

Financial Statements of

**THE CALGARY ASSOCIATION FOR
PEER SUPPORT SERVICES FOR
ABUSED WOMEN**

Year ended December 31, 2015

INDEPENDENT AUDITORS' REPORT

To the Members of The Calgary Association for Peer Support Services for Abused Women

We have audited the accompanying financial statements of The Calgary Association for Peer Support Services for Abused Women, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, The Calgary Association for Peer Support Services for Abused Women derives revenue from fundraising activities and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of The Calgary Association for Peer Support Services for Abused Women. Therefore, we were not able to determine whether, as at and for the years ended December 31, 2015 and December 31, 2014, any adjustments might be necessary to fundraising and donation revenues and deficiency of revenues over expenses reported in the statements of operations, deficiency of revenues over expenses reported in the statements of cash flows and current assets and unrestricted net assets reported in the statements of financial position. This caused the predecessor auditor to qualify their audit opinion on the financial statements as at and for the year ended December 31, 2014.

Qualified Opinion

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Calgary Association for Peer Support Services for Abused Women as at December 31, 2015, 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.

Other Matter

The financial statements of The Calgary Association for Peer Support Services for Abused Women as at and for the year ended December 31, 2014 were audited by another auditor who expressed a qualified opinion on those statements on May 1, 2015 due to the matter described in the Basis for Qualified Opinion paragraph.

Chartered Professional Accountants

April 18, 2016

Calgary, Canada

THE CALGARY ASSOCIATION FOR PEER SUPPORT SERVICES FOR ABUSED WOMEN


Statement of Financial Position


December 31, 2015, with comparative information for 2014

| | 2015 | 2014 |
|--|-------------------|-------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents (note 3) | \$ 300,762 | \$ 69,667 |
| Short term investments (note 4) | 319,587 | 490,859 |
| Accounts receivable | 8,461 | 5,469 |
| Goods and services tax recoverable | 4,325 | 6,072 |
| Prepaid expenses | 13,826 | 6,206 |
| | <u>646,961</u> | <u>578,273</u> |
| Capital assets (note 5) | 16,512 | 18,511 |
| | <u>\$ 663,473</u> | <u>\$ 596,784</u> |
| Liabilities and Net Assets | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 47,485 | \$ 57,656 |
| Deferred contributions (note 6) | 522,140 | 441,571 |
| | <u>569,625</u> | <u>499,227</u> |
| Deferred capital contributions (note 7) | 3,000 | 4,500 |
| Net assets: | | |
| Invested in capital assets | 13,512 | 14,011 |
| Internally restricted (note 8) | 90,000 | 90,000 |
| Unrestricted | (12,664) | (10,954) |
| | <u>90,848</u> | <u>93,057</u> |
| Commitments (note 10) | | |
| Contingencies (note 11) | | |
| | <u>\$ 663,473</u> | <u>\$ 596,784</u> |

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors:


 _____ Director


 _____ Director

THE CALGARY ASSOCIATION FOR PEER SUPPORT SERVICES FOR ABUSED WOMEN

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

| | 2015 | 2014 |
|---|-------------------|--------------------|
| Revenue: | | |
| Grants | \$ 356,832 | \$ 275,239 |
| United Way | 380,690 | 311,230 |
| Donations | 5,877 | 36,368 |
| Fundraising | 33,744 | 28,056 |
| Fiscal agent fees | 22,500 | 27,812 |
| Casino contributions | 69,256 | 17,786 |
| Amortization of deferred capital contributions (note 7) | 1,500 | 1,500 |
| Interest and other | 18,018 | 7,705 |
| | <u>888,417</u> | <u>705,696</u> |
| Expenses: | | |
| Salaries and benefits | 616,917 | 482,013 |
| Rent and maintenance | 78,586 | 80,372 |
| Office | 81,353 | 68,976 |
| Program | 49,799 | 40,406 |
| Meetings | 15,277 | 13,406 |
| Advertising and promotion | 14,681 | 11,012 |
| Professional development | 7,525 | 7,553 |
| Fundraising | 11,773 | 7,249 |
| Amortization | 7,097 | 5,092 |
| Insurance | 4,720 | 4,704 |
| Bank charges | 2,898 | 2,601 |
| | <u>890,626</u> | <u>723,384</u> |
| Deficiency of revenues over expenses | <u>\$ (2,209)</u> | <u>\$ (17,688)</u> |

See accompanying notes to financial statements.

THE CALGARY ASSOCIATION FOR PEER SUPPORT SERVICES FOR ABUSED WOMEN

Statement of Changes in Net Assets

Year ended December 31, 2015, with comparative information for 2014

| | Invested in Capital Assets | Internally Restricted | Unrestricted | 2015 Total | 2014 Total |
|---|-------------------------------|--------------------------|--------------|---------------|---------------|
| Net assets, beginning of year | \$ 14,011 | \$ 90,000 | \$ (10,954) | \$ 93,057 | \$ 110,745 |
| Deficiency of revenues over expenses | (5,597) | - | 3,388 | (2,209) | (17,688) |
| Interfund transfer | 5,098 | - | (5,098) | - | - |
| Net assets, end of year | \$ 13,512 | \$ 90,000 | \$ (12,664) | \$ 90,848 | \$ 93,057 |

See accompanying notes to financial statements.

THE CALGARY ASSOCIATION FOR PEER SUPPORT SERVICES FOR ABUSED WOMEN

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

| | 2015 | 2014 |
|--|-------------------|------------------|
| Cash provided by (used in): | | |
| Operations: | | |
| Deficiency of revenues over expenses | \$ (2,209) | \$ (17,688) |
| Items not involving cash: | | |
| Amortization of capital assets | 7,097 | 5,092 |
| Amortization of deferred capital contributions | (1,500) | (1,500) |
| | <u>3,388</u> | <u>(14,096)</u> |
| Changes in non-cash working capital: | | |
| Accounts receivable | (2,992) | (3,488) |
| GST receivable | 1,747 | (70) |
| Prepaid expenses | (7,620) | (1,724) |
| Accounts payable and accrued liabilities | (10,171) | 13,950 |
| Deferred contributions | 80,569 | 260,647 |
| | <u>64,921</u> | <u>255,219</u> |
| Investing: | | |
| Purchase of short term investments | (309,233) | (491,012) |
| Proceeds from sale of short term investments | 480,505 | 120,566 |
| Purchase of capital assets | (5,098) | (9,199) |
| | <u>166,174</u> | <u>(379,645)</u> |
| Increase (decrease) in cash and cash equivalents | 231,095 | (124,426) |
| Cash and cash equivalents, beginning of year | 69,667 | 194,093 |
| Cash and cash equivalents, end of year | <u>\$ 300,762</u> | <u>\$ 69,667</u> |

See accompanying notes to financial statements.

THE CALGARY ASSOCIATION FOR PEER SUPPORT SERVICES FOR ABUSED WOMEN

Notes to Financial Statements

Year ended December 31, 2015

1. Purpose of the organization:

The Calgary Association for Peer Support Services for Abused Women ("PSSAW") was incorporated under the Societies Act of the Province of Alberta in 1986 and is a registered charity under the income Tax Act of Canada and is therefore not taxable under section 149(l).

PSSAW is creating individual and systemic change to promote healthy, respectful and peaceful relationships.

2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants ("CPA") Handbook.

(a) Revenue recognition:

PSSAW follows the deferral method of accounting for contributions.

Revenue containing conditions as to its use is deferred until the conditions are fulfilled.

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.

Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

(b) Cash and cash equivalents:

Cash and cash equivalents include deposits in banks, certificates of deposit and other short-term investments with original maturities of three months or less at the date of acquisition.

(c) Capital assets:

Capital assets are recorded at cost less accumulated amortization. Individual assets with a cost of \$500 or less are expensed in the year of acquisition.

THE CALGARY ASSOCIATION FOR PEER SUPPORT SERVICES FOR ABUSED WOMEN

Notes to Financial Statements, page 2

Year ended December 31, 2015

2. Significant accounting policies:

(c) Capital assets (continued):

Amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

| Assets | Rate |
|-----------------------------------|------|
| Computer and technology equipment | 20% |
| Office equipment | 20% |

In the year of acquisition, amortization is half of the annual amount.

(d) Contributed services:

Volunteers assist PSSAW in carrying out certain activities. Due to uncertainty in determining fair value of the service and given that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

(e) Goods and services tax:

Goods and services tax is recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expenditure with the rebate treated as a receivable.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. PSSAW has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, PSSAW determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset.

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Notes to Financial Statements, page 3

Year ended December 31, 2015

2. Significant accounting policies:

(f) Financial instruments (continued):

If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount PSSAW expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(g) Measurement uncertainty:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Significant estimates may include the recoverability and useful of capital assets.

3. Cash and cash equivalents:

| | 2015 | 2014 |
|-----------------------|------------|-----------|
| Unrestricted | \$ - | \$ 28,955 |
| Internally restricted | - | 35,247 |
| Externally restricted | 300,762 | 5,465 |
| Balance, end of year | \$ 300,762 | \$ 69,667 |

4. Short-term investments:

Short-term investments consist of Guaranteed Investment Certificates (GICs) with interest rates of 0.65% - 0.90% (2014 - 1.15%). PSSAW has classified these investments as current as they could be liquidated at any time.

At December 31, 2015, there is \$126,000 internally restricted short-term investments (2014 - \$54,753).

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Notes to Financial Statements, page 4

Year ended December 31, 2015

5. Capital assets:

| | Cost | Accumulated amortization | 2015 Net book value | 2014 Net book value |
|-----------------------------------|------------------|--------------------------|------------------------|------------------------|
| Computer and technology equipment | \$ 31,184 | \$ 16,837 | \$ 14,347 | \$ 15,487 |
| Office equipment | 4,299 | 2,134 | 2,165 | 3,024 |
| | <u>\$ 35,483</u> | <u>\$ 18,971</u> | <u>\$ 16,512</u> | <u>\$ 18,511</u> |

Current year amortization of \$7,097 (2014 - \$5,092) consists of \$1,500 (2014 - \$1,500) restricted assets and \$5,597 (2014 - \$3,592) unrestricted assets.

6. Deferred contributions:

Deferred contributions represent unspent externally restricted funds and donations for specific programs and projects.

| | 2015 | 2014 |
|---|-------------------|-------------------|
| Balance, beginning of year | \$ 441,571 | \$ 180,924 |
| Contributions received | 574,036 | 383,922 |
| Amounts recognized as revenue in the year | (493,467) | (123,275) |
| Balance, end of year | <u>\$ 522,140</u> | <u>\$ 441,571</u> |

7. Deferred capital contributions:

Deferred capital contributions represent restricted contributions received and designated to be used for capital purposes and comprise the following:

| | 2015 | 2014 |
|--|-----------------|-----------------|
| Balance, beginning of year | \$ 4,500 | \$6,000 |
| Amortization of deferred capital contributions | (1,500) | (1,500) |
| Balance, end of year | <u>\$ 3,000</u> | <u>\$ 4,500</u> |

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Year ended December 31, 2015

8. Internally restricted funds:

The PSSAW Board reviews net assets annually and may increase or decrease the amount designated as internally restricted net assets. These funds are to be set aside as an operating contingency fund that can be drawn upon should funding be insufficient to meet expenditures.

9. Financial instruments

PSSAW is subject to the following financial instrument risk:

(a) Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. PSSAW does not believe it is subject to any significant concentration of credit risk. Cash is in place with major financial institutions and all of the accounts receivables are due from the federal government, where chances of default are low.

(b) Liquidity risk

Liquidity risk is the risk that PSSAW will be unable to fulfill its obligations on a timely basis or at a reasonable cost. PSSAW does not believe it is subject to any significant concentration of liquidity risk.

PSSAW manages its liquidity risk by monitoring its operating requirements. PSSAW prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(c) Interest rate risk

Interest rate risk arises on cash. PSSAW is exposed to interest rate risk due to fluctuations in the bank's interest rates.

10. Commitments:

PSSAW is committed to payments under an operating lease for office space and office equipment. The future minimum commitments are as follows:

| | | |
|------|----|--------|
| 2016 | \$ | 71,739 |
| 2017 | | 8,195 |
| 2018 | | 8,195 |
| 2019 | | 8,195 |
| 2020 | | 2,049 |

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Year ended December 31, 2015

11. Contingencies:

PSSAW is engaged in certain claims and legal actions in the ordinary course of operations. Management believes that the ultimate outcome of these actions will not have a material adverse effect on the results of operations or financial position of PSSAW.

12. Donation and fundraising:

In raising \$17,107 (2014 - \$28,523) in donations and \$33,744 (2014 - \$28,056) in fundraising revenues, PSSAW incurred \$12,583 (2014 - \$8,775) for the purpose of soliciting contributions including \$11,773 (2014 - \$7,249) for fundraising expenses and \$810 (2014 - \$1,526) for employee expenses.

13. Comparative figures:

Certain comparative figures have been reclassified for comparative purposes to conform with current year's financial statements presentation.

