Association considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

**PINCHER CREEK WOMEN'S EMERGENCY SHELTER ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended March 31, 2021

2. **Significant accounting policies, continued**

(g) **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 amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Significant areas subject to measurement uncertainty include deferred revenue, amortization of capital assets and amortization of capital contributions. Actual results could differ from those estimates.

3. **Restricted cash**

Restricted cash relates to funds received from the operation of a casino and prior year surplus requiring government approval. Withdrawal of these funds can only be made for purposes explicitly authorized.

	2021	2020
Surplus retention reserve	\$ 72,995	\$ 71,032
Casino	28,844	4,870
	\$ 101,839	\$ 75,902

4. **Capital assets**

			2021	2020
	Cost	Accumulated amortization	Net	Net
Land	\$ 44,500	\$ -	\$ 44,500	\$ 44,500
Buildings	960,154	361,448	598,706	621,137
Automotive	53,143	48,759	4,384	6,264
Furniture and fixtures	104,735	92,820	11,915	12,183
Computer equipment	43,051	25,309	17,742	20,916
	\$ 1,205,583	\$ 528,336	\$ 677,247	\$ 705,000

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**PINCHER CREEK WOMEN'S EMERGENCY SHELTER ASSOCIATION****NOTES TO THE FINANCIAL STATEMENTS**For the year ended March 31, 2021

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**5. Deferred revenue**

Deferred revenue is the amount of funding received but not spent as of March 31, 2021.

	Beginning of year	Amounts received	Interest earned	Amount spent	End of year
Casino Canadian Women's Foundation grant	\$ 4,981	\$ 24,430	\$ -	\$ (556)	\$ 28,855
	-	98,677	-	(19,808)	78,869
	\$ 4,981	\$ 123,107	\$ -	\$ (20,364)	\$ 107,724

**6. Surplus retention reserve**

The surplus retention reserve relates to the restriction of surplus funds from the prior year based on an agreement with Alberta Human Services. These funds may only be used by the Association subject to approval from the Ministry.

	2021	2020
Opening balance	\$ 71,306	\$ 87,559
Current year surplus	62,680	89,020
Amounts recognized as revenue	(9,491)	(31,161)
Adjustments to surplus approved by the ministry	28,463	14,908
Amounts repayable to the ministry	(62,680)	(89,020)
	\$ 90,278	\$ 71,306

**7. Unamortized capital contributions**

Unamortized capital contributions represent the externally funded portion of capital assets that will be recognized as revenue over the same period as the amortization of the related capital assets. The change in unamortized capital contribution balance for the year is as follows:

	2021	2020
Balance, beginning of year	\$ 408,916	\$ 404,610
Contributions received - building	21,667	21,667
Amortization of capital contributions	(16,577)	(17,361)
	\$ 414,006	\$ 408,916

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**PINCHER CREEK WOMEN'S EMERGENCY SHELTER ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended March 31, 2021**

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**8. Contingency**

Full time employees of the Association are allowed to accrue sick leave. As at March 31, 2021 the amount of accumulated sick leave was \$3,233 (2020 - \$2,450). The amount is not recorded in the financial statements as there is no certainty the full amount will be used. The amount of accumulated sick leave is not paid out to employees of the Association when they leave their position.

**9. Economic dependence**

The Association receives a significant amount of funding from Alberta Human Services. Accordingly, the ability of the Association to meet its future obligations is dependent upon the continued financial support from the Province.

**10. COVID-19**

Events have occurred as a result of the COVID-19 (coronavirus) pandemic that have caused economic uncertainty. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government responses, remain unclear at this time.

Some of the key impacts include, but are not limited to, interruptions of production and supply chains, unavailability of personnel, reductions in revenue, decline in value of financial investments, disruptions or stoppages in non-essential travel, and the closure of facilities and businesses.

The Association's main revenues have remained consistent during the year. The Association has utilized different grants to help with additional costs due to the pandemic. Emergency grant funding totaling \$98,677 was received from Women's Shelters Canada to cover costs related to preparing for and responding to COVID-19. The Association is following Government guidelines and has developed policies to ensure the safety of employees is maintained. Management is not aware of any material impairments that will impact the financial assets or liabilities of the Association due to the pandemic.

The situation is continually changing and the future impact on the Association is not readily determinable at this time.