

Financial Statements of

**CALGARY WOMEN'S EMERGENCY  
SHELTER ASSOCIATION**

And Independent Auditors' Report thereon

Year ended March 31, 2021



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Calgary Women's Emergency Shelter Association

### *Opinion*

We have audited the financial statements of Calgary Women's Emergency Shelter Association (the Entity), which comprise:

- the statement of financial position as at March 31, 2021
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity 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 opinion.

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

Management is responsible for the preparation and fair presentation of these 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

***Auditors' 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity 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

*KPMG LLP*

Chartered Professional Accountants

Calgary, Canada

May 31, 2021

# CALGARY WOMEN'S EMERGENCY SHELTER ASSOCIATION

## Statement of Financial Position

March 31, 2021, with comparative information for 2020

	Operating Fund	Capital Fund	2021	2020
<b>Assets</b>				
Current assets:				
Cash	\$ 3,274,212	\$ 194	\$ 3,274,406	\$ 627,616
Restricted cash	9,475	–	9,475	77,536
Accounts receivable (note 4)	237,589	116	237,705	97,735
Prepaid expenses	364,573	–	364,573	257,520
Short-term investments (note 5)	2,043,264	–	2,043,264	1,281,417
	5,929,113	310	5,929,423	2,341,824
Tangible capital assets (note 6)	–	2,664,509	2,664,509	2,764,533
	\$ 5,929,113	\$ 2,664,819	\$ 8,593,932	\$ 5,106,357
<b>Liabilities and Fund Balances</b>				
Current liabilities:				
Accounts payable and accruals (note 4)	\$ 495,515	\$ –	\$ 495,515	\$ 556,936
Deferred revenue (note 7)	1,318,999	–	1,318,999	401,636
	1,814,514	–	1,814,514	958,572
Deferred rent	515,433	–	515,433	490,314
Deferred capital contributions (note 8)	–	1,699,118	1,699,118	1,790,563
	2,329,947	1,699,118	4,029,065	3,239,449
Fund balances:				
Internally restricted (note 9)	1,287,120	965,701	2,252,821	2,255,958
Unrestricted	2,312,046	–	2,312,046	(389,050)
	3,599,166	965,701	4,564,867	1,866,908
Commitments (note 12)				
	\$ 5,929,113	\$ 2,664,819	\$ 8,593,932	\$ 5,106,357

See accompanying notes to the financial statements.

On behalf of the Board:

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

# CALGARY WOMEN'S EMERGENCY SHELTER ASSOCIATION

## Statement of Operations

Year ended March 31, 2021, with comparative information for 2020

	Operating Fund	Capital Fund	2021	2020
<b>Revenues:</b>				
Government grants:				
Province of Alberta	\$ 2,862,295	\$ —	\$ 2,862,295	\$ 2,930,673
City of Calgary (FCSS)	427,569	—	427,569	447,570
	<u>3,289,864</u>	<u>—</u>	<u>3,289,864</u>	<u>3,378,243</u>
Donations and grants (note 3)	4,947,616	—	4,947,616	3,838,652
Fundraising events (note 10)	1,080,854	—	1,080,854	1,439,577
United Way grant	523,925	—	523,925	573,300
Investment income	28,314	—	28,314	26,218
Amortization of deferred contributions (note 8)	—	197,860	197,860	213,803
Other	1,500	1	1,501	8,957
Government assistance (note 14)	1,870,061	—	1,870,061	—
	<u>11,742,134</u>	<u>197,861</u>	<u>11,939,995</u>	<u>9,478,750</u>
<b>Expenses:</b>				
Salaries	5,688,444	—	5,688,444	5,580,142
Employee benefits	875,846	—	875,846	871,223
Client services	544,756	—	544,756	584,881
Fundraising	145,528	—	145,528	358,115
Amortization of tangible capital assets	—	351,525	351,525	322,834
Building occupancy	717,929	—	717,929	697,955
Office	221,005	—	221,005	252,522
Development and education	242,193	—	242,193	211,608
Professional services	346,978	—	346,978	179,708
Promotion	48,969	—	48,969	55,222
Other	58,600	263	58,863	52,159
	<u>8,890,248</u>	<u>351,788</u>	<u>9,242,036</u>	<u>9,166,369</u>
Excess (deficiency) of revenues over expenses	\$ 2,851,886	\$ (153,927)	\$ 2,697,959	\$ 312,381

See accompanying notes to the financial statements.

# CALGARY WOMEN'S EMERGENCY SHELTER ASSOCIATION

## Statement of Changes in Fund Balances

Year ended March 31, 2021, with comparative information for 2020

	Operating Fund Unrestricted	Operating Fund Internally Restricted	Capital Fund Internally Restricted	2021	2020
Fund balance, beginning of year	\$ (389,050)	\$ 1,281,417	\$ 974,541	\$ 1,866,908	\$ 1,554,527
Excess (deficiency) of revenue over expenses	2,846,183	5,703	(153,927)	2,697,959	312,381
Interfund transfer	(145,087)	–	145,087	–	–
<b>Fund balance, end of year</b>	<b>\$ 2,312,046</b>	<b>\$ 1,287,120</b>	<b>\$ 965,701</b>	<b>\$ 4,564,867</b>	<b>\$ 1,866,908</b>

See accompanying notes to the financial statements.

# CALGARY WOMEN'S EMERGENCY SHELTER ASSOCIATION

## Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 2,697,959	\$ 312,381
Item not affecting cash:		
Amortization of deferred rent	25,119	60,418
Amortization of property and equipment	351,525	322,834
Amortization of deferred capital contributions (note 8)	(197,860)	(213,803)
	<u>2,876,743</u>	<u>481,830</u>
Change in non-cash working capital		
Accounts receivable	(139,970)	(63,566)
Prepaid expenses	(107,053)	(40,857)
Accounts payable and accruals	(61,421)	93,589
Deferred revenue	917,363	(106,071)
	<u>3,485,662</u>	<u>364,925</u>
Investing:		
Contribution received for purchase of property and equipment (note 8)	106,415	27,899
Purchase of tangible capital assets	(251,501)	(53,497)
Purchase of short term investments	(761,847)	(17,303)
	<u>(906,933)</u>	<u>(42,901)</u>
Change in cash	2,578,729	322,024
Cash, beginning of year	705,152	383,128
Cash, end of year	<u>\$ 3,283,881</u>	<u>\$ 705,152</u>
Cash consists of:		
Cash	\$ 3,274,406	\$ 627,616
Restricted cash	9,475	77,536
	<u>\$ 3,283,881</u>	<u>\$ 705,152</u>

See accompanying notes to financial statements.



# CALGARY WOMEN'S EMERGENCY SHELTER ASSOCIATION

Notes to the Financial Statements

Year ended March 31, 2021, with comparative information for March 31, 2020

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## 1. Nature of the organization:

The Calgary Woman's Emergency Shelter Association (the "Association") is a not-for-profit organization whose mission is to deliver comprehensive solutions to end family violence in our community. The Association is registered as a charitable organization under the Income Tax Act and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered NPO, the Association must meet certain requirements within the Income Tax Act. In the opinion of management, these requirements have been met.

## 2. Significant accounting policies:

### (a) Basis of presentation:

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

On March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 (COVID-19) outbreak a pandemic. This has resulted in governments worldwide, including the Canadian and Alberta governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, closures of non-essential businesses, and physical distancing, have caused material disruption to businesses in Calgary resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

The Association has experienced temporary declines in the fair value of investments and investment income, decline in fundraising efforts etc. in relation to the COVID-19 pandemic. The ultimate duration and magnitude of the impact on the economy and the financial effect on the Association's future revenues, operating results and overall financial performance is not known at this time.

As at the reporting date, the Association has determined that COVID-19 has had no impact on its contracts or lease agreements, the assessment of provisions and contingent liabilities, or the timing of revenue recognition. Management has assessed the financial impacts of the COVID-19 pandemic and did not identify any impacts on its financial statements as at March 31, 2021 other than receipt of government subsidies related to periodic declines in fundraising revenue.

# CALGARY WOMEN'S EMERGENCY SHELTER ASSOCIATION

Notes to the Financial Statements, page 2

Year ended March 31, 2021, with comparative information for March 31, 2020

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## 2. Significant accounting policies (continued):

### (a) Basis of presentation (continued):

The Association continues to use its tangible capital assets and management has not assessed any impairment that needs to be recognized on these assets at March 31, 2021. The Association also continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis. As at March 31, 2021, the Association continues to meet its contractual obligations within normal payment terms and the Association's exposure to credit risk remains largely unchanged. An estimate of the financial effect of these items is not practicable at this time.

### (b) Measurement uncertainty:

The preparation of financial statements in conformity with ASNPO 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 revenue and expenses during the year. Actual results could differ from these estimates.

Items subject to significant estimates include the useful life and potential impairment of tangible capital assets.

### (c) Fund accounting:

Funds have been established within the accounting and reporting systems as follows:

#### (i) Operating Fund:

The Operating Fund reports the assets, liabilities, revenues and expenditures related to program delivery and administrative activities of the Association.

#### (ii) Capital Fund:

The Capital Fund reports the assets, liabilities, revenues and expenditures related to the Association tangible capital assets and capital campaign.

# CALGARY WOMEN'S EMERGENCY SHELTER ASSOCIATION

Notes to the Financial Statements, page 3

Year ended March 31, 2021, with comparative information for March 31, 2020

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## 2. Significant accounting policies (continued):

### (d) Revenue recognition:

The Association follows the deferral method of accounting for contributions which include donations and grants. Restricted contributions are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of the accounting period are accrued if collection is reasonably assured. Unrestricted contributions are recognized as revenue in the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions restricted to the acquisition of tangible capital assets are recorded as deferred contributions and amortized into revenue over the useful lives of the related assets in the Capital Fund.

Realized gains and losses and investment income is recognized as revenue when earned.

Revenue and qualifying related costs generated from specific events are accounted for in the period in which those events take place. Revenue from fundraising activities, including pledges and bequests, are recognized only when the contributions are received, due to the uncertainty surrounding the amounts and timing of receipts of these types of contributions.

### (e) Tangible capital assets:

Purchased tangible capital assets are recorded in the Capital Fund at cost less accumulated depreciation. Contributed tangible capital assets are recorded in the Capital Fund at fair value at the date of contribution. Amortization is recorded once the assets have been placed in use in accordance with the straight-line method at the following annual rates:

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Buildings	5%
Computer equipment <sup>(1)</sup>	33%
Furnishings	30%
Equipment	20%
Leasehold Improvements	12.5%

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(1) *In 2021, management revised its estimate of the useful life of computer equipment from 5 years to 3 years. This change resulted in additional amortization expense of \$21,372 for the year.*

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Work in progress is not subject to amortization until the asset is ready for use.

# CALGARY WOMEN'S EMERGENCY SHELTER ASSOCIATION

Notes to the Financial Statements, page 4

Year ended March 31, 2021, with comparative information for March 31, 2020

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## 2. Significant accounting policies (continued):

### (f) Impairment of long lived assets:

Tangible capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the asset's carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset.

If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the Association uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

### (g) Donated services and materials:

The Association records donations in kind with respect to material and services donated when the fair value can be reasonably determined and would otherwise be purchased by the Association. Services donated to the Association through volunteer work are not reflected in these financial statements as the fair value is not readily determinable.

### (h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are recorded at cost or amortized cost, unless management has elected to record 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. These costs are amortized using the straight-line method.

Financial assets measured at amortized cost include cash, restricted cash and accounts receivables.

Financial assets measured at fair value include short term investments.

Financial liabilities measured at amortized cost include accounts payables and accruals.

Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the excess of revenue over expenses as interest income or expense.

# CALGARY WOMEN'S EMERGENCY SHELTER ASSOCIATION

Notes to the Financial Statements, page 5

Year ended March 31, 2021, with comparative information for March 31, 2020

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## 2. Significant accounting policies (continued):

### (h) Financial instruments (continued):

With respect to financial assets measured at cost or amortized cost, the Association recognizes in the statement of operations an impairment loss, if any, when 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 of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previous impairment loss is reversed in the excess of revenue over expenses in the period the reversal occurs.

### (i) Cash:

Cash includes the amounts on deposit in current accounts at its banks, and petty cash on hand maintained by the Association.

### (j) Presentation of significant economic interest entity:

The Association has a significant economic interest in the Calgary Women's Emergency Shelter Endowment Fund Trust (the "Trust") which operates under an independent Board of Trustees and which has been established to raise funds for the Association in order to provide for the future financial security and independence of the Association. The Trust's financial accounts have not been consolidated with those of the Association. The Association has elected to disclose pertinent financial information in the notes to the financial statements.

### (k) Deferred rent

The Association is committed to an office lease which includes increases in base rent. Base rent cost, including rent free periods and inducements, is amortized on a straight-line basis over the life of the lease. Deferred rent liability represents the difference between amount paid and amount expensed.

### (l) Government assistance

Government assistance related to current expenses and revenues is included in the determination of net income for the period.

# CALGARY WOMEN'S EMERGENCY SHELTER ASSOCIATION

Notes to the Financial Statements, page 6

Year ended March 31, 2021, with comparative information for March 31, 2020

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### 3. The CWES Endowment Fund Trust:

The Trust's financial accounts have not been consolidated in the Association's financial statements in accordance with the Association's accounting policies.

The Trust was formed on December 15, 1993, and includes amendments to the Trust Deed in September 1996, December 1998, June 2005, March 2015 and March 2017, in order to provide for the future financial security and independence of the Association. Income from the Trust is made available to the Association to support its operations and such capital disbursements as may from time to time be deemed appropriate in accordance with the terms of the Trust instrument dated March 17, 2017.

The Trust is a registered charity exempt from income tax under the provisions or paragraph 149(1)(f) to the Income Tax Act (Canada). The Trust is also registered under the Charitable Fundraising Act of Alberta.

The Trust uses the deferral method of accounting for contributions. Endowment contributions which are received from individual estates and are set aside in perpetuity are recognized as direct increase to net assets. Income on endowment contributions is unrestricted and recorded as revenue when earned.

Realized and unrealized gains and losses and other investment income is recognized as revenue when earned.

Financial summaries of the Trust as at March 31, 2021 and March 31, 2020 are as follows:

#### Financial Position:

	2021	2020
Total assets	\$ 6,069,718	\$ 5,124,364
Total liabilities	11,882	11,647
Total net assets	6,057,836	5,112,717
	\$ 6,069,718	\$ 5,124,364

#### Total Net Assets:

	2021	2020
Internally restricted Endowments	\$ 5,482,014	\$ 4,536,895
	575,822	575,822
	\$ 6,057,836	\$ 5,112,717

# CALGARY WOMEN'S EMERGENCY SHELTER ASSOCIATION

Notes to the Financial Statements, page 7

Year ended March 31, 2021, with comparative information for March 31, 2020

### 3. The CWES Endowment Fund Trust (continued):

#### Results of Operations:

	2021	2020
Total revenue	\$ 989,409	\$ 295,530
Total expenses	(44,290)	(926,384)
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 945,119</b>	<b>\$ (630,854)</b>

#### Statement of Cash Flow:

	2021	2020
Cash flow provided by (used in) operations	\$ 86,709	\$ (342,853)
Cash flow (used in) provided by investments	(101,178)	333,531

The Association recorded revenue of \$nil (2020 - \$455,198) reported as donations and grants related to the amounts received from the Trust.

### 4. Accounts receivable and accounts payable & accruals:

Included in accounts receivable are government remittances receivable of \$32,244 (2020 - \$89,762), which includes receivables for goods and services related taxes. Accounts payable and accruals includes \$ 17,046 (2020- \$ Nil) due to government for payroll remittances.

The Association has a corporate credit card from a Canadian bank with a limit of \$25,000 (2020 - \$25,000). At March 31, 2021, \$17,470 (2020 - \$11,215) was outstanding on the credit card and is included in accounts payable and accruals.

### 5. Short-term investments:

	2021	2020
Cash (i)	\$ 4,259	\$ 5,093
Money market fund (i)	1,282,861	1,276,324
Guaranteed investment certificates (ii)	756,144	-
	<b>\$ 2,043,264</b>	<b>\$ 1,281,417</b>

# CALGARY WOMEN'S EMERGENCY SHELTER ASSOCIATION

Notes to the Financial Statements, page 8

Year ended March 31, 2021, with comparative information for March 31, 2020

## 5. Short-term investments (continued):

- (i) Short-term investments recorded at fair value are held in a managed fund with a Canadian chartered bank and have a cost base of \$1,287,125 (2020 - \$1,281,417). The short-term investments have been internally restricted by the Board of Directors for future operations and requires a resolution by the Board of Directors to access the funds.
- (ii) The guaranteed investment certificates are held with a major Canadian Chartered Bank, these deposits mature on April 14, 2021 and bear interest at 1.15%.

## 6. Tangible capital assets:

			2021	2020
	Cost	Accumulated depreciation	Net book value	Net book value
Land	\$ 125,000	\$ -	\$ 125,000	\$ 125,000
Buildings	6,537,875	4,374,790	2,163,085	2,340,297
Computer equipment	520,182	451,011	69,171	76,227
Furniture and fixtures	182,850	162,497	20,353	3,972
Equipment	481,804	357,489	124,315	133,463
Leasehold Improvements	114,100	42,787	71,313	85,574
Work in progress	91,272	-	91,272	-
	<b>\$ 8,053,083</b>	<b>\$ 5,388,574</b>	<b>\$ 2,664,509</b>	<b>\$ 2,764,533</b>

## 7. Deferred revenue:

The deferred revenue reported in the Operating Fund relates to restricted operating funds received in the current and prior periods that are related to future periods as follows:

	2021	2020
Donations	\$ 996,719	\$ 130,036
Grants from government agencies	20,705	67,427
Fundraising activities	301,575	204,173
	<b>\$ 1,318,999</b>	<b>\$ 401,636</b>



# CALGARY WOMEN'S EMERGENCY SHELTER ASSOCIATION

Notes to the Financial Statements, page 9

Year ended March 31, 2021, with comparative information for March 31, 2020

## 8. Deferred capital contributions:

Deferred contributions reported in the Capital Fund include the unamortized portion of contributed tangible capital assets, restricted contributions which have been or will be utilized to acquire tangible capital assets and unspent restricted funds related to the capital campaign.

The changes for the year in the deferred contributions balance reported in the Capital Fund are as follows:

	2021	2020
Balance, beginning of year	\$ 1,790,563	\$ 1,976,467
Amortization of capital contribution recognized during the year	(197,860)	(213,803)
Contributions received during the year	106,415	27,899
<b>Total deferred contributions</b>	<b>\$ 1,699,118</b>	<b>\$ 1,790,563</b>

## 9. Internally restricted fund balances:

Internally restricted fund balances in the Capital Fund are amounts that are restricted and available for use only by resolution of the Board of Directors.

Internally restricted fund balances in the Operating Fund are amounts that are restricted by the Board of Directors for future operations. It is reserved to ensure that programs are able to continue should unforeseen and adverse funding circumstances arise. In 2018, the Board of Directors formalized a policy that includes a target internally restricted fund balance of up to six months of typical operating costs. The policy will be reviewed on an annual basis by the Board to ensure it remains relevant to the scale of operations and risks associated with revenue streams.

## 10. Fundraising events:

Fundraising events revenue consists of the following items:

	2021	2020
Mail campaign	\$ 781,919	\$ 538,877
Turning Points dinner	–	692,986
Third Party Events	240,454	207,714
Casino	58,481	–
	<b>\$ 1,080,854</b>	<b>\$ 1,439,577</b>

# CALGARY WOMEN'S EMERGENCY SHELTER ASSOCIATION

Notes to the Financial Statements, page 10

Year ended March 31, 2021, with comparative information for March 31, 2020

## 11. Fundraising expenses:

As required under Section 7(2) of the Charitable Fundraising Regulation in Alberta, the following amounts are disclosed:

	2021	2020
Amounts paid as remuneration to employees whose principal duties involve fundraising	\$ 180,022	\$ 172,524
Amounts paid as remuneration to a fundraising business	30,091	30,052
Direct expenses incurred for the purposes of soliciting contributions	158,478	324,257
	<u>\$ 368,591</u>	<u>\$ 526,833</u>

All contributions received through fundraising activities were used to fund the Association's programs.

## 12. Commitments:

The Association is committed to an office lease. The Association entered into the lease commencing on September 1, 2016 to August 31, 2027.

Future minimum payments for the Association's fiscal years are noted below:

2022	\$ 134,428
2023	227,673
2024	268,856
2025	268,856
2026 and thereafter	594,798

## 13. Financial instruments:

Discussion of risks associated with financial assets and liabilities are presented as follows:

### (a) Liquidity risk:

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

# CALGARY WOMEN'S EMERGENCY SHELTER ASSOCIATION

Notes to the Financial Statements, page 11

Year ended March 31, 2021, with comparative information for March 31, 2020

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## 13. Financial instruments (continued):

### (a) Liquidity risk (continued):

The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. The Association's liquidity risk exposure may get impacted pursuant to COVID-19 (note 2(a)).

### (b) Credit risk:

Credit risk arises from cash, restricted cash and short term investments held with financial institutions, as well as credit exposure from accounts receivable. The Association has a concentration of credit risk with respect to its cash and short term investments. The Association's accounts receivable are primarily due from governments and are subject to normal credit risks. The Association mitigates its exposure to credit loss by placing its cash and short term investments with reputable financial institutions.

### (c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk to the extent that investments are at fixed rates of interest.

There is no significant change in the Association's risk profile compared to prior year except for the possible impact from COVID- 19 as discussed in note 2(a).

## 14. Government assistance:

The Government of Canada created a program called the Canada Emergency Wage Subsidy, ("CEWS") to provide wage assistance to entities who experienced a drop in revenues resulting from the COVID-19 outbreak. During the year, the Association met the eligibility requirements and received \$1,200,585 (2020 – \$ nil). The Association has also received funding amounting to \$283,878 (2020- \$ Nil) under Government of Alberta – COVID-19 crisis support program and \$385,598 (2020- \$ Nil) under the City of Calgary Emergency Resiliency Fund. The entire amount has been recognized as revenue in the statement of operations for the year ended March 31, 2021.