

**ALTERNATIVES FOR WOMEN IN PRINCE EDWARD COUNTY
FINANCIAL STATEMENTS
AS AT MARCH 31, 2021**

ALTERNATIVES FOR WOMEN IN PRINCE EDWARD COUNTY
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AS AT MARCH 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Alternatives for Women in Prince Edward County

Qualified Opinion

We have audited the financial statements of Alternatives for Women in Prince Edward County (the Organization), which comprise the statement of financial position as at March 31, 2021, and the statements of operations and 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 its results of 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 charitable organizations, the Organization derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether, as at and for the years ended March 31, 2021 and March 30, 2020, any adjustments might be necessary to donations revenue, excess of revenues over expenditures, assets and fund balances.

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

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 these 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.

**INDEPENDENT AUDITOR'S REPORT
(CONT'D)**

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.

Wilkinson & Company LLP

BELLEVILLE, Canada
July 20, 2021

Chartered Professional Accountants
Licensed Public Accountants

**ALTERNATIVES FOR WOMEN IN PRINCE EDWARD COUNTY
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021**

	Program Fund \$	General Fund \$	Capital Fund \$	Total 2021 \$	Total 2020 \$
ASSETS					
CURRENT					
Cash		344,766		344,766	422,311
Accounts receivable, trade and other		14,249		14,249	29,679
Prepaid expenses and other assets	12,487			12,487	2,000
Interfund balance	34,898	156,011	(190,909)		
	47,385	515,026	(190,909)	371,502	453,990
TANGIBLE CAPITAL ASSETS - Note 3			1,266,478	1,266,478	1,197,140
	47,385	515,026	1,075,569	1,637,980	1,651,130
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	33,772			33,772	25,015
Deferred contributions - Note 4			670,707	670,707	671,799
Current portion of long-term debt			19,152	19,152	19,152
	33,772	NIL	689,859	723,631	715,966
LONG-TERM					
Long-term debt - Note 5			223,948	223,948	343,100
Less current portion included above			(19,152)	(19,152)	(19,152)
	NIL	NIL	204,796	204,796	323,948
NET ASSETS					
Unrestricted funds	13,613	515,026		528,639	378,237
Restricted funds			180,914	180,914	232,979
	13,613	515,026	180,914	709,553	611,216
COMMITMENTS					
APPROVED ON BEHALF OF THE BOARD					
	<i>Emily Cowan</i>	Director			
	<i>J. M. Mercer</i>	Director			
	47,385	515,026	1,075,569	1,637,980	1,651,130

The accompanying notes form an integral part of these financial statements

**ALTERNATIVES FOR WOMEN IN PRINCE EDWARD COUNTY
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2021**

	Program Fund \$	General Fund \$	Capital Fund \$	Total 2021 \$	Total 2020 \$
REVENUE					
MCCSS	317,521	8,180		325,701	320,332
Rental income		79,769		79,769	35,383
Miscellaneous income		801		801	588
Grants - United Way		14,000		14,000	14,000
Grants - Other		5,074		5,074	
Interest income		694		694	22
Donations		97,678		97,678	168,209
COVID-19 support		42,006		42,006	
Miscellaneous		35		35	
Amortization of deferred revenue			40,878	40,878	
	317,521	248,237	40,878	606,636	538,534
EXPENSES					
Administration costs	32,389			32,389	3,006
Advertising and promotion	2,437			2,437	142
Amortization of capital assets			80,921	80,921	108
COVID-19		10,384		10,384	
Insurance	5,909	6,401		12,310	10,454
Interest			12,022	12,022	22,712
Miscellaneous	15	1,062		1,077	2,390
Office and general	2,776	1,350		4,126	1,714
Capacity building	2,372			2,372	11,111
Personal needs and allowance	291	1,163		1,454	948
Purchased services	21,664	3,889		25,553	21,519
Rent	24,000			24,000	14,413
Repairs and maintenance	5,881	32,893		38,774	14,750
Staff training	1,146			1,146	(581)
Supplies and equipment	12,130	448		12,578	8,224
Telephone	6,890	632		7,522	7,828
Travel	523	116		639	1,570
Utilities and taxes	3,348	22,055		25,403	25,729
VAW fund/rural and remote		8,307		8,307	
Wages and benefits	190,076	14,809		204,885	215,278
	311,847	103,509	92,943	508,299	361,315
EXCESS OF REVENUES OVER EXPENDITURES	5,674	144,728	(52,065)	98,337	177,219
NET ASSETS - BEGINNING OF YEAR	7,939	370,298	232,979	611,216	433,997
NET ASSETS - END OF YEAR	13,613	515,026	180,914	709,553	611,216

The accompanying notes form an integral part of these financial statements

ALTERNATIVES FOR WOMEN IN PRINCE EDWARD COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenditures for year	98,337	177,219
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	80,921	108
	<u>179,258</u>	<u>177,327</u>
Net change in non-cash working capital balances related to operations		
Accounts receivable, trade and other	15,430	10,313
Prepaid expenses and other assets	(10,487)	3,989
Accounts payable and accrued liabilities	8,757	(39,027)
Government remittances payable		(5,754)
Deferred contributions	(1,092)	417,699
	<u>12,608</u>	<u>387,220</u>
CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	<u>191,866</u>	<u>564,547</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(150,259)	(286,935)
FINANCING ACTIVITIES		
Repayment of long-term debt	(119,152)	(19,152)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR YEAR	<u>(77,545)</u>	<u>258,460</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>422,311</u>	<u>163,851</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>344,766</u>	<u>422,311</u>
REPRESENTED BY:		
Cash	<u>344,766</u>	<u>422,311</u>

The accompanying notes form an integral part of these financial statements

**ALTERNATIVES FOR WOMEN IN PRINCE EDWARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

1. PURPOSE OF THE ORGANIZATION

Alternatives for Women in Prince Edward County is a not-for-profit organization and a registered charity under the Income Tax Act of Canada. The Organization was incorporated without share capital under Letters Patent on June 23, 1987.

The Organization was formed to recognize and acknowledge that psychological, physical, sexual, verbal and financial cruelty against women and their children are crimes; and to acknowledge and advocate for the basic human right to live without violence or the fear of violence; and to work together towards a safe tomorrow for women and their children; and to offer continuing support through community counselling and education programs.

2. ACCOUNTING POLICIES

Outlined below are those accounting policies adopted by the Organization that are considered to be particularly significant:

(a) Basis of Accounting

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations except as outlined in the Basis for Qualified Opinion on the Independent Auditor's Report.

(b) Accounting Estimates

The preparation of financial instruments 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 year. Significant items subject to such estimates and assumptions include the valuation of accounts receivable, accounts payable and accrued liabilities and deferred revenue and the estimated useful life of tangible capital assets. Actual results could differ from those estimates.

(c) Fund Accounting

The accounts of the Organization are maintained in accordance with the principles of fund accounting whereby resources for various purposes are classified for accounting and reporting purposes into funds in accordance with their nature and purpose.

The Organization reports the following funds:

The Program Fund reports only restricted resources that are funded by the Ministry of Children, Community and Social Services (MCCSS).

**ALTERNATIVES FOR WOMEN IN PRINCE EDWARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

2. ACCOUNTING POLICIES (Cont'd)

(c) Fund Accounting (Cont'd)

The General Fund reports the receipt and disbursement of Kiosan, Community Support and Resources for which have been generated from donations and volunteer activities.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Organization's tangible capital assets.

(d) Tangible Capital Assets and Amortization

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Gains or losses on the disposal of individual assets are recognized in earnings in the year of disposal.

Amortization of tangible capital assets, which is based on estimated useful life, is calculated on the following bases and at the rate set out below:

Asset	Basis	Rate
Building	Straight-line	Over 15 years
Computer equipment	Declining balance	55%
Fence	Declining balance	10%
Furniture and equipment	Declining balance	20%

(e) Deferred Contributions Relating to Tangible Capital Assets

Contributions received relating to the purchase of tangible capital assets are deferred and amortized over future periods. The amortization period is based on the period used to amortize the corresponding tangible capital assets.

(f) 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.

The Organization does not record pledges, but rather records the donation when the cash is received.

(g) Contributed Materials

Contributed materials are recognized when a fair value can be reasonably estimated, are used in the normal course of operations, and would otherwise have been purchased.

(h) Cash and Equivalents

Cash and equivalents consist of cash on deposit and bank term deposits in money market instruments with maturity dates of less than three months from the date they are acquired.

**ALTERNATIVES FOR WOMEN IN PRINCE EDWARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

2. ACCOUNTING POLICIES (Cont'd)

(i) Financial Instruments

(i) Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of financial instruments that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost except for equities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in income.

Financial assets measured at amortized cost include cash and accounts receivable, trade and other.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, government remittances payable and long-term debt.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recorded in net income. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the impairment amount previously recognized.

3. TANGIBLE CAPITAL ASSETS

	2021		2020	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Land	97,058		97,058	
Buildings	1,767,948	643,308	1,666,668	566,586
Computer equipment	6,096	1,676		
Furniture and equipment	7,584	758		
Fence	35,299	1,765		
	1,913,985	647,507	1,763,726	566,586
Cost less accumulated amortization	\$ 1,266,478		\$ 1,197,140	

During the year, tangible capital assets were acquired for cash at an aggregate cost of \$150,259 (\$286,935 in 2020). In addition, tangible capital assets valued at \$Nil (2020 - \$3,120) were donated to the Organization during the year.

**ALTERNATIVES FOR WOMEN IN PRINCE EDWARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

4. DEFERRED CONTRIBUTIONS

Deferred contributions related to tangible capital assets represent the unamortized balances of contributions received for tangible capital asset additions. Deferred contributions are recognized as revenue on the same basis that the related tangible capital assets are amortized. The changes in deferred contributions are as follows:

	2021 \$	2020 \$
Beginning Balance	671,799	254,100
Add amounts received:		
Parrott Foundation		100,000
Emergency Community Support Fund	20,000	
MCCSS		227,700
St. Mary Magdelene		15,000
County Heritage Grant		5,000
Count of Lennox & Addington	22,385	74,815
	714,184	676,615
Deduct amount recognized as revenue in year	(43,477)	(4,816)
End of year	670,707	671,799

5. LONG-TERM DEBT

The long-term debt consists of a term loan repayable in monthly instalments of \$1,596 plus interest at prime plus 2.5% until maturity in February 2023. The loan is secured by a 1st collateral charge over the property purchased (Bridge Street), which as at March 31, 2021 has a net book value of \$1,104,692.

The requirements for future repayment of long-term debt over the next two years is as follows:

	\$
2022	19,152
2023	204,796
	223,948

**ALTERNATIVES FOR WOMEN IN PRINCE EDWARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

6. ECONOMIC DEPENDENCE

A significant portion of the Organization's revenue is derived from funding from the Ministry of Children, Community and Social Services. Accordingly, the Organization is economically dependant on this source of revenue for its existence and the continuation of its operations.

7. DONATED SERVICES

Alternatives for Women in Prince Edward County receives a substantial amount of services donated by citizens interested in the Organization's program. The kinds of services provided generally involve the contribution of time. Due to the difficulty in assigning values for such services, these items are not generally reflected in the financial statements. However, when the value of donated services is ascertainable, the amounts thereof are reflected in the financial statements' receipts and expenditures. No amount is recorded for the year end since the value is not readily determinable.

8. CONTRIBUTED MATERIALS

Donation revenues includes \$735 (2020 - \$3,120) of contributed materials.

9. FINANCIAL RISKS AND CONCENTRATIONS OF RISKS

The Organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include interest rate risk, liquidity risk, and market (other price) risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices.

(a) Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The Organization is exposed to interest rate risk on its long-term debt as discussed in Note 5 of these financial statements. As prevailing interest rates fluctuate, future cash flows relating to interest payments fluctuate.

(b) Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet all cash outflow obligations as they come due.

The Organization's exposure to liquidity risk is dependent on the receipt of funds from its funding sources and donors. There have been no significant changes from the previous period in the risk or policies, procedures and methods used to measure the risk.

**ALTERNATIVES FOR WOMEN IN PRINCE EDWARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

10. COMPARATIVE FIGURES

In order to conform with the financial statement presentation adopted for the current year, certain elements of the comparative figures have been regrouped.

11. COVID-19

Since the beginning of calendar year 2020, a virus known as Coronavirus ("COVID-19") has caused a world-wide pandemic, including being present in Canada. The pandemic has had a considerable impact both globally and locally, which has the potential to create financial stress on the Organization.

Both federal and provincial governments have introduced legislative measures to combat the financial impact of the pandemic as well as combating the spread of the virus, including forced closures of several businesses.

At the date these financial statements were issued, management does not anticipate these events impacting the Organization's ability to continue as a going concern.

At the time that these financial statements were finalized, the amount of the financial impact on the Organization could not be determined.