

WINGS OF PROVIDENCE SOCIETY
Financial Statements
Year Ended March 31, 2021

WINGS OF PROVIDENCE SOCIETY
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Year Ended March 31, 2021

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May 26, 2021
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Members of Wings of Providence Society

Report on the Financial Statements

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, 2021, 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, 2021, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 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, 2021, current assets and net assets as at March 31, 2021. Our audit opinion on the financial statements for the year ended March 31, 2020 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 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 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 ASNPO, 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 related to going concern and using the going concern basis of accounting unless management either intends to liquidate

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

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.

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 Group 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.


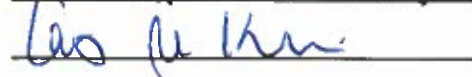
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kingston Ross Pasnak LLP
Kingston Ross Pasnak LLP
Chartered Professional Accountants

WINGS OF PROVIDENCE SOCIETY
Statement of Financial Position
March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 1,222,003	\$ 531,056
Term deposits (Note 3)	31,555	31,479
Accounts receivable	21,431	82,550
Prepaid expenses	15,707	14,653
	1,290,696	659,738
CAPITAL ASSETS (Note 4)	6,664,061	7,073,364
	\$ 7,954,757	\$ 7,733,102
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 95,354	\$ 55,140
Deferred income (Note 6)	97,775	57,888
Damage deposits	23,955	19,532
	217,084	132,560
FUND BALANCES		
Investment in capital assets	6,664,061	7,073,364
Internally restricted		
Maintenance reserve	243,750	179,410
Home Next Door maintenance reserve	81,250	42,064
General reserve	711,692	305,704
Externally restricted		
Capital reserve	-	-
Unrestricted		
Operating surplus	36,920	-
	7,737,673	7,600,542
	\$ 7,954,757	\$ 7,733,102

ON BEHALF OF THE BOARD

 Director
 Director

WINGS OF PROVIDENCE SOCIETY
Statement of Revenues, Expenditures and Fund Balances
Year Ended March 31, 2021

	Investment in Capital Assets	Maintenance Reserve	Home Next Door Maintenance Reserve	General Reserve	Capital Reserve	Rocky Forest Daycare Operating Fund	Home Next Door Operating Fund	Operating Fund	2021 Total	2020 Total
	Internally restricted	Internally restricted	Internally restricted	Internally restricted	Externally restricted	Unrestricted	Unrestricted	Unrestricted		
REVENUE										
Casino	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 67,124
Donations (Note 8)						20,805		537,387	558,192	480,177
Fund development								232,290	232,290	90,481
Grants - City of Edmonton								16,500	16,500	
Grants - Government of Alberta						50,725		1,033,037	1,083,762	955,343
Grants - Other (Note 9)						3,825		305,110	308,935	73,615
Grants - United Way Empower U								7,093	7,093	19,505
Interest							160	405	565	7,486
Laundry revenue							3,863	8,979	12,842	14,684
Membership								246	246	305
Rental income							156,505	117,285	273,790	288,463
Rocky Forest Daycare - operating revenue						73,878			73,878	151,854
						149,233	160,528	2,258,332	2,588,093	2,149,017
EXPENDITURES (Schedules 1, 2 and 3)										
Administrative (Note 9)								296,565	296,565	282,273
Depreciation	427,804								427,804	447,251
Direct client costs (Note 9)						112,313		1,246,949	1,359,262	1,341,837
Facility								126,270	289,457	232,101
Fundraising								77,874	77,874	105,223
	427,804					112,313	143,187	1,747,658	2,430,962	2,408,685
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(427,804)					36,920	17,341	510,674	137,131	(258,668)
FUND BALANCES - BEGINNING OF YEAR	7,073,364	179,410	42,064	305,704					7,600,542	7,860,210
TRANSFERS BETWEEN OPERATING FUNDS		64,340	39,186	405,988			(17,341)	(482,173)		
TRANSFERS BETWEEN CAPITAL ASSETS FUNDS	18,501							(18,501)		
FUND BALANCES - END OF YEAR	\$ 6,664,061	\$ 243,750	\$ 81,250	\$ 711,692	\$	\$ 36,920	\$	\$ 7,737,673	\$ 7,600,542	

WINGS OF PROVIDENCE SOCIETY**Statement of Cash Flow****Year Ended March 31, 2021**

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$ 137,131	\$ (259,668)
Item not affecting cash:		
Depreciation of capital assets	427,804	447,251
	564,935	187,583
Changes in non-cash working capital:		
Accounts receivable	61,119	(55,686)
Accounts payable and accrued liabilities	40,214	9,871
Deferred income	39,887	45,803
Prepaid expenses	(1,054)	10,191
Damage deposits	4,423	(5,275)
	144,589	4,904
Cash flow from operating activities	709,524	192,487
INVESTING ACTIVITIES		
Purchase of capital assets	(18,501)	(5,184)
Net purchases of term deposits	(76)	(306)
Cash flow used by investing activities	(18,577)	(5,490)
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	690,947	186,997
Cash and cash equivalents - beginning of year	531,056	344,059
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,222,003	\$ 531,056

WINGS OF PROVIDENCE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2021

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, 2021

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. During the year, \$18,501 (2020 - \$5,184) was transferred to the investment in capital assets fund from the operating fund.

(b) Maintenance reserve

This reserve has been established to provide funds for the maintenance of the building. During the year, \$64,340 (2020 - \$142,399) was transferred to the maintenance reserve fund from the operating fund.

(c) Home Next Door maintenance reserve

This reserve has been established to provide funds for the maintenance of the Home Next Door. During the year, \$39,186 (2020 - \$40,000) was transferred to the Home Next Door maintenance reserve fund from the operating fund.

(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: \$388,647 (2020 - \$Nil) was transferred from the operating fund and \$17,341 (2020 - \$Nil) 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. No transfers were completed during the year that involve this fund.

(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. No transfers to this fund were completed during the year.

(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. No transfers were completed during the year that involve this fund.

(*continues*)

WINGS OF PROVIDENCE SOCIETY
Notes to Financial Statements
Year Ended March 31, 2021

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

(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, \$Nil (2020 - \$38,170) was transferred from the Rocky Forest Daycare operating fund and \$Nil (2020 - \$46,737) was transferred from the Home Next Door operating fund.

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 are stated at cost or deemed cost less accumulated depreciation and are depreciated over their estimated useful lives using the straight-line basis at the following rates:

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

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

(*continues*)

WINGS OF PROVIDENCE SOCIETY
Notes to Financial Statements
Year Ended March 31, 2021

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, collectability of accounts receivable and accrued liabilities. 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

	2021	2020
Term deposit	\$ 31,555	\$ 31,479

Term deposits bear interest of 0.45% (2020 - 0.50%) and mature August 28, 2021.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land	\$ 1,182,453	\$ -	\$ 1,182,453	\$ 1,182,453
Buildings	10,213,133	4,828,868	5,384,265	5,793,735
Furniture and fixtures	617,648	536,963	80,685	94,750
Computer equipment	144,238	127,580	16,658	2,426
	\$ 12,157,472	\$ 5,493,411	\$ 6,664,061	\$ 7,073,364

5. CREDIT FACILITY

The Society has a credit facility with Servus Credit Union, which includes an approved operating line that can be drawn upon up to a maximum of \$200,000, which bears interest at prime plus 1%, and is payable on demand. The facility is secured by real property, assignment of rents and a General Security Agreement.

As at the Society's fiscal year-end, no draws have been made on the operating line of credit.

WINGS OF PROVIDENCE SOCIETY
Notes to Financial Statements
Year Ended March 31, 2021

6. DEFERRED INCOME

	Beginning of the year	Restricted contributions received in the year	Revenue earned during the year	2021	2020
Deferred income	\$ 57,888	\$ 1,270,057	\$ 1,230,170	\$ 97,775	\$ 57,888

The contributions deferred at March 31, 2021 are externally restricted for legal support for clients of the Society, COVID-19 related expenses, the operation of the Empower U program and for wages of an outreach worker position.

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 \$4,345 (2020 - \$4,330) in interest income from the Fund, included in Other Grants.

WINGS OF PROVIDENCE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2021

8. RELATED PARTY TRANSACTIONS

During the year, the Society received donations in the amount of \$34,446 (2020 - \$17,873) from a company controlled by a member of the Board of Directors. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. GOVERNMENT ASSISTANCE

During the year, the Government passed legislation offering subsidies to employers in order to assist with wage costs. The Society benefited from the Canadian Emergency Wage Subsidy (CEWS) for remuneration paid between April 12, 2020 to May 9, 2020 in the amount of \$42,294 which has been recognized as revenue in the operating fund.

The Society also benefited from the 10% Temporary Wage Subsidy for Employers (TWS) for remuneration paid between April 1, 2020 to June 19, 2020 in the amount of \$25,000 which has been recognized as a reduction to labour and benefits expense in the operating fund.

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, 2021. 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, 2021, 90% of accounts receivable were due from two parties (2020 - 76% from one party). Subsequent to the year-end, 39% of accounts receivable have been collected.

11. COVID-19

The Coronavirus Disease 2019, or COVID-19, has spread across the globe and continues to impact worldwide economic activity. This global pandemic poses the risk that the Society or its clients, employees, contractors, suppliers, and other partners may experience periodic interruptions to their regular business activities. While it is not possible at this time to estimate the impact that COVID-19 will have on the Society's business in the coming fiscal year, the continued spread of the virus and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact the Society's business activities, financial condition and/or the results of its operations. Specifically, Wings of Providence Society has experienced a reduction in certain sources of donations due to inability to conduct in-person fundraising events. The extent to which the COVID-19 outbreak will continue to impact the Society's results will depend on future developments that are highly uncertain and cannot be predicted at this time.

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

WINGS OF PROVIDENCE SOCIETY
Schedule of Operating Fund Expenditures
Year Ended March 31, 2021

(Schedule 1)

	2021	2020
Administrative		
Advertising	\$ 6,405	\$ 6,491
Association dues	6,325	5,364
Bank charges	9,228	11,264
Labour and benefits (Note 9)	177,140	165,268
Other	23,751	10,145
Printing, postage, and stationery	12,462	13,190
Professional fees	18,679	17,425
Recruitment and training	9,207	17,414
Small furniture repairs	1,950	1,950
Telephone and communications	30,591	30,162
Volunteer expense	827	3,600
Administrative total	296,565	282,273
Direct client costs		
Client training allowance	15,171	21,823
Education	12,893	4,274
Food	14,129	8,345
Labour and benefits (Note 9)	1,128,326	1,080,463
Materials and supplies	22,237	13,381
Other	25,009	12,655
Recreation	2,940	6,651
Telephone and communications	24,340	16,036
Travel subsistence	1,904	7,342
Direct client costs total	1,246,949	1,170,970
Facility		
Contract - security/maintenance	5,954	4,594
Labour and benefits	475	367
Maintenance and repairs	29,634	24,976
Small furnishings	10,450	1,076
Supplies	21,878	21,075
Utilities	57,880	58,066
Facility total	126,271	110,154
Fundraising		
Labour and benefits	59,260	56,377
Other	18,614	48,846
Fundraising total	77,874	105,223
	\$ 1,747,659	\$ 1,668,620

WINGS OF PROVIDENCE SOCIETY**Schedule of Home Next Door Operating Fund Expenditures****(Schedule 2)****Year Ended March 31, 2021**

	2021	2020
Facility		
Labour	\$ 1,191	\$ 1,299
Maintenance and repairs	61,545	39,231
Small furnishings	4,476	1,316
Supplies	7,325	6,659
Utilities	68,650	73,442
	\$ 143,187	\$ 121,947

WINGS OF PROVIDENCE SOCIETY**Schedule of Rocky Forest Daycare Operating Fund Expenditures****(Schedule 3)****Year Ended March 31, 2021**

	2021	2020
Direct client costs		
Food	\$ 4,918	\$ 7,717
Labour and benefits	98,556	152,777
Material and supplies	5,288	5,443
Other - direct	2,394	3,299
Repairs and maintenance	194	418
Telephone and communication	954	973
Travel and subsistence	9	240
Direct client costs total	\$ 112,313	\$ 170,867