
WINGS OF PROVIDENCE SOCIETY
Financial Statements
Year Ended March 31, 2019

WINGS OF PROVIDENCE SOCIETY
Index to Financial Statements
Year Ended March 31, 2019

	Page
AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues, Expenditures and Fund Balances	4
Statement of Cash Flow	5
Notes to Financial Statements	6 - 11
Schedule of Operating Fund Expenditures (<i>Schedule 1</i>)	12
Schedule of Home Next Door Operating Fund Expenditures (<i>Schedule 2</i>)	13
Schedule of Rocky Forest Daycare Operating Fund Expenditures (<i>Schedule 3</i>)	14



KINGSTON
ROSS
PASNAK^{LLP}

CHARTERED PROFESSIONAL ACCOUNTANTS

Suite 1500, 9888 Jasper Avenue NW
Edmonton, Alberta T5J 5C6
T 780.474.3000 | F 780.479.4817 | W krpgroup.com

May 29, 2019
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Wings of Providence Society

Qualified Opinion

We have audited the financial statements of Wings of Providence Society (the Society), which comprise the statement of financial position as at March 31, 2019, and the statements of revenues, expenditures and fund balances and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Society as at March 31, 2019, and the results of its operations and its cash flow 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 Society derives revenue from fundraising and donation activities 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 Wings of Providence Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2019, current assets and net assets as at March 31, 2019. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this limitation of scope.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Independent Auditor's Report to the Board of Directors of Wings of Providence Society
(continued)

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 Society'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 Society'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 Society 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Society to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

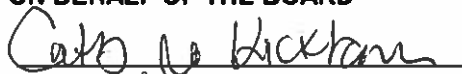

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kingston Ross Pasmak LLP
Kingston Ross Pasmak LLP
Chartered Professional Accountants

WINGS OF PROVIDENCE SOCIETY
Statement of Financial Position
March 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 344,059	\$ 521,039
Term deposits (Note 3)	31,173	31,164
Accounts receivable	26,864	111,270
Prepaid expenses	24,844	21,127
	426,940	684,600
CAPITAL ASSETS (Note 4)	7,515,431	7,840,193
	\$ 7,942,371	\$ 8,524,793
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 45,269	\$ 120,936
Deferred income (Note 5)	12,085	57,932
Damage deposits	24,807	24,663
	82,161	203,531
LONG TERM DEBT (Note 6)	-	7,309
	82,161	210,840
FUND BALANCES		
Investment in capital assets	7,515,431	7,832,885
Internally restricted		
Maintenance reserve	37,011	37,011
Home Next Door maintenance reserve	2,064	2,064
General reserve	305,704	416,904
Externally restricted		
Capital reserve	-	25,089
Unrestricted		
Operating surplus	-	-
	7,860,210	8,313,953
	\$ 7,942,371	\$ 8,524,793

ON BEHALF OF THE BOARD

 Director
 Director

WINGS OF PROVIDENCE SOCIETY
Statement of Revenues, Expenditures and Fund Balances
Year Ended March 31, 2019

	Investment in Capital Assets		Home Next Door Maintenance Reserve		Rocky Forest Daycare Operating Fund		Home Next Door Operating Fund		Operating Fund		2019 Total		2018 Total	
	Internally restricted	restricted	Internally restricted	restricted	Unrestricted	Externally restricted	Unrestricted	Externally restricted	Unrestricted	Externally restricted	Unrestricted	Externally restricted	Unrestricted	Externally restricted
REVENUE														
Casino	-	-	-	-	-	-	-	-	-	-	-	-	-	167,326
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	306,539
Forgiveness of CMHC loan	7,309	-	-	-	-	-	-	-	-	-	-	-	-	7,309
Fundraising	-	-	-	-	-	-	-	-	-	-	-	-	-	29,234
Grants - City of Edmonton	-	-	-	-	-	-	-	-	-	-	-	-	-	54,336
Grants - Government of Alberta	-	-	-	-	-	-	-	-	-	-	-	-	-	17,000
Grants - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	922,325
Grants - United Way Empower U	-	-	-	-	-	-	-	-	-	-	-	-	-	922,325
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	243,121
Laundry revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	8,866
Membership	-	-	-	-	-	-	-	-	-	-	-	-	-	8,866
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-	4,098
Rocky Forest Daycare - operating revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	17,556
	-	-	-	-	-	-	-	-	-	-	-	-	-	13,415
	-	-	-	-	-	-	-	-	-	-	-	-	-	340
	-	-	-	-	-	-	-	-	-	-	-	-	-	333,809
	-	-	-	-	-	-	-	-	-	-	-	-	-	201,775
	-	-	-	-	-	-	-	-	-	-	-	-	-	206,493
	7,309	-	-	-	-	-	-	-	-	-	-	-	-	2,150,525
	-	-	-	-	-	-	-	-	-	-	-	-	-	2,330,992
EXPENDITURES (Schedules 1, 2 and 3)														
Administrative	-	-	-	-	-	-	-	-	-	-	-	-	-	290,830
Depreciation	442,661	-	-	-	-	-	-	-	-	-	-	-	-	442,661
Direct client costs	-	-	-	-	-	-	-	-	-	-	-	-	-	453,583
Facility	-	-	-	-	-	-	-	-	-	-	-	-	-	1,434,303
Fundraising	-	-	-	-	-	-	-	-	-	-	-	-	-	1,473,175
	-	-	-	-	-	-	-	-	-	-	-	-	-	297,649
	-	-	-	-	-	-	-	-	-	-	-	-	-	1,175,526
	-	-	-	-	-	-	-	-	-	-	-	-	-	140,430
	-	-	-	-	-	-	-	-	-	-	-	-	-	293,232
	-	-	-	-	-	-	-	-	-	-	-	-	-	115,432
	442,661	-	-	-	-	-	-	-	-	-	-	-	-	2,604,268
	-	-	-	-	-	-	-	-	-	-	-	-	-	1,711,156
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES	(435,352)	-	-	-	-	-	-	-	-	-	-	-	-	(293,784)
FUND BALANCES - BEGINNING OF YEAR	7,832,885	37,011	2,064	416,904	25,089	62,831	64,403	8,313,953	8,607,737	-	-	-	-	-
TRANSFERS BETWEEN OPERATING FUNDS	-	-	-	(18,391)	16,819	(62,831)	64,403	-	-	-	-	-	-	-
TRANSFERS BETWEEN CAPITAL ASSETS FUNDS	117,898	-	-	(82,809)	(25,089)	-	-	-	-	-	-	-	-	-
FUND BALANCES - END OF YEAR	7,515,431	37,011	2,064	305,704	-	-	-	7,860,210	8,313,953	-	-	-	-	-

WINGS OF PROVIDENCE SOCIETY
Statement of Cash Flow
Year Ended March 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Deficiency of revenue over expenditures	\$ (453,743)	\$ (293,784)
Items not affecting cash:		
Depreciation of capital assets	442,661	453,583
Forgiveness of CMHC loan	(7,309)	(29,234)
	(18,391)	130,565
Changes in non-cash working capital:		
Accounts receivable	84,406	(91,239)
Accounts payable and accrued liabilities	(75,666)	40,218
Deferred income	(45,847)	44,263
Prepaid expenses	(3,717)	(1,258)
Damage deposits	144	4,896
	(40,680)	(3,120)
Cash flow (used by) from operating activities	(59,071)	127,445
INVESTING ACTIVITIES		
Purchase of capital assets	(117,900)	(146,574)
Net purchases of term deposits	(9)	(99)
Cash flow used by investing activities	(117,909)	(146,673)
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(176,980)	(19,228)
Cash and cash equivalents - beginning of year	521,039	540,267
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 344,059	\$ 521,039

WINGS OF PROVIDENCE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2019

1. PURPOSE OF THE SOCIETY

Wings of Providence Society (the "Society") was incorporated January 17, 1986, under the Societies Act.

The mission statement of the Society is to provide comprehensive transition programs and independent living in a safe, supportive and healthy environment for women with children who have experienced family violence. The Society's vision is for women and children to be empowered to live safe and independent lives within a supportive community that has zero tolerance for family violence.

The Society qualifies as a charitable organization under Section 149(1) of the Income Tax Act and is therefore not subject to income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

Revenue recognition

Wings of Providence Society follows the restricted fund method in which externally restricted contributions (casino funds, grants and donations) are recognized upon receipt in the fund corresponding to the purpose for which they were contributed. Restricted contributions for which there is no corresponding restricted fund are recognized in the operating fund in the period in which the related expenditures are incurred. Unrestricted contributions are recognized in the appropriate operating fund.

Allocations of resources from an unrestricted fund to restricted funds, in accordance with internal restrictions, are recorded as interfund transfers.

Fundraising, interest, membership, rental, daycare and other income are recognized when earned and collection is reasonably assured.

(continues)

WINGS OF PROVIDENCE SOCIETY
Notes to Financial Statements
Year Ended March 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Fund accounting

The Society maintains the following fund balances:

(a) Investment in capital assets

The investment in capital assets reflects funds allocated for capital assets and the Canada Mortgage and Housing Corporation ("CMHC") loan. Forgiveness of the CMHC loan is recorded in investment in capital assets. During the year, the following amounts were transferred to the investment in capital assets fund: \$92,809 (2018 - \$93,751) from the general reserve and \$25,089 (2018 - \$52,823) from the externally restricted capital reserve fund.

(b) Maintenance reserve

This reserve has been established to provide funds for the maintenance of the building.

(c) Home Next Door maintenance reserve

This reserve has been established to provide funds for the maintenance of the Home Next Door.

(d) General reserve

This reserve has been established to provide for operating expenses in the event of significant funding decreases. During the year, the following amounts were transferred to the general reserve fund: \$Nil (2018 - \$22,151) was transferred from the operating fund and \$62,831 (2018 - \$94,314) was transferred from the Home Next Door operating fund.

(e) Capital reserve

This reserve was established in 2013 after completion of the construction of Home Next Door building and reflects revenue and expenses related to fundraising for future capital requirements of the Society.

(f) Rocky Forest Daycare operating fund

This operating fund was established in 2016 to account for the daycare operation of the Home Next Door building. This fund reports unrestricted resources and operating grants for the Rocky Forest Daycare. During the year, \$16,819 (2018 - \$63,812) was transferred from the general reserve fund to the Rocky Forest Daycare operating fund.

(g) Home Next Door operating fund

The operating fund has been established to account for the general operation of the Home Next Door building which was completed in 2013. This fund reports unrestricted resources and operating grants for the Home Next Door.

(h) Operating fund

The operating fund accounts for the general operations of the Society. This fund reports unrestricted resources and operating grants. During the year, \$64,403 (2018 - \$Nil) was transferred from the general reserve fund to the operating fund.

(*continues*)

WINGS OF PROVIDENCE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

All financial instruments are initially measured at fair value, and, unless otherwise noted, the Society subsequently measures its financial instruments at amortized cost.

With respect to financial assets measured at cost, the Society recognizes an impairment loss, if any, when there are indicators of impairment, and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the period the reversal occurs.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and on deposit in bank accounts and any short-term investments that are purchased with original maturities of less than 90 days.

Term deposits

Term deposits are recorded at amortized cost.

Capital assets

Capital assets comprise of land, buildings, computer hardware and furniture and equipment. Capital assets is stated at cost or deemed cost less accumulated depreciation and is depreciated over its estimated useful life using the straight-line basis at the following rates:

Buildings	25 years
Computer equipment	4 years
Furniture and equipment	5 - 10 years

Purchases less than \$1,000 are expensed in the year of acquisition.

In the year of purchase, depreciation on capital assets is taken at one half of the normal amount.

Capital assets acquired during the year but not available for use are not depreciated until they are in the location and condition required for use.

Impairment of long lived assets

When a long-lived asset no longer contributes to the Society's ability to provide services, the carrying amount is written down to residual value. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its residual value.

Forgivable loans

Proceeds received from forgivable loans are deferred and amortized to revenue on a straight-line basis over the term of the loan.

(continues)

WINGS OF PROVIDENCE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. The following amounts are subject to measurement uncertainty: useful lives of capital assets and the corresponding rates of depreciation. These estimates are periodically reviewed and any necessary adjustments are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Donated services and materials

Volunteers contribute significant amounts of time to the activities of the Society without compensation. The Society also receives donated materials. The financial statements do not reflect these contributed services and materials as no reliable basis exists for determining an appropriate amount.

3. TERM DEPOSIT

	2019	2018
Term deposit	\$ 31,173	\$ 31,164

Term deposits bear interest of 0.55% (2018 - 0.35%) and mature May 2019.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land	\$ 1,182,453	\$ -	\$ 1,182,453	\$ 1,182,453
Buildings	10,213,133	4,008,035	6,205,098	6,503,204
Furniture and fixtures	617,648	507,440	110,208	128,029
Computer equipment	120,553	102,881	17,672	26,507
	\$ 12,133,787	\$ 4,618,356	\$ 7,515,431	\$ 7,840,193

WINGS OF PROVIDENCE SOCIETY
Notes to Financial Statements
Year Ended March 31, 2019

5. DEFERRED INCOME

	Beginning of the year	Restricted contributions received in the year	Revenue earned during the year	2019	2018
Deferred income	\$ 57,932	\$ 1,003,985	\$ 1,049,832	\$ 12,085	\$ 57,932

The contributions deferred at March 31, 2019 are externally restricted for legal support for clients of the Society and for the operation of the Empower U program.

6. LONG TERM DEBT

	2019	2018
CMHC loan, without interest, has been fully forgiven during the year.	\$ -	\$ 7,309

7. ENDOWMENT FUND

An endowment fund was established in 2004 known as the WINGS of Providence Laurette Braconnier Tribute Fund (the "Fund"). The funds are held in perpetuity by the Edmonton Community Foundation. As the Society is a beneficiary of the Fund and cannot access the funds, the funds are not included in the statement of financial position. The interest income from the Fund is distributed to the Society annually to assist women and children who have experienced family violence. During the year, the Society received \$4,225 (2018 - \$5,846) in interest income from the Fund, included in Other Grants.

8. CAPITAL MANAGEMENT

The Society's capital is made up of fund balances. The Society's capital management objectives consist in ensuring that it continues as going concern in order to fulfil its mission. The Society manages its capital structure by preparing and monitoring its annual budgets to maintain a satisfactory level of capital.

The Society manages several grants and donations with external restrictions that specify the conditions for using these financial resources. The Society has complied with the requirements respecting these restricted contributions.

There have been no changes to the capital management objectives, policies and procedures since the preceding year.

WINGS OF PROVIDENCE SOCIETY
Notes to Financial Statements
Year Ended March 31, 2019

9. RELATED PARTY TRANSACTIONS

During the year, the Society received donations in the amount of \$14,081 (2018 - \$34,046) from a company controlled by a member of the Board of Directors. This transaction is in the normal course of operations and is measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2019. Unless otherwise noted, the Society's risk exposure has not changed from the prior year.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk through its accounts receivable. As at March 31, 2019, 81% of accounts receivable were due from three parties (2018 - 89% from two parties). Subsequent to the year-end, substantially all accounts receivable have been collected.

WINGS OF PROVIDENCE SOCIETY
Schedule of Operating Fund Expenditures
Year Ended March 31, 2019

(Schedule 1)

	2019	2018
Administrative		
Advertising	\$ 13,019	\$ 20,095
Association dues	5,355	5,646
Bank charges	8,604	7,808
Labour and benefits	168,931	163,751
Other	12,265	16,117
Printing, postage, and stationery	13,237	15,251
Professional fees	18,450	19,519
Recruitment and training	52	2,190
Small furniture repairs	3,283	1,950
Telephone and communications	33,126	34,847
Volunteer expense	3,446	3,656
Administrative total	279,768	290,830
Direct client costs		
Client training allowance	19,266	22,100
Education	5,136	2,120
Food	11,321	11,608
Labour and benefits	1,082,658	1,067,195
Materials and supplies	13,019	16,066
Other	14,875	20,110
Recreation	8,970	6,305
Telephone and communications	11,191	10,798
Travel subsistence	9,090	7,696
Direct client costs total	1,175,526	1,163,998
Facility		
Contract - security/maintenance	4,643	13,385
Labour and benefits	384	1,024
Maintenance and repairs	50,131	116,995
Small furnishings	3,000	25,634
Supplies	27,669	23,534
Utilities	54,603	48,227
Facility total	140,430	228,799
Fundraising		
Labour and benefits	54,904	49,380
Other	60,528	36,104
Fundraising total	115,432	85,484
	\$ 1,711,156	\$ 1,769,111

WINGS OF PROVIDENCE SOCIETY**Schedule of Home Next Door Operating Fund Expenditures****(Schedule 2)****Year Ended March 31, 2019**

	2019	2018
Facility		
Labour	1,106	1,054
Maintenance and repairs	63,330	58,604
Supplies	6,570	6,390
Small furnishings	6,360	4,882
Utilities	75,436	60,847
	\$ 152,802	\$ 131,777

WINGS OF PROVIDENCE SOCIETY**Schedule of Rocky Forest Daycare Operating Fund Expenditures****(Schedule 3)****Year Ended March 31, 2019**

	2019	2018
Direct client costs		
Direct client costs - recreation	\$ 1,039	\$ -
Education	1,583	149
Food	13,946	15,145
Labour and benefits	260,815	230,822
Material and supplies	10,550	10,812
Other - direct	4,826	5,231
Repairs and maintenance	1,325	2,091
Telephone and communication	3,090	5,408
Travel and subsistence	475	647
Direct client costs total	\$ 297,649	\$ 270,305