

West Central Women's Resource Centre Inc.
Financial Statements
March 31, 2020

Independent Auditor's Report

To the Directors of West Central Women's Resource Centre Inc.:

Qualified Opinion

We have audited the financial statements of West Central Women's Resource Centre Inc. (the "Organization"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net assets (deficit) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2020, 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 Qualified Opinion

In common with many not-for-profit organizations, the Organization derives a portion of its revenue from fundraising initiatives, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donations revenue was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to donations revenue, excess of revenue over expenses, current assets and net assets (deficit).

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 qualified opinion.

Other Matter

The financial statements of the Organization for the year ended March 31, 2020 includes Schedule 1 - United Way's For Every Family Initiative which was not subject to audit verification and therefore is unaudited.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 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.

Those charged with governance are responsible for overseeing the Organization'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:

- 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.

Winnipeg, Manitoba

September 14, 2020

MNP LLP

Chartered Professional Accountants

West Central Women's Resource Centre Inc.
Statement of Financial Position

As at March 31, 2020

	2020	2019
Assets		
Current		
Cash	88,232	3,272
Accounts receivable (Note 4)	206,011	198,451
Prepaid expenses	8,661	1,130
Inventory	1,545	3,623
Deposit (Note 5)	200,000	200,000
	504,449	406,476
Capital assets (Note 6)	677,997	741,206
	1,182,446	1,147,682
Liabilities		
Current		
Bank indebtedness (Note 7)	-	54,746
Accounts payable and accruals	69,540	88,876
Deferred contributions (Note 8)	121,759	79,927
	191,299	223,549
Term loan due on demand (Note 9)	280,270	289,214
	471,569	512,763
Deferred capital contributions (Note 10)	537,884	603,623
	1,009,453	1,116,386
Contingencies (Note 11)		
Net Assets (Deficit)		
Unrestricted (deficit)	113,150	(17,073)
Invested in capital assets	59,843	48,369
	172,993	31,296
	1,182,446	1,147,682

Approved on behalf of the Board


Director


Director

The accompanying notes are an integral part of these financial statements

West Central Women's Resource Centre Inc.
Statement of Operations
For the year ended March 31, 2020

	2020	2019
Revenue		
Grant revenue	1,793,602	1,520,971
Amortization of deferred capital contributions	71,537	68,136
Other income	63,654	57,313
Donations	103,779	39,102
	2,032,572	1,685,522
Expenses		
Administrative	19,929	10,047
Amortization	70,951	70,975
Consulting	4,875	-
Information technology	22,551	14,904
Insurance	7,764	5,963
Interest on term loan due on demand	30,999	7,844
Office	32,921	34,082
Professional development	22,911	23,741
Professional fees	12,493	10,686
Program expenses (Note 12)	290,456	276,457
Property taxes	6,793	6,582
Repairs and maintenance	63,647	16,045
Salaries and benefits	1,287,861	1,163,831
Utilities	16,724	31,113
	1,890,875	1,672,270
Excess of revenue over expenses	141,697	13,252

The accompanying notes are an integral part of these financial statements

West Central Women's Resource Centre Inc.
Statement of Changes in Net Assets (Deficit)

For the year ended March 31, 2020

	<i>Unrestricted</i>	<i>Invested in capital assets</i>	2020	2019
Net assets (deficit), beginning of year	(17,073)	48,369	31,296	18,044
Excess of revenue over expenses	141,111	586	141,697	13,252
Capital contributions received	5,798	(5,798)	-	-
Purchases of capital assets	(7,742)	7,742	-	-
Repayment of term loan due on demand	(8,944)	8,944	-	-
Net assets (deficit), end of year	113,150	59,843	172,993	31,296

The accompanying notes are an integral part of these financial statements

West Central Women's Resource Centre Inc.
Statement of Cash Flows
For the year ended March 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	141,697	13,252
Amortization	70,951	70,975
Amortization of deferred capital contributions	(71,537)	(68,136)
	141,111	16,091
Changes in working capital accounts		
Accounts receivable	(7,560)	14,097
Prepaid expenses	(7,531)	1,737
Inventory	2,078	(3,623)
Accounts payable and accruals	(19,336)	21,385
Deferred contributions	41,832	(23,266)
	150,594	26,421
Financing		
Change in bank indebtedness, net	(54,746)	(16,524)
Advances of term loan due on demand	-	200,000
Repayment of term loan due on demand	(8,944)	(6,730)
Cash contributions received for capital assets	5,798	21,016
	(57,892)	197,762
Investing		
Purchase of capital assets	(7,742)	(23,224)
Deposit	-	(200,000)
	(7,742)	(223,224)
Increase in cash resources	84,960	959
Cash resources, beginning of year	3,272	2,313
Cash resources, end of year	88,232	3,272

The accompanying notes are an integral part of these financial statements

West Central Women's Resource Centre Inc.

Notes to the Financial Statements

For the year ended March 31, 2020

1. Purpose of the Organization

West Central Women's Resource Centre Inc. (the "Organization") was incorporated under the laws of Manitoba.

The Organization operates a centre to empower women to help themselves, their families, and their community to safer, healthier lifestyles.

The Organization is a not-for-profit organization and a Canadian registered charity under the Income Tax Act (the "Act") and as such is exempt from income taxes. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

2. Change in accounting policy

Capital Assets Held by Not-for-Profit Organizations

Effective April 1, 2019, the Organization adopted the Accounting Standard Board's (AcSB) new accounting standards improvements for not-for-profit organizations related to capital assets under Section 4433 *Tangible Capital Assets Held by Not-for-Profit Organizations*. Applying this new Section results in changes to the determination of impairment and write-downs of capital assets and allows for the recognition of partial impairments of these assets.

There was no material impact on the financial statements from the application of the new accounting recommendations.

3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Cash

Cash includes balances held at a bank. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Inventory

Inventory consists of merchandise and is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined. Fair value is determined based on market rates and the date of contribution for similar goods and services.

Amortization is provided using the straight-line method at the following rates intended to amortize the cost of capital assets over their estimated useful lives. In the year of acquisition, one-half of the otherwise calculated amortization is recorded.

Building	25 years
Automotive	5 years
Furniture and equipment	5 years

Long-lived assets

Long-lived assets consist of capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Organization determines that a long-lived asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

West Central Women's Resource Centre Inc.

Notes to the Financial Statements

For the year ended March 31, 2020

3. Significant accounting policies (Continued from previous page)

Revenue recognition

The Organization 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.

Other revenue is recognized when the goods or services are provided and collection is reasonably assured.

Contributed materials and services

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Organization's operations and would otherwise have been purchased.

Volunteers contribute a large number of hours per year to assist the Organization in carrying out its service delivery activities. Because of the difficulty of determining the number of hours donated and the fair value, contributed services are not recognized in the financial statements.

Deferred capital contributions

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase or improve the Organization's building or purchase other capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

Measurement uncertainty (use of estimates)

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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization expense and amortization of deferred capital contributions are based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the periods in which they become known.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the operations for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

West Central Women's Resource Centre Inc.

Notes to the Financial Statements

For the year ended March 31, 2020

3. Significant accounting policies (Continued from previous page)

Financial asset impairment

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant, etc. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenues over expenses in the year the reversal occurs.

4. Accounts receivable

	2020	2019
Trade receivable	197,267	195,983
GST receivable	8,744	2,468
	206,011	198,451

5. Deposit

On July 15, 2018, the Organization put in an offer to purchase a building for organizational operations for \$2,700,000. All conditions were satisfied and the transaction became firm on October 10, 2018. During the prior year the Organization paid a deposit of \$200,000 with the remainder due upon the closing date of July 22, 2020. The Organization has decided not to proceed with the building purchase and the building was held for sale at year-end. The Organization received an offer on June 22, 2020 which was accepted on July 17, 2020.

West Central Women's Resource Centre Inc.
Notes to the Financial Statements

For the year ended March 31, 2020

6. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2020 Net book value</i>
Land	70,000	-	70,000
Building	858,143	351,839	506,304
Automotive	46,233	13,870	32,363
Furniture and equipment	214,729	145,399	69,330
	1,189,105	511,108	677,997

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2019 Net book value</i>
Land	70,000	-	70,000
Building	858,143	317,513	540,630
Automotive	46,233	9,247	36,986
Furniture and equipment	206,987	113,397	93,590
	1,181,363	440,157	741,206

7. Bank indebtedness

Bank indebtedness is comprised of an operating loan and outstanding cheques to suppliers. The Organization has available an operating line of credit to a maximum of \$50,000 (2019 - \$50,000), bearing interest at prime rate of 2.45% plus 2.50% (2019 – bank prime of 3.95% plus 2.50%). Land and building with a carrying value of \$576,304 (2019 - \$610,630) are pledged as security, along with a registered general security agreement and an assignment of fire and theft insurance.

8. Deferred contributions

	<i>2020</i>	<i>2019</i>
Balance, beginning of year	79,927	103,193
Amounts received during the year	1,835,434	1,497,705
Less: amounts recognized as revenue during the year	(1,793,602)	(1,520,971)
	121,759	79,927

West Central Women's Resource Centre Inc.
Notes to the Financial Statements

For the year ended March 31, 2020

9. Term loan due on demand

2020 **2019**

Term loan due on demand bearing interest at 4.45% (2019 - 4.49%) payable in monthly instalments of \$1,850, secured by a promissory note for \$292,732, by land and building with a carrying value of \$576,304 (2019 - \$610,636), and by a registered general security agreement and an assignment of fire and theft insurance, due November 2020.

280,270 **289,214**

Principal repayments on the term loan due on demand in each of the next five years assuming financing is renewed, are estimated as follows:

2021	9,800
2022	10,300
2023	10,800
2024	11,200
2025	11,700
	61,000

10. Deferred capital contributions

2020 **2019**

Balance, beginning of year	603,623	650,743
Amounts received during the year	5,798	21,016
Less: amounts recognized as revenue during the year	(71,537)	(68,136)
	537,884	603,623

11. Contingencies

The Organization is subject to recoveries of grant revenue according to agreements with certain funding organizations and government departments that provided grants during the year. At year-end, it was not yet determined to what extent any grant revenue might be recovered.

12. Program expenses

2020 **2019**

Travel	47,777	45,300
Honorariums	51,426	70,439
Supplies	54,501	38,103
Other	136,752	122,615
	290,456	276,457

West Central Women's Resource Centre Inc.

Notes to the Financial Statements

For the year ended March 31, 2020

13. Economic dependence

The Organization's primary sources of revenue are contributions from various levels of government and other supporting organizations such as the United Way of Winnipeg. The Organization's ability to continue as a going concern depends on maintaining these contributions.

14. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to interest rate cash flow risk with respect to its bank indebtedness which is subject to floating interest rates based on bank prime lending rates of 2.45% plus 2.50% and interest rate price risk with respect to the fixed interest rate on its term loan due on demand of 4.45%.

Credit concentration

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of accounts receivable. As at March 31, 2020, three funders (2019 - four funders) accounted for 97% (2019 - 95%) of the accounts receivable balance.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization enters into transactions to borrow funds from financial institutions, for which repayment is required at various maturity dates.

15. Significant event

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses and not-for-profit organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations, isolation/quarantine orders and on the Organization's ability to hold fundraising events.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced levels of charitable donations to the Organization over an undetermined period of time and may have a significant impact on the Organization's ability to hold fundraising events for the foreseeable future.

16. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

West Central Women's Resource Centre Inc.
Schedule 1 - United Way's For Every Family Initiative

For the year ended March 31, 2020
(Unaudited)

	2020	2019
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue		
United Way	260,726	206,539
Expenses		
Resource centre enhancement support		
Information technology	3,000	5,000
Insurance	1,000	-
Interest on term loan due on demand	3,500	1,458
Office	2,100	4,300
Professional fees	2,000	-
Program expenses	47,824	36,006
Property tax	1,500	1,000
Repairs and maintenance	9,010	6,000
Salaries and benefits	113,772	77,351
Utilities	5,800	5,000
	189,506	136,115
Resource centre stabilization support		
Program expenses	27,317	31,080
Salaries and benefits	43,903	39,344
	71,220	70,424
Total expenses	260,726	206,539
Excess of revenue over expenses	-	-