

West Central Women's Resource Centre Inc.
Financial Statements
March 31, 2021

Independent Auditor's Report

To the Board 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, 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, 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, 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 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, 2021 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

August 25, 2021

MNP LLP

Chartered Professional Accountants

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

As at March 31, 2021

	2021	2020
Assets		
Current		
Cash (Note 3)	287,384	88,232
Accounts receivable (Note 4)	230,212	206,011
Prepaid expenses	4,049	8,661
Inventory	2,837	1,545
Deposit (Note 5)	50,000	200,000
	574,482	504,449
Capital assets (Note 6)	654,304	677,997
	1,228,786	1,182,446
Liabilities		
Current		
Accounts payable and accruals	76,066	69,540
Deferred contributions (Note 7)	169,942	121,759
	246,008	191,299
Term loan due on demand (Note 8)	267,290	280,270
	513,298	471,569
Deferred capital contributions (Note 9)	579,151	537,884
	1,092,449	1,009,453
Contingencies (Note 10)		
Subsequent event (Note 5)		
Net Assets		
Unrestricted	278,474	113,150
Invested (deficit) in capital assets	(142,137)	59,843
	136,337	172,993
	1,228,786	1,182,446
Approved on behalf of the Board		
E-SIGNED by Cate Friesen	E-SIGNED by Nicole Barry	
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, 2021

	2021	2020
Revenue		
Grant revenue	2,193,523	1,793,602
Donations	193,885	103,779
Amortization of deferred capital contributions	73,604	71,537
Other revenue <i>(Note 11)</i>	46,641	63,654
	2,507,653	2,032,572
Expenses		
Administrative	32,899	19,929
Amortization	74,197	70,951
Consulting	10,250	4,875
Information technology	37,313	22,551
Insurance	9,685	7,764
Interest on term loan due on demand	11,896	14,151
Office	41,988	32,921
Professional development	43,095	22,911
Professional fees	12,726	12,493
Program expenses <i>(Note 12)</i>	614,840	290,456
Property taxes	7,094	6,793
Repairs and maintenance	23,118	63,647
Salaries and benefits	1,429,001	1,304,709
Utilities	8,193	16,724
	2,356,295	1,890,875
Excess of revenue over expenses before other item	151,358	141,697
Other item		
Loss on disposal of building held for sale	(188,014)	-
Excess (deficiency) of revenue over expenses	(36,656)	141,697

The accompanying notes are an integral part of these financial statements

West Central Women's Resource Centre Inc.
Statement of Changes in Net Assets
For the year ended March 31, 2021

	<i>Unrestricted</i>	<i>Invested in capital assets</i>	<i>2021</i>	<i>2020</i>
Net assets, beginning of year	113,150	59,843	172,993	31,296
Excess (deficiency) of revenue over expenses	163,847	(200,503)	(36,656)	141,697
Capital contributions received	114,871	(114,871)	-	-
Purchases of capital assets	(50,504)	50,504	-	-
Deposit on property	(50,000)	50,000	-	-
Returned deposit	11,986	(11,986)	-	-
Repayment of term loan due on demand	(24,876)	24,876	-	-
Net assets, end of year	278,474	(142,137)	136,337	172,993

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, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	(36,656)	141,697
Amortization	74,197	70,951
Amortization of deferred capital contributions	(73,604)	(71,537)
Loss on disposal of building held for sale	188,014	-
	151,951	141,111
Changes in working capital accounts		
Accounts receivable	(24,201)	(7,560)
Prepaid expenses	4,612	(7,531)
Inventory	(1,292)	2,078
Accounts payable and accruals	6,526	(19,336)
Deferred contributions	48,183	41,832
	185,779	150,594
Financing		
Change in bank indebtedness, net	-	(54,746)
Repayment of term loan due on demand	(12,980)	(8,944)
Cash contributions received for capital assets	114,871	5,798
	101,891	(57,892)
Investing		
Purchase of capital assets	(50,504)	(7,742)
Deposit	(50,000)	-
Returned deposit	11,986	-
	(88,518)	(7,742)
Increase in cash resources	199,152	84,960
Cash resources, beginning of year	88,232	3,272
Cash resources, end of year	287,384	88,232

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, 2021

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. 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.

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.

2. **Significant accounting policies** *(Continued from previous page)*

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.

Government assistance

The Organization recognizes government assistance received as earned revenue in the period for which all obligations in relation to assistance have been satisfied.

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, 2021

2. 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 (deficiency) 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 (deficiency) of revenues over expenses in the year the reversal occurs.

3. Cash

The Organization has available an operating line of credit to a maximum of \$50,000 (2020 - \$50,000), bearing interest at prime rate of 2.45% plus 2.50% (2020 – bank prime of 2.45% plus 2.50%). Land and building with a carrying value of \$541,979 (2020 - \$576,304) are pledged as security, along with a registered general security agreement and an assignment of fire and theft insurance. The amount drawn as at March 31, 2021 is \$nil (2020 - \$nil).

4. Accounts receivable

	2021	2020
Trade receivables	223,318	197,267
GST receivable	6,894	8,744
	230,212	206,011

5. Subsequent event

On December 28, 2020, the Organization submitted an offer to purchase a building for organizational operations for \$2,100,000 which was accepted on December 29, 2020 by the Vendor. On January 4, 2021, the Organization paid a deposit of \$50,000 with the remainder due upon the closing date on October 15, 2021.

As of the audit report date, the Organization is in the process of working with their financial institution to obtain financing for this project.

West Central Women's Resource Centre Inc.
Notes to the Financial Statements
For the year ended March 31, 2021

6. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2021 Net book value</i>
Land	70,000	-	70,000
Building	880,140	386,164	493,976
Automotive	46,233	18,493	27,740
Furniture and equipment	243,236	180,648	62,588
	1,239,609	585,305	654,304

	<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

7. Deferred contributions

	<i>2021</i>	<i>2020</i>
Balance, beginning of year	121,759	79,927
Amounts received during the year	2,266,706	1,835,434
Less: amounts recognized as revenue during the year	(2,218,523)	(1,793,602)
Balance, end of year	169,942	121,759

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

For the year ended March 31, 2021

8. Term loan due on demand

2021 **2020**

Term loan due on demand bearing interest at 3.94% (2020 - 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 \$541,979 (2020 - \$576,304), and by a registered general security agreement and an assignment of fire and theft insurance, due November 2022.

267,290 280,270

Principal repayments on the term loan due on demand in each of the next five years, assuming financing is renewed and demand is not made, are estimated as follows:

2022	10,300
2023	10,800
2024	11,300
2025	11,800
2026	12,300
	56,500

9. Deferred capital contributions

2021 **2020**

Balance, beginning of year	537,884	603,623
Amounts received during the year	114,871	5,798
Less: amounts recognized as revenue during the year	(73,604)	(71,537)
	579,151	537,884

10. 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.

11. Other revenue

During the year, the Company received \$25,000 of the 10% Temporary Wage Subsidy for Employers as part of Canada's COVID-19 Economic Response Plan to support Canadians and protect jobs during the COVID-19 pandemic. This amount has been recorded as part of other revenue for the year.

West Central Women's Resource Centre Inc.

Notes to the Financial Statements

For the year ended March 31, 2021

12. Program expenses

	2021	2020
Emergency housing	249,984	-
Honorariums	16,152	51,426
Other	57,782	136,752
Supplies	241,561	54,501
Travel	49,361	47,777
	614,840	290,456

13. Employee future benefits

Employees of the Organization participate individually in pension plans of a financial institution of their choice. The Organization has agreed to match employee contributions to a maximum of 5% of wages but is not a party to the plans. Contributions to the plan made during the year by the Organization on behalf of its employees amount to \$6,524. The Organization has no further obligation related to these plans.

14. 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.

15. 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 cash 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 3.94%.

Credit concentration

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of accounts receivable. As at March 31, 2021, four funders (2020 - three funders) accounted for 97% (2020 - 97%) 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.

West Central Women's Resource Centre Inc.

Notes to the Financial Statements

For the year ended March 31, 2021

16. 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 and isolation/quarantine orders. 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.

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

For the year ended March 31, 2021

(Unaudited)

	2021	2020
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue		
United Way	287,833	260,726
Expenses		
Resource centre enhancement support		
Information technology	3,000	3,000
Insurance	1,000	1,000
Interest on term loan due on demand	3,500	3,500
Office	2,100	2,100
Professional fees	2,000	2,000
Program expenses	71,187	47,824
Property tax	1,500	1,500
Repairs and maintenance	7,757	9,010
Salaries and benefits	114,817	113,772
Utilities	5,800	5,800
	212,661	189,506
Resource centre stabilization support		
Program expenses	7,287	27,317
Salaries and benefits	67,885	43,903
	75,172	71,220
Total expenses	287,833	260,726
Excess of revenue over expenses	-	-