

**ALTERNATIVES FOR WOMEN IN PRINCE EDWARD COUNTY
FINANCIAL STATEMENTS
AS AT MARCH 31, 2023**

ALTERNATIVES FOR WOMEN IN PRINCE EDWARD COUNTY
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
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, 2023, 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, 2023, 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, 2023 and March 31, 2022, any adjustments might be necessary to donations revenue, excess of revenue 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 12, 2023

Chartered Professional Accountants
Licensed Public Accountants

**ALTERNATIVES FOR WOMEN IN PRINCE EDWARD COUNTY
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023**

	Program Fund \$	General Fund \$	Capital Fund \$	Total 2023 \$	Total 2022 \$
ASSETS					
CURRENT					
Cash		376,953		376,953	109,859
Short-term investments - Note 3					167,550
Accounts receivable		9,865		9,865	8,956
Prepaid expenses and other assets	14,483	2,000		16,483	24,351
Interfund balance	41,441	20,939	(62,380)		
	55,924	409,757	(62,380)	403,301	310,716
TANGIBLE CAPITAL ASSETS					
- Note 4			1,172,255	1,172,255	1,213,359
	55,924	409,757	1,109,875	1,575,556	1,524,075
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	34,710			34,710	34,261
Due to Ministry of Children, Community and Social Services	10,322			10,322	
Deferred revenue		45,325		45,325	12,216
Current portion of long-term debt			120,644	120,644	139,796
	45,032	45,325	120,644	211,001	186,273
LONG-TERM					
Deferred capital contributions - Note 5			643,650	643,650	668,683
Long-term debt - Note 6			120,644	120,644	139,796
Less current portion included above			(120,644)	(120,644)	(139,796)
	NIL	NIL	643,650	643,650	668,683
	45,032	45,325	764,294	854,651	854,956
NET ASSETS					
Unrestricted funds	10,892	364,432		375,324	544,886
Invested in tangible capital assets			345,581	345,581	124,233
	10,892	364,432	345,581	720,905	669,119
	55,924	409,757	1,109,875	1,575,556	1,524,075

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, 2023**

	Program Fund \$	General Fund \$	Capital Fund \$	Total 2023 \$	Total 2022 \$
REVENUE					
MCCSS	349,841			349,841	336,738
Rental income		74,711		74,711	64,095
Miscellaneous income		1,772		1,772	1,120
Grants - United Way		14,000		14,000	14,000
Grants - PELASS		28,370		28,370	
Grants - other		10,925		10,925	10,925
Interest income		3,252		3,252	596
Donations		86,000		86,000	50,384
COVID-19 support		16,478		16,478	
Feminist Recovery and Response Fund		52,083		52,083	23,460
Amortization of deferred capital contributions			46,150	46,150	44,360
	349,841	287,591	46,150	683,582	545,678
EXPENSES					
Administration costs	11,148	2,281		13,429	26,119
Advertising and promotion	2,507	1,818		4,325	603
Amortization of tangible capital assets			95,616	95,616	90,398
COVID-19		6,023		6,023	8,185
Capacity building	11,114			11,114	7,190
Insurance	6,607	9,975		16,582	14,455
Interest			9,833	9,833	10,643
Office and general	2,365	994		3,359	2,826
Personal needs and allowance	4,931	1,737		6,668	3,874
Purchased services	20,618	10,111		30,729	37,881
Rent	24,000	1,440		25,440	24,000
Repairs and maintenance	3,920	47,318		51,238	29,566
Staff training	4,000	13,627		17,627	15,949
Supplies and equipment	4,000	3,087		7,087	10,202
Telephone	7,968	1,075		9,043	10,251
Travel	1,800	590		2,390	818
Utilities and taxes	4,316	22,068		26,384	24,821
VAW fund/rural and remote					2,484
Wages and benefits	230,225	54,362		284,587	258,812
	339,519	176,506	105,449	621,474	579,077
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	10,322	111,085	(59,299)	62,108	(33,399)
NET ASSETS - BEGINNING OF YEAR	10,892	533,994	124,233	669,119	709,553
MINISTRY RECOVERY	(10,322)			(10,322)	(7,035)
TRANSFERS		(280,647)	280,647	NIL	NIL
NET ASSETS - END OF YEAR	10,892	364,432	345,581	720,905	669,119

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, 2023

	2023	2022
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenditures (expenditures over revenue) for year	62,108	(33,399)
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	95,616	90,398
Amortization of deferred capital contributions	(46,150)	(44,360)
	111,574	12,639
Net change in non-cash working capital balances related to operations -		
Accounts receivable	(909)	5,293
Prepaid expenses and other assets	7,868	(11,864)
Accounts payable and accrued liabilities	449	489
Due to Ministry of Children, Community and Social Services	10,322	
Deferred revenue	33,109	12,216
	50,839	6,134
CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	162,413	18,773
INVESTING ACTIVITIES		
Purchase of short term investments		(167,550)
Proceeds on redemption of short-term investments	167,550	
Purchase of tangible capital assets	(54,512)	(37,279)
CASH FLOWS PROVIDED FROM (USED IN) INVESTING ACTIVITIES	113,038	(204,829)
FINANCING ACTIVITIES		
Ministry recovery	(10,322)	(7,035)
Deferred capital contributions received	21,117	42,336
Repayment of long-term debt	(19,152)	(84,152)
CASH FLOWS USED IN FINANCING ACTIVITIES	(8,357)	(48,851)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR YEAR	267,094	(234,907)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	109,859	344,766
CASH AND CASH EQUIVALENTS - END OF YEAR	376,953	109,859
REPRESENTED BY:		
Cash	376,953	109,859

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, 2023**

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.

(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 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, 2023**

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 expenditures 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 rates set out below:

Asset	Basis	Rate
Buildings	Straight-line	Over 15 years
Construction in progress	Declining balance	0%
Computer equipment	Declining balance	55%
Fence	Declining balance	10%
Furniture and equipment	Declining balance	20%
Automotive equipment	Declining balance	30%

(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 including contributions from MCCSS, Grants, Donations, COVID-19 support and Feminist Recovery and Response Fund. 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.

Rental income is recognized monthly as income is earned.

**ALTERNATIVES FOR WOMEN IN PRINCE EDWARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

2. ACCOUNTING POLICIES (Cont'd)

(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.

(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, short-term investments, and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities 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.

**ALTERNATIVES FOR WOMEN IN PRINCE EDWARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

3. SHORT-TERM INVESTMENTS

Short-term investments consist of the following:

	2023	2022
	\$	\$
Scotiabank non-redeemable GIC accruing interest at 1.40% and matured on March 31, 2023.		42,550
Scotiabank cashable GIC accruing interest at 1.00% and matured on March 31, 2023.		125,000
	NIL	167,550

4. TANGIBLE CAPITAL ASSETS

	2023		2022	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	\$	\$	\$	\$
Land	97,058		97,058	
Buildings	1,787,853	805,494	1,787,853	724,069
Computer equipment	10,383	8,089	10,383	5,286
Furniture and equipment	35,867	8,399	20,671	3,432
Fence	35,299	8,136	35,299	5,118
Automotive equipment	22,686	3,403		
Construction in progress	16,630			
	2,005,776	833,521	1,951,264	737,905
Cost less accumulated amortization	\$ 1,172,255		\$ 1,213,359	

During the year, tangible capital assets were acquired for cash at an aggregate cost of \$54,512 (\$37,279 in 2022).

**ALTERNATIVES FOR WOMEN IN PRINCE EDWARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized balances of contributions received for tangible capital asset additions. Deferred capital 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:

	2023	2022
	\$	\$
Beginning Balance	668,683	670,707
Add amounts received:		
MCCSS		7,200
Prince Edward-Lennox & Addington Social Services	16,630	
PECMH Auxilliary Inc.	3,278	
Reg Bronskill and Helen Findlay - Laundry	1,209	1,247
County of Lennox & Addington		33,889
	689,800	713,043
Deduct amount recognized as revenue in year	(46,150)	(44,360)
End of year	643,650	668,683

6. 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% with renewal terms currently being negotiated. The loan is secured by a first collateral charge over the property purchased (Bridge Street), which as at March 31, 2023 has a net book value of \$1,062,248.

The requirement for future repayment of long-term debt over the next year is as follows:

	\$	
2024	120,644	
	120,644	

7. 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.

**ALTERNATIVES FOR WOMEN IN PRINCE EDWARD COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

8. 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.

9. FINANCIAL RISKS AND CONCENTRATION OF RISK

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 6 to these financial statements. As prevailing interest rates fluctuate, future cash flows relating to interest payments fluctuate.

The Organization holds interest-bearing investments, as discussed in Note 3 to these financial statements, however since the interest rate on these investments is fixed, the Organization is not exposed to interest rate risk through its interest-bearing investments.

(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.

There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure the risk.

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.