

ST. AIDAN'S HOUSE SOCIETY
Financial Statements
Year Ended March 31, 2018

ST. AIDAN'S HOUSE SOCIETY
Index to Financial Statements
Year Ended March 31, 2018

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Shoemaker, Viney & Friesen

CHARTERED ACCOUNTANTS

John S. Shoemaker Professional Corporation

Tina J. Viney Professional Corporation

Timothy J. Friesen Professional Corporation

INDEPENDENT AUDITOR'S REPORT

To the Members of St. Aidan's House Society

We have audited the accompanying financial statements of St. Aidan's House Society, which comprise the statement of financial position as at March 31, 2018 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of St. Aidan's House Society as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Westlock, Alberta
June 19, 2018


CHARTERED ACCOUNTANTS

ST. AIDAN'S HOUSE SOCIETY
Statement of Financial Position
March 31, 2018

| | MAC Project 2018 | Seniors Program 2018 | Rental 2018 | Total 2018 | Total 2017 |
|---|---------------------|----------------------------|----------------|---------------|---------------|
| ASSETS | | | | | |
| CURRENT | | | | | |
| Cash | \$ 151,073 | \$ 166,430 | \$ 150,459 | \$ 467,962 | \$ 352,283 |
| Canada Savings Bond | - | - | - | - | 9,972 |
| Goods and services tax recoverable | 230 | 1,625 | - | 1,855 | 559 |
| Prepaid expenses | - | - | - | - | 3,500 |
| | 151,303 | 168,055 | 150,459 | 469,817 | 366,314 |
| PROPERTY, PLANT AND EQUIPMENT (Net of accumulated amortization) (Note 5) | - | - | 189,582 | 189,582 | 199,784 |
| | \$ 151,303 | \$ 168,055 | \$ 340,041 | \$ 659,399 | \$ 566,098 |
| LIABILITIES AND NET ASSETS | | | | | |
| CURRENT | | | | | |
| Accounts payable | \$ 1,000 | \$ 12,000 | \$ 1,000 | \$ 14,000 | \$ 14,000 |
| Goods and services tax payable | - | - | 2,360 | 2,360 | - |
| | 1,000 | 12,000 | 3,360 | 16,360 | 14,000 |
| | 150,303 | 156,055 | 336,681 | 643,039 | 552,098 |
| NET ASSETS | | | | | |
| | \$ 151,303 | \$ 168,055 | \$ 340,041 | \$ 659,399 | \$ 566,098 |

ON BEHALF OF THE BOARD

Director

Director

ST. AIDAN'S HOUSE SOCIETY
Statement of Revenues and Expenditures
Year Ended March 31, 2018

| | 2018 | 2017 |
|--|------------------|-------------------|
| REVENUE | | |
| Seniors Program (Schedule 1) | \$ 445,118 | \$ 465,706 |
| MAC Project (Schedule 2) | 290,931 | 155,318 |
| Rental (Schedule 3) | 66,275 | 63,069 |
| | <u>802,324</u> | <u>684,093</u> |
| EXPENSES | | |
| Seniors Program (Schedule 1) | 454,324 | 346,091 |
| MAC Project (Schedule 2) | 211,755 | 147,200 |
| Rental (Schedule 3) | 45,304 | 48,586 |
| | <u>711,383</u> | <u>541,877</u> |
| EXCESS OF REVENUE OVER EXPENSES | <u>\$ 90,941</u> | <u>\$ 142,216</u> |

ST. AIDAN'S HOUSE SOCIETY
Statement of Changes in Net Assets
Year Ended March 31, 2018

| | MAC Project | Seniors Program | Rental | 2018 | 2017 |
|----------------------------|-------------|--------------------|------------|------------|------------|
| NET ASSETS - | | | | | |
| BEGINNING OF | | | | | |
| YEAR | \$ 71,127 | \$ 165,261 | \$ 315,710 | \$ 552,098 | \$ 409,882 |
| Excess of revenue | | | | | |
| over expenses | 79,176 | (9,206) | 20,971 | 90,941 | 142,216 |
| NET ASSETS - END OF | | | | | |
| YEAR | \$ 150,303 | \$ 156,055 | \$ 336,681 | \$ 643,039 | \$ 552,098 |

ST. AIDAN'S HOUSE SOCIETY
Statement of Cash Flows
Year Ended March 31, 2018

| | 2018 | 2017 |
|---|--------------------------|--------------------------|
| OPERATING ACTIVITIES | | |
| Excess Of Revenue Over Expenses | \$ 90,941 | \$ 142,216 |
| Item not affecting cash: | | |
| Amortization of property, plant and equipment | 10,202 | 14,068 |
| | <u>101,143</u> | <u>156,284</u> |
| Changes in non-cash working capital: | | |
| Prepaid expenses | 3,500 | (3,500) |
| Goods and services tax payable | 1,064 | 1,049 |
| | <u>4,564</u> | <u>(2,451)</u> |
| Cash flow from operating activities | <u>105,707</u> | <u>153,833</u> |
| INVESTING ACTIVITY | | |
| Canada Savings Bond | 9,972 | (211) |
| Cash flow from (used by) investing activity | <u>9,972</u> | <u>(211)</u> |
| INCREASE IN CASH FLOW | 115,679 | 153,622 |
| CASH - BEGINNING OF YEAR | <u>352,283</u> | <u>198,661</u> |
| CASH - END OF YEAR | <u>\$ 467,962</u> | <u>\$ 352,283</u> |

ST. AIDAN'S HOUSE SOCIETY
Notes to Financial Statements
March 31, 2018

1. PURPOSE OF THE SOCIETY

St. Aidan's House Society (the "Society") is a charitable organization incorporated provincially under the Companies Act of Alberta. As a registered charity the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Society operates to provide support services to seniors with the Regional Municipality of Wood Buffalo.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

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. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Contributed services

The operations of the Society depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Donated goods

Donated goods are recorded at their fair market value at the time of the donation. During the year no goods were donated (2017 - \$0).

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ST. AIDAN'S HOUSE SOCIETY
Notes to Financial Statements
March 31, 2018

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

Financial instruments policy

Initial and subsequent measurement

The Society initially measures its financial assets and liabilities at fair value except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Society subsequently measures all its financial assets and liabilities at cost or amortized cost except for investments in equity instruments that are quoted in an active market which are measured at fair value. Changes in the fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash, Canda Savings Bonds, and goods and services tax recoverable.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable.

Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the Society determines whether there are indications of possible impairment. When there are indications of impairment and the Society determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

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ST. AIDAN'S HOUSE SOCIETY
Notes to Financial Statements
March 31, 2018

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

Revenue recognition

St. Aidan's House Society follows the restricted fund method of accounting for contributions.

Restricted contributions are recognized as revenue of the appropriate restricted fund. Investment income earned on restricted income is recognized as revenue of the appropriate fund when earned.

Assets, liabilities, revenues and expenses related to maintaining the community event calendar and website are reported in the MAC Project Fund.

Assets, liabilities, revenues and expenses related to providing services for seniors are reported in the Seniors Program Fund.

Assets, liabilities, revenues and expenses related to the house rental are reported in the Rental Fund.

Cash and short term investments

Short-term investments purchased with maturity of three months or less are classified as cash equivalents.

Goods and Services Tax

Input tax credits paid on materials and services are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization. Property, plant and equipment is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

| | | |
|--------------------|-----|--------------------------|
| Buildings | 2% | declining balance method |
| Paving | 8% | declining balance method |
| Equipment | 20% | declining balance method |
| Motor vehicles | 40% | declining balance method |
| Computer equipment | 30% | declining balance method |

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.

ST. AIDAN'S HOUSE SOCIETY
Notes to Financial Statements
March 31, 2018

3. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2018.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its funders and accounts payable.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its accounts payable.

(c) Commodity risk

The Society is exposed to fluctuations in commodity prices for natural gas and electricity. Commodity prices are affected by many factors including supply and demand. The Society had no balanced billing contracts in place at year end.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

4. INTERFUND TRANSFERS AND INTERNAL RESTRICTIONS

Internally restricted amounts are not available for any other purpose without approval from the Board of Directors.

5. PROPERTY, PLANT AND EQUIPMENT

| | Cost | Accumulated amortization | 2018 Net book value | 2017 Net book value |
|--------------------|-------------------|-----------------------------|---------------------------|---------------------------|
| Buildings | \$ 314,850 | \$ 142,205 | \$ 172,645 | \$ 176,169 |
| Paving | 11,670 | 6,380 | 5,290 | 5,750 |
| Equipment | 43,973 | 40,334 | 3,639 | 4,548 |
| Motor vehicles | 36,500 | 28,616 | 7,884 | 13,140 |
| Computer equipment | 18,435 | 18,311 | 124 | 177 |
| | <u>\$ 425,428</u> | <u>\$ 235,846</u> | <u>\$ 189,582</u> | <u>\$ 199,784</u> |

ST. AIDAN'S HOUSE SOCIETY
Notes to Financial Statements
March 31, 2018

6. ECONOMIC DEPENDENCE

The Society is economically dependent on United Way, and the Regional Municipality of Wood Buffalo to provide funding for its operations. The Society would be unable to operate in this capacity if this funding was discontinued. The Society's contract with the Regional Municipality of Wood Buffalo terminates June 30, 2018.

7. LEASE COMMITMENTS

The Society has a long term lease with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. The Society is required to pay a monthly rent to The United Way of Fort McMurray of \$2,375 plus GST. This rent is subject to a 4% increase each year.

The Society has a long term lease with respect to its storage facility. The Society is required to pay a monthly rent to Sentinal Storage of \$299 plus GST.

8. CONTINGENT LIABILITY

The Society is required to repay any funding surplus at year end back to United Way and Alberta Seniors. During the 2018 fiscal year, the Society received a grant from the New Horizons for Seniors Program in the amount of \$50,000 (2017- \$0). Of this amount, \$25,000 is restricted for use in the 2018/19 fiscal year.

The Society has access to an American Express Mastercard with a credit limit of \$9,000.

ST. AIDAN'S HOUSE SOCIETY
Seniors Program
Year Ended March 31, 2018

(Schedule 1)

| | 2018 | 2017 |
|---|-------------------|-------------------|
| REVENUE | | |
| United Way contract | \$ 351,403 | \$ 293,983 |
| New Horizons for Seniors Grant | 50,000 | - |
| Regional Municipality of Wood Buffalo contract | 39,440 | 27,000 |
| Donations | 4,275 | 69,723 |
| Alberta Seniors contract | - | 75,000 |
| | <u>445,118</u> | <u>465,706</u> |
| EXPENSES | | |
| Advertising | 1,112 | 1,151 |
| Association and licensing fees | 1,435 | 493 |
| Bank charges | 395 | 132 |
| Bookkeeping fees | 7,000 | 7,000 |
| Freight and postage | 2 | 50 |
| Hosting | 7,601 | 1,154 |
| Liability insurance | 2,595 | 2,595 |
| Materials | 19,515 | 17,875 |
| Office supplies | 11,189 | 3,205 |
| Professional fees | 10,100 | 12,600 |
| Program evaluation | 5,000 | 1,793 |
| Program expenses | 3,293 | 3,731 |
| Rent | 24,168 | 14,666 |
| Staff travel | 4,816 | 2,070 |
| Subcontractors | 5,214 | 1,000 |
| Telephone | 3,097 | 3,085 |
| Wage benefits | 35,845 | 26,666 |
| Wages | 308,220 | 244,126 |
| Wages - staff training | 3,727 | 2,699 |
| | <u>454,324</u> | <u>346,091</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES | <u>\$ (9,206)</u> | <u>\$ 119,615</u> |

ST. AIDAN'S HOUSE SOCIETY
MAC Project
Year Ended March 31, 2018

(Schedule 2)

| | 2018 | 2017 |
|--|------------------|-----------------|
| REVENUE | | |
| Red Cross | \$ 127,139 | \$ 67,818 |
| Donations | 84,414 | 15,000 |
| Regional Municipality of Wood Buffalo | 54,378 | 72,500 |
| United Way | 25,000 | - |
| | <u>290,931</u> | <u>155,318</u> |
| EXPENSES | | |
| Advertising | 139 | 232 |
| Bank charges | 91 | 125 |
| Contract wages | 103,681 | 40,726 |
| Hosting | - | 100 |
| Office supplies | 596 | 148 |
| Professional fees | 1,200 | 1,200 |
| Program support fees | - | 2,000 |
| Rent | 4,960 | 4,391 |
| Staff travel | 441 | 51 |
| Telephone | 1,012 | 535 |
| Wage benefits | 7,274 | 6,155 |
| Wages | 90,361 | 91,131 |
| Website expenses | 2,000 | 406 |
| | <u>211,755</u> | <u>147,200</u> |
| EXCESS OF REVENUE OVER EXPENSES | <u>\$ 79,176</u> | <u>\$ 8,118</u> |

ST. AIDAN'S HOUSE SOCIETY

Rental

(Schedule 3)

Year Ended March 31, 2018

| | 2018 | 2017 |
|--|------------------|------------------|
| REVENUE | | |
| Rental | \$ 60,500 | \$ 62,857 |
| Interest income | 5,775 | 212 |
| | <u>66,275</u> | <u>63,069</u> |
| EXPENSES | | |
| Amortization | 10,202 | 14,068 |
| Automotive | 3,375 | 4,086 |
| Bank charges | 96 | 81 |
| Board expenses | 2,816 | 245 |
| Bookkeeping | 7,000 | 7,000 |
| Employee benefits | 11,500 | 10,500 |
| Insurance | 5,452 | 4,395 |
| Professional fees | 1,200 | 1,200 |
| Rent | 3,628 | 4,545 |
| Repairs and maintenance | 35 | 958 |
| Sponsorship | - | 1,500 |
| Utilities | - | 8 |
| | <u>45,304</u> | <u>48,586</u> |
| EXCESS OF REVENUE OVER EXPENSES | <u>\$ 20,971</u> | <u>\$ 14,483</u> |