

Eastman Crisis Centre Inc.
Financial Statements
March 31, 2017

Independent Auditors' Report

To the Directors of Eastman Crisis Centre Inc.:

We have audited the accompanying financial statements of Eastman Crisis Centre Inc., which comprise the statement of financial position as at March 31, 2017, and the statements of operations, changes in net assets and cash flows and the related schedules 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.

Auditors' 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 auditors' 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 qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from the general public in the form of donations, membership fees, and miscellaneous contributions, the completeness of which is not susceptible to 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 any adjustments might be necessary to these revenues, excess of revenues over expenses, and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Eastman Crisis Centre Inc. as at March 31, 2017 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Winnipeg, Manitoba

September 9, 2017

MNP LLP

Chartered Professional Accountants

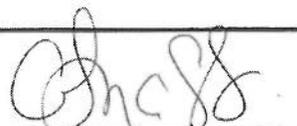
Eastman Crisis Centre Inc.
Statement of Financial Position
As at March 31, 2017

	2017	2016
Assets		
Current		
Cash	40,730	22,429
Accounts receivable (Note 3)	19,675	93,233
Prepaid expenses and deposits	3,372	2,993
	63,777	118,655
Capital assets (Note 4)	68,835	255,398
Capital asset held for sale (Note 5)	192,776	-
	325,388	374,053
Liabilities		
Current		
Accounts payable and accruals (Note 6)	44,038	79,050
Contingencies (Note 13)		
Subsequent event (Note 5)		
Net Assets (Deficit)		
General unrestricted	(17,661)	2,340
Externally restricted	34,474	34,474
Education fund	2,095	2,095
Equipment replacement fund	831	696
Invested in capital assets	261,611	255,398
	281,350	295,003
	325,388	374,053

Approved on behalf of the Board:



 Director



 Director

The accompanying notes are an integral part of these financial statements

Eastman Crisis Centre Inc.
Statement of Operations

For the year ended March 31, 2017

	<i>General Unrestricted</i>	<i>Externally Restricted</i>	<i>Education Fund</i>	<i>Equipment Replacement Fund</i>	<i>Invested in Capital Assets</i>	<i>2017</i>	<i>2017 Budget (Unaudited)</i>	<i>2016</i>
Revenues								
Province of Manitoba								
Family Services - grant	379,900	-	-	-	-	379,900	399,589	395,482
Income security - per diem	43,698	-	-	-	-	43,698	70,000	51,833
Security system funding	9,725	-	-	-	18,468	28,193	-	57,657
Donations	4,865	-	-	-	-	4,865	11,000	5,961
Fundraising	65,962	-	-	135	-	66,097	62,000	70,151
Investments	10	-	-	-	-	10	5,000	11
Government of Canada - Health Canada	21,326	-	-	-	-	21,326	21,500	21,527
Miscellaneous	2,072	-	-	-	-	2,072	6,000	3,180
United Appeal	1,258	-	-	-	-	1,258	2,000	2,512
	528,816	-	-	135	18,468	547,419	577,089	608,314
Expenses <i>(Schedule 1)</i>	548,817	-	-	-	12,255	561,072	573,193	563,299
Excess (deficiency) of revenues over expenses	(20,001)	-	-	135	6,213	(13,653)	3,896	45,015

The accompanying notes are an integral part of these financial statements

Eastman Crisis Centre Inc.
Statement of Changes in Net Assets

For the year ended March 31, 2017

	<i>General Unrestricted</i>	<i>Externally Restricted</i>	<i>Education Fund</i>	<i>Equipment Replacement Fund</i>	<i>Invested in Capital Assets</i>	<i>2017</i>	<i>2016</i>
Net assets, beginning of year	2,340	34,474	2,095	696	255,398	295,003	249,988
Excess (deficiency) of revenues over expenses	(20,001)	-	-	135	6,213	(13,653)	45,015
Net assets, end of year	(17,661)	34,474	2,095	831	261,611	281,350	295,003

The accompanying notes are an integral part of these financial statements

Eastman Crisis Centre Inc.
Statement of Cash Flows
For the year ended March 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenues over expenses	(13,653)	45,015
Amortization	12,255	5,516
	(1,398)	50,531
Changes in working capital accounts		
Accounts receivable	73,558	(88,476)
Prepaid expenses and deposits	(379)	2,048
Accounts payable and accruals	(35,012)	48,951
	36,769	13,054
Investing		
Purchase of capital assets	(18,468)	(58,150)
Increase (decrease) in cash resources	18,301	(45,096)
Cash, beginning of year	22,429	67,525
Cash, end of year	40,730	22,429

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Eastman Crisis Centre Inc. (the "Organization") designs and delivers services and programs which promote the self esteem, independence and individual decision-making of abused women and their children.

The purpose of the Eastman Crisis Centre Inc. is to provide a safe and supportive environment for abused women and their children, and to provide opportunities to learn of available resources and alternatives in order to facilitate informed personal choices and decisions.

Eastman Crisis Centre Inc. is incorporated as a non-profit organization without share capital, is a registered charity within the meaning of the Income Tax Act, and is exempt from income taxes.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts are maintained on a fund accounting basis. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the contributors or in accordance with the directives issued by the Board of Directors.

Five funds are maintained: General unrestricted fund, externally restricted fund, education fund, equipment replacement fund and invested in capital assets fund.

The General Unrestricted Fund accounts for the Organization's program delivery and administrative activities. This fund reports unrestricted resources.

The Externally Restricted Fund accounts for any Family Violence Prevention Program (FVPP) of the Province of Manitoba funded program excess of revenues over budgeted expenditures in accordance with the guidelines contained in the Service Purchase Agreement signed by the Organization and FVPP. The restricted fund balance can only be spent in accordance with FVPP's surplus/deficit policy, which requires FVPP's prior approval for the use of restricted funds. Expenditures approved by FVPP are presented as expenditures of the externally restricted fund.

The Education Fund reports only internally restricted resources that are to be used to support the continuing education of the Organization's staff. Expenditures from this fund require approval from the Board of Directors.

The Equipment Replacement Fund reports only internally restricted resources that are to be used for equipment replacement. Expenditures from this fund require approval by the Board of Directors.

The Invested in Capital Assets Fund reports the assets, liabilities, revenue and expenditures related to the Organization's capital assets.

Revenue recognition

The Organization follows the restricted fund method of accounting for contributions.

Unrestricted contributions including donations and fundraising are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions reported in the Externally Restricted Fund, including grants, donations and fundraising are recognized as revenue in the year in which the funds are received.

Restricted contributions, where there is no appropriate fund are reported in the General Unrestricted Fund, including grants, donations and fundraising are recognized as revenue in the year in which the related expenses are incurred.

2. **Significant accounting policies** (Continued from previous page)

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with original maturities of three months or less from initial purchase date. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Buildings	6.67 %
Automotive	20 %
Computer equipment	55 %
Computer software	100 %
Furniture and equipment	20 %

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

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 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 reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Eastman Crisis Centre Inc.
Notes to the Financial Statements
For the year ended March 31, 2017

2. Significant accounting policies (Continued from previous page)

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Organization performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in deficit for the year.

3. Accounts receivable

	2017	2016
Province of Manitoba	18,405	91,354
Goods and Services Tax	1,270	1,879
	19,675	93,233

4. Capital assets

	Cost	Accumulated amortization	2017 Net book value
Buildings	20,250	18,905	1,345
Automotive	13,070	13,070	-
Computer equipment	58,718	9,482	49,236
Computer software	7,119	5,486	1,633
Furniture and equipment	43,039	26,418	16,621
	142,196	73,361	68,835

	Cost	Accumulated amortization	2016 Net book value
Land	192,776	-	192,776
Buildings	20,250	17,554	2,696
Automotive	13,070	13,070	-
Computer equipment	47,671	6,444	41,227
Computer software	7,119	5,486	1,633
Furniture and equipment	35,618	18,552	17,066
	316,504	61,106	255,398

5. Capital asset held for sale

On March 21, 2017 the Organization signed an offer to sell a vacant lot owned by the organization, located at 29 Cambridge Way, Steinbach. The title was transferred on May 1, 2017. The land was originally purchased for \$192,776 as part of a capital campaign.

Eastman Crisis Centre Inc.
Notes to the Financial Statements
For the year ended March 31, 2017

6. Accounts payable and accruals

	2017	2016
Trade payables	2,174	45,681
Accrued payables	7,470	3,750
Wages payable	13,016	11,247
Vacation pay payable	21,378	18,372
	44,038	79,050

The Union agreement to which employees of the Organization are subject allows for employees to accrue up to 54 days of unused sick leave. However, employees are not entitled to cash out unused sick leave in either cash or time at the end of their employment. The Organization's liability for sick leave owed to employees at March 31, 2017 was \$26,757 (2016 - \$16,440). This liability has not been recognized in these financial statements.

7. Second stage housing

The Organization collects rent payments from clients of its second stage housing program on behalf of the Province of Manitoba. Given that the Organization acts as an agent, amounts collected are not presented as revenue and amounts remitted or due are not presented as expenses in the financial statements of the Organization. Total rent collected for the year ended March 31, 2017 amounted to \$nil (2016 - \$4,340). Included in accounts payable and accrued liabilities as at March 31, 2017 is a balance due to the Province of Manitoba in the amount of \$nil (2016 - \$nil) which is for rents collected to that date.

8. Changes in externally restricted fund balance

The Organization has received approval from the Province of Manitoba Family Violence Prevention Branch to fund specific expenditures from the externally restricted fund. For the year ended March 31, 2017, there were no expenditures, and for the year ended March 31, 2016 the following amounts have been financed from the externally restricted fund and are presented as expenses of the restricted fund:

	2016
Human resource consulting services	(21,394)
Promotional items	(2,481)
Public education and advertising	(4,654)
Union negotiation	(6,762)
	(35,291)

9. Transfer of labour costs between cost centres

The Family Services grant allocated to the Facility Maintenance cost centre contains a \$1,319 (2016 - \$3,828) component for wages paid to janitorial staff. Since the size of the Organization makes it inefficient to hire staff specifically for this function, these duties are shared among the employees. In order to match revenue with expenses, an estimate of \$1,319 (2016 - \$3,828) has been allocated from the Shelter Program centre to the Facility Maintenance cost centre.

10. Employee future benefits

Retirement benefits for employees of the Organization are provided through the Community Agencies Retirement Plan (the "Plan"). The Plan is a contributory multi-employer defined benefit pension plan which is financed by contributions from participating employers and employees, and by the investment earnings of the Plan.

The determination of the value of benefits and required contributions is made on the basis of periodic actuarial valuations. The cost of funding the Plan is shared by the employee and the employer. The rate of the employee contributions to the Plan is 7.00% of the Yearly Maximum Pensionable Earnings plus 8.75% of any gross earnings above that maximum. Employers match employee contributions. The practice of the Community Agencies is to use the net actuarial gains to improve the benefits of plan members and their dependents.

The normal retirement age is 65 years for all Plan members. The normal retirement pension is calculated on the basis of length of contributory service and gross basic earnings on which contributions are calculated. In addition to the normal retirement benefit, benefit coverage for early retirement, death, disability, termination and survivors is available for members who meet the plan requirements.

The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of Part II of the CPA Canada Handbook section 3461.

Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The most recent actuarial valuation as of December 31, 2015 indicated that the plan was 106.8% funded on a going concern basis and had an unfunded solvency liability of \$11.0 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2015.

Contributions to the plan made during the year by the Organization on behalf of its employees amounted to \$14,084 for current obligations. The amounts are included in the statement of operations.

11. Economic dependence

The Organization's primary source of revenue is provincial government grants. The grant funding can be cancelled if the Organization does not observe certain established guidelines. The Organization's ability to continue viable operations is dependent upon maintaining its right to follow the criteria within the provincial government guidelines. As at the date of these financial statements the Organization believes that it is in compliance with the guidelines.

12. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

13. Contingencies

The Organization, in the normal course of operations, is subject to lawsuits. The Organization will accrue for losses in instances where it is probable that the liabilities will be incurred and where such liabilities can be reasonably estimated. As at March 31, 2017, no amounts have been accrued.

Eastman Crisis Centre Inc.
Schedule 1 - Schedule of Expenses

For the year ended March 31, 2017

	<i>General Unrestricted</i>	<i>Externally Restricted</i>	<i>Education Fund</i>	<i>Equipment Replacement Fund</i>	<i>Invested in Capital Assets</i>	<i>2017</i>	<i>2017 Budget (unaudited)</i>	<i>2016</i>
Expenses								
Activities	30	-	-	-	-	30	2,439	246
Advertising	4,006	-	-	-	-	4,006	4,442	943
Amortization	-	-	-	-	12,255	12,255	5,600	5,516
Annual meeting	1,449	-	-	-	-	1,449	1,500	919
Bad debts	14,282	-	-	-	-	14,282	-	-
Bank charges and interest	1,702	-	-	-	-	1,702	1,475	1,464
Board expenses	1,017	-	-	-	-	1,017	2,000	1,814
Client transportation	7,279	-	-	-	-	7,279	8,000	5,811
Education	1,069	-	-	-	-	1,069	400	7,210
Employee benefits	51,399	-	-	-	-	51,399	69,439	51,391
Food	5,764	-	-	-	-	5,764	11,000	9,646
Fundraising	3,486	-	-	-	-	3,486	2,500	6,257
Household and personal supplies	963	-	-	-	-	963	-	525
Insurance	3,148	-	-	-	-	3,148	3,100	2,871
Janitorial	1,319	-	-	-	-	1,319	5,600	3,828
Medication and health needs	538	-	-	-	-	538	950	657
Membership fees	3,485	-	-	-	-	3,485	2,500	2,821
Office	4,380	-	-	-	-	4,380	5,500	7,273
Personal allowance	1,056	-	-	-	-	1,056	2,600	1,288
Postage	975	-	-	-	-	975	1,200	1,073
Professional fees	17,177	-	-	-	-	17,177	5,200	31,496
Repairs and maintenance	1,524	-	-	-	-	1,524	3,100	883
Replacement costs	827	-	-	-	-	827	3,300	9,287
Salaries	401,086	-	-	-	-	401,086	407,748	387,744
Staff training	1,996	-	-	-	-	1,996	5,550	3,377
Staff travel	2,137	-	-	-	-	2,137	2,300	1,566
Start-up and special needs	-	-	-	-	-	-	1,500	528
Supplies and miscellaneous	7,101	-	-	-	-	7,101	2,700	6,464
Telephone	6,733	-	-	-	-	6,733	7,500	7,938
Vehicle	2,889	-	-	-	-	2,889	4,050	2,463
	548,817	-	-	-	12,255	561,072	573,193	563,299

Eastman Crisis Centre Inc.
Schedule 2 - Schedule of Administration Revenues and Expenses

For the year ended March 31, 2017

	2017	2017 Budget (Unaudited)	2016
Revenue			
Province of Manitoba			
Family services - grant	93,600	99,500	94,900
Income security - per diem	12,602	31,000	13,561
Donations	300	-	300
Fundraising	65,762	60,000	69,455
Investments	10	5,000	11
Miscellaneous	2,072	6,000	3,180
United Appeal	1,258	2,000	2,512
	175,604	203,500	183,919
Expenses			
Advertising	4,006	4,442	492
Annual meeting	1,449	1,500	919
Bank charges and interest	1,702	1,475	1,464
Board expenses	1,017	2,000	1,814
Employee benefits	14,501	21,486	13,598
Fundraising	538	2,500	2,003
Insurance	3,148	3,100	2,871
Janitorial	1,319	5,600	3,828
Membership fees	3,485	2,500	2,821
Office	4,380	5,500	7,273
Postage	975	1,200	1,073
Professional fees	17,177	5,200	3,340
Repairs and maintenance	1,524	600	776
Salaries	101,446	104,850	101,996
Staff training	450	1,800	682
Staff travel	1,076	1,200	372
Supplies and miscellaneous	5,342	900	5,120
Telephone	6,733	7,500	7,938
Vehicle	2,889	4,050	2,463
	173,157	177,403	160,843
Excess of revenues over expenses	2,447	26,097	23,076

Eastman Crisis Centre Inc.
Schedule 3 - Schedule of Shelter Program Revenues and Expenses

For the year ended March 31, 2017

	2017	2017 Budget (Unaudited)	2016
Revenues			
Province of Manitoba			
Family services - grant	167,000	175,000	176,263
Income security - per diem	14,699	30,000	18,916
Donations	4,565	11,000	5,661
Fundraising	-	2,000	-
	186,264	218,000	200,840
Expenses			
Activities	-	1,839	10
Bad debts	9,262	-	-
Client transportation	7,279	8,000	5,811
Employee benefits	18,759	24,799	21,411
Food	5,764	11,000	9,646
Fundraising	2,948	-	4,255
Household and personal supplies	963	-	525
Medication and health needs	529	700	657
Personal allowance	1,056	2,600	1,288
Replacement costs	698	1,500	2,598
Salaries	179,193	189,204	177,800
Staff training	578	2,500	1,814
Staff travel	-	500	453
Start-up and special needs	-	1,500	528
Supplies and miscellaneous	1,207	1,000	269
	228,236	245,142	227,065
Deficiency of revenues over expenses	(41,972)	(27,142)	(26,225)

Eastman Crisis Centre Inc.
Schedule 4 - Schedule of Children's Counselling Revenues and Expenses

For the year ended March 31, 2017

	2017	2017 Budget (Unaudited)	2016
Revenues			
Province of Manitoba			
Family services - grant	23,800	24,814	25,823
Income security - per diem	16,397	9,000	19,356
Fundraising	200	-	-
Government of Canada - Health Canada	21,326	21,500	21,527
	61,723	55,314	66,706
Expenses			
Activities	30	500	195
Bad debts	2,023	-	-
Employee benefits	7,175	7,281	6,581
Replacement costs	78	1,300	1,034
Salaries	39,884	35,800	35,849
Staff training	818	1,250	569
Staff travel	779	200	449
Supplies and miscellaneous	231	500	786
	51,018	46,831	45,463
Excess of revenues over expenses	10,705	8,483	21,243

Eastman Crisis Centre Inc.
Schedule 5 - Schedule of Follow-up program Revenues and Expenses
For the year ended March 31, 2017

	2017	2017 Budget (Unaudited)	2016
Revenues			
Province of Manitoba			
Family services - grant	95,500	100,275	98,497
Expenses			
Activities	-	100	41
Bad debts	2,997	-	-
Education	1,069	400	526
Employee benefits	10,964	15,873	9,801
Medication and health needs	9	250	-
Repairs and maintenance	-	2,500	107
Replacement costs	51	500	5,655
Salaries	80,563	77,894	72,099
Staff training	150	-	312
Staff travel	282	400	292
Supplies and miscellaneous	321	300	289
	96,406	98,217	89,122
Excess (deficiency) of revenues over expenses	(906)	2,058	9,375