

WOMEN'S PLACE OF SOUTH NIAGARA INC.

(Operating as Birchway Niagara)

Financial Statements
for the Year Ended March 31, 2024
and Independent Auditor's Report to the Board of Directors

WOMEN'S PLACE OF SOUTH NIAGARA INC.

(Operating as Birchway Niagara)
FINANCIAL STATEMENTS
MARCH 31, 2024

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CHARTERED
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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of
Women's Place of South Niagara Inc.:**

Qualified Opinion

We have audited the accompanying financial statements of Women's Place of South Niagara Inc. (the Organization), which comprise the the statement of financial position as at March 31, 2024 and the statements of operations and fund balance - operating fund, operations and fund balance - building fund, operations and fund balance - stabilization reserve fund, operations and fund balance - endowment fund, operations and fund balance - Evelyn Zavitz Reserve fund and of 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 financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

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

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.

Durward Jones Barkwell + Company LLP

Durward Jones Barkwell & Company LLP
Licensed Public Accountants
St. Catharines, Ontario
June 4, 2024

WOMEN'S PLACE OF SOUTH NIAGARA INC.

(Operating as Birchway Niagara)

STATEMENT OF OPERATIONS AND FUND BALANCE - OPERATING FUND
YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
REVENUE		
Ministry of Children, Community and Social Services	\$ 1,493,949	\$ 1,493,949
Ministry of Children, Community and Social Services - other funding	230,787	150,511
Fundraising	200,475	164,322
United Way Niagara	59,777	59,777
Donations	525,812	414,825
Book riot	115,915	98,495
Municipal funding	24,450	34,850
Ministry of the Attorney General funding	47,500	47,500
Niagara Prosperity Initiative	65,091	16,882
Niagara Community Foundation	36,296	17,203
Branscombe Family Foundation	-	42,000
Special project funding and revenue	17,000	12,000
DV advocate revenues	31,344	58,194
Federal - Women and Gender Equality funding	84,191	83,891
Investment and miscellaneous income	77,669	44,837
Federal emergency COVID funding	140,000	208,000
	<u>3,150,256</u>	<u>2,947,236</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
Advertising and promotion	2,711	3,170
Book riot	29,452	21,046
Client needs	15,105	130,764
COVID expenses	-	177
Fundraising	28,342	21,110
Groceries	59,762	58,425
Insurance	19,579	17,022
Interest and bank charges	6,733	5,361
Office supplies and resources	238,353	241,131
Professional fees	29,836	57,044
Repairs and maintenance	85,774	179,675
Security and safety	10,463	26,913
Special projects	14,286	12,342
Training	81,381	10,598
Transitional and other projects	66,636	62,760
Travel and commercial fare	11,341	13,113
Utilities and telephone	60,405	63,773
Wages and benefits	2,207,324	2,046,585
	<u>2,967,483</u>	<u>2,971,009</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	182,773	(23,773)
BEQUESTS		
Legacy gifts from estates	-	136,553
EXCESS OF REVENUE OVER EXPENSES	182,773	112,780
FUND BALANCE, BEGINNING OF YEAR	-	-
TRANSFER TO BUILDING FUND	-	(112,780)
TRANSFER TO STABILIZATION RESERVE	(182,773)	-
FUND BALANCE, END OF YEAR	\$ -	\$ -

WOMEN'S PLACE OF SOUTH NIAGARA INC.
 (Operating as Birchway Niagara)
 STATEMENT OF OPERATIONS AND FUND BALANCE - BUILDING FUND
 YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
REVENUE		
Amortization of deferred contributions	\$ 98,770	\$ 47,300
Donations	85,339	105,333
Gain on sale of capital assets	-	693,198
Mortgage forgiveness	-	43,126
	<u>184,109</u>	<u>888,957</u>
EXPENSES		
Amortization	349,208	212,633
Repairs and Maintenance	-	5,079
Bank charges	-	64
	<u>349,208</u>	<u>217,776</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(165,099)	671,181
TRANSFER FROM OPERATING FUND	-	112,780
FUND BALANCE, BEGINNING OF YEAR	<u>4,564,672</u>	<u>3,780,711</u>
FUND BALANCE, END OF YEAR	\$ 4,399,573	\$ 4,564,672

Supplemental information to the Building Fund can be found in Note 9.

STATEMENT OF OPERATIONS AND FUND BALANCE - STABILIZATION RESERVE FUND
 YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
FUND BALANCE, BEGINNING OF YEAR	\$ 437,565	\$ 437,565
TRANSFER FROM OPERATING FUND	<u>182,773</u>	-
FUND BALANCE, END OF YEAR	\$ 620,338	\$ 437,565

Supplemental information to the Stabilization Reserve Fund can be found in Note 4.

WOMEN'S PLACE OF SOUTH NIAGARA INC.

(Operating as Birchway Niagara)
STATEMENT OF OPERATIONS AND FUND BALANCE - ENDOWMENT FUND
YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
REVENUE		
Dividend income	\$ 5	\$ -
Loss on sale of investments	(2,124)	-
Unrealized gain (loss) on investments	<u>14,263</u>	<u>(9,143)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	12,144	(9,143)
FUND BALANCE, BEGINNING OF YEAR	<u>61,747</u>	70,890
FUND BALANCE, END OF YEAR	\$ 73,891	\$ 61,747

Supplemental information to the Endowment Fund can be found in Note 6.

STATEMENT OF OPERATIONS AND FUND BALANCE - EVELYN ZAVITZ RESERVE FUND YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
REVENUE	\$ 2,291	\$ 1,182
FUND BALANCE, BEGINNING OF YEAR	<u>41,754</u>	<u>40,572</u>
FUND BALANCE, END OF YEAR	\$ 44,045	\$ 41,754

Supplemental information to the Evelyn Zavitz Fund can be found in Note 4.

WOMEN'S PLACE OF SOUTH NIAGARA INC.

(Operating as Birchway Niagara)
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash (Note 2)	\$ 482,198	\$ 328,684
Accounts receivable (Note 3)	95,936	54,265
Short term investments (Note 4)	1,684,303	1,610,104
Prepaid expenses	47,994	62,267
	2,310,431	2,055,320
Capital assets (Note 5)	5,943,671	6,324,505
Endowment Investments (Note 6)	73,891	61,747
	\$ 8,327,993	\$ 8,441,572
LIABILITIES		
Current liabilities		
Accounts payable and accrued charges	\$ 267,152	\$ 298,015
Deferred revenue	1,135,368	1,193,119
	1,402,520	1,491,134
Deferred contributions (Note 7)	1,787,626	1,844,700
Contingency (Note 8)		
	3,190,146	3,335,834
FUND BALANCES		
Building Fund (Note 9)	4,399,573	4,564,672
Stabilization Reserve (Note 2 and 4)	620,338	437,565
Endowment (Note 6)	73,891	61,747
Evelyn Zavitz Reserve (Note 4)	44,045	41,754
	5,137,847	5,105,738
	\$ 8,327,993	\$ 8,441,572

Approved by the Board:

..... Director

..... Director

WOMEN'S PLACE OF SOUTH NIAGARA INC.

(Operating as Birchway Niagara)
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses		
Operating fund	\$ 182,773	\$ 112,780
Building fund	(165,099)	671,181
Endowment fund	12,144	(9,143)
Evelyn Zavitz fund	2,291	1,182
	<u>32,109</u>	776,000
Items not affecting cash		
Amortization	349,208	212,633
Loss (gain) on sale of capital assets	-	(693,198)
Loss on sale of endowment investments	2,124	-
Unrealized loss (gain) on endowment investments	(14,263)	9,143
Mortgage forgiveness	-	(43,126)
Amortization of deferred contributions	(98,770)	(47,300)
	<u>270,408</u>	214,152
Changes in non-cash operating assets and liabilities		
Accounts receivable	(41,671)	147,162
Prepaid expenses	14,273	(59,144)
Accounts payable and accrued charges	(30,863)	(774,564)
Deferred revenue	(57,751)	1,130,607
	<u>154,396</u>	658,213
INVESTING ACTIVITIES		
Purchase of capital assets	(118,343)	(1,251,602)
Proceeds on sale of capital assets	-	920,884
Refund from reassessed HST rebate on construction	149,969	-
Purchase of short-term investments	(74,199)	(1,610,104)
Proceeds on sale of short-term investments	-	167,166
Purchase of endowment investments	(5)	-
	<u>(42,578)</u>	(1,773,656)
FINANCING ACTIVITY		
Proceeds from deferred contributions	41,696	1,027,785
	<u>41,696</u>	1,027,785
INCREASE (DECREASE) IN CASH	153,514	(87,658)
CASH, BEGINNING OF YEAR	328,684	416,342
CASH, END OF YEAR	\$ 482,198	\$ 328,684

WOMEN'S PLACE OF SOUTH NIAGARA INC.

(Operating as Birchway Niagara)
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Nature and purpose of organization

The Organization is incorporated without share capital under the Ontario Business Corporations Act and operates a transitional shelter for abused women and their children in Welland and Niagara Falls and provides counselling and other related services. The Organization is a registered charity and is exempt from tax under Section 149(1)(1) of the Income Tax Act of Canada.

Fund accounting

The Organization follows the restricted fund method of accounting for contributions and the financial statements have been prepared on an accrual basis. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose.

The Operating Fund reports unrestricted resources and is used to account for revenues and expenses related to program delivery and administrative activities.

The Building Fund reports the assets, liabilities, revenues and expenses related to the Organization's capital assets.

The Stabilization Reserve Fund is internally restricted for the purposes of protecting the agency against fluctuations in funding as well as severance and related staff continuity costs where sufficient funds are not available through general operations.

The Endowment Fund is externally restricted by the donors for services, programs and public education to diverse populations and is required to be maintained as an endowment. Interest income earned is reported in the fund. Income is not required to be transferred each year and transfers are at the discretion of the board of directors.

The Evelyn Zavitz Reserve Fund is externally restricted for the purposes of training and professional development where sufficient funds are not available through general operations.

Revenue recognition

Government subsidy and grant revenue is generally recognized in the period for which it is received. In circumstances where the grant relates to more than one fiscal period, unexpended funds are deferred and recognized as revenues in the period in which expenditures are incurred.

Donations are recorded on an accrual basis recognizing pledges receivables as revenue where such pledges are virtually certain of collection. Donations in kind are recognized in the statements at fair value only if they would have been purchased by the organization in the normal course of operations.

Bingo revenues are recorded on an accrual bases except in years where bingo earnings exceed municipal approved expenditure limits. In these cases, the additional earnings are set up as deferred revenue until municipal lottery licensing authorities approve additional expenditures. Fundraising, investment and other miscellaneous revenues are recognized in the period they are received.

WOMEN'S PLACE OF SOUTH NIAGARA INC.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2024

Capital assets

Capital assets are recorded at acquisition cost. Amortization is calculated using the diminishing-balance method at the following rates:

Building	5%
Parking improvements	10%
Furniture and equipment	20%
Computer hardware	50%
Vehicle	30%

In the year of acquisition, amortization is recorded at one-half the normal rates.

Capital assets over \$5,000 are capitalized at acquisition cost. Capital expenditure less than \$5,000 are expensed in the year incurred. The amount of capital expenditures below the capitalization threshold that is expensed in the current year is \$46,155.

Long-lived assets

Long-lived assets are tested for recoverability if events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying amount of the long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposition. Impairment losses are measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

Contributed materials and services

Some of the work of the Organization is dependent on the services of volunteers that are not normally purchased by the Organization. The Organization also receives many contributed supplies and resources. These supplies and resources are recognized as donations if they would have been purchased in the normal course of operations. Otherwise, these materials and services are not recognized in the financial statements because of the difficulty in determining their fair value.

Financial instruments

(a) Measurement of financial instruments

Initial measurement

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the organization in the transaction.

WOMEN'S PLACE OF SOUTH NIAGARA INC.

(Operating as Birchway Niagara)
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MARCH 31, 2024

Subsequent measurement

The Organization 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 fair value are recognized in income in the period incurred.

Financial assets measured at amortized cost include cash and accounts receivable.

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

Financial assets measured at fair value include short term investments and endowment investments.

(b) Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

(c) Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there are, and the Organization 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 income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no 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 income.

Use of estimates

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates, as additional information becomes available in the future. Significant estimates and assumptions are used when accounting for such items as allowances for accounts receivable, determination of useful lives of capital assets, impairment of long-lived assets, accrued charges, deferred revenue, revenue recognition, fund balance allocation and contingent liabilities.

External events such as domestic and international pandemics, geopolitical unrest, natural disasters, climate change or inflationary pressures may cause economic uncertainty for many companies. Management assesses available information about the future, considers the possible outcomes, and develops a planned response to mitigate the effect of significant events or changes in conditions impacting the Organization. Although it is not guaranteed that these efforts will be successful, management is of the opinion that the actions that the Organization has taken are sufficient to mitigate these uncertainties.

WOMEN'S PLACE OF SOUTH NIAGARA INC.

(Operating as Birchway Niagara)
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

2. CASH

The Organization has a credit agreement with Meridian Credit Union, which includes credit card facility to a maximum of \$6,500, and letters of credit to a maximum of \$111,569. The facilities are secured by a general security agreement over all present and acquired property, assignment of rent and leases, assignment of fire insurance, assignment of funds on deposit in the amount of \$120,000 and an indemnity agreement. Letters of credit amounting to \$111,569 were in use at year-end.

3. ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Trade accounts receivable	\$ 50,182	\$ 11,707
HST recoverable	45,754	42,558
	\$ 95,936	\$ 54,265

4. SHORT-TERM INVESTMENTS

	<u>2024</u>	<u>2023</u>
Meridian GIC - 3.10%, due June 17, 2023	\$ -	\$ 125,519
Meridian GIC - 3.10%, due June 22, 2023	-	409,580
Meridian GIC - 4.00%, due June 29, 2023	-	721,096
Meridian GIC - 3.50%, due June 29, 2023	-	307,911
Meridian GIC - 4.10%, due September 12, 2023	-	45,998
Meridian GIC - 4.00%, due June 17, 2024	130,320	-
Meridian GIC - 4.90%, due June 22, 2024	428,331	-
Meridian GIC - 5.25%, due June 29, 2024	756,926	-
Meridian GIC - 4.25%, due June 29, 2024	320,487	-
Meridian GIC - 5.50%, due September 12, 2024	48,239	-
	\$ 1,684,303	\$ 1,610,104

The above short-term investments are held in the following funds:

Operating Fund	\$ 467,007	\$ 694,827
Building Fund	552,913	435,958
Stabilization Reserve Fund	620,338	437,565
Evelyn Zavitz Reserve Fund	44,045	41,754
	\$ 1,684,303	\$ 1,610,104

WOMEN'S PLACE OF SOUTH NIAGARA INC.

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NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024

5. CAPITAL ASSETS

	<u>2024</u>		<u>2023</u>	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 206,937	\$ -	\$ 206,937	\$ -
Building	7,495,342	2,078,730	7,656,356	1,797,804
Furniture and equipment	381,300	121,360	322,714	63,698
Vehicle	70,802	10,620	-	-
	8,154,381	2,210,710	8,186,007	1,861,502
Net book value		\$ 5,943,671		\$ 6,324,505

6. ENDOWMENT INVESTMENTS

Endowment investments are marketable securities and are recorded at fair market value. The original cost of the endowment investments at March 31, 2024 is \$55,946 (2023 - \$58,066).

7. DEFERRED CONTRIBUTIONS

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 1,844,700	\$ 864,215
Additional contribution funds received	41,696	1,027,785
Less amortization of deferred contributions	<u>(98,770)</u>	<u>(47,300)</u>
	\$ 1,787,626	\$ 1,844,700

8. CONTINGENCY

As of March 31, 2022, a total amount of \$1,892,000 was received from the Canada Mortgage and Housing Corporation for the purpose of constructing and furnishing an addition to the property in Niagara Falls. If this property is sold or ownership transferred within 20 years of this date, or if the Organization stops operating it as a rent-free shelter, a condition on the contribution requires that the full amount received is to be repaid to the Canada Mortgage and Housing Corporation.

WOMEN'S PLACE OF SOUTH NIAGARA INC.

(Operating as Birchway Niagara)
 NOTES TO THE FINANCIAL STATEMENTS
 MARCH 31, 2024

9. SUPPLEMENTAL INFORMATION TO THE BUILDING FUND

	<u>2024</u>	<u>2023</u>
ASSETS		
Short-term investments	\$ 552,913	\$ 435,958
Capital assets	<u>5,943,671</u>	<u>6,324,505</u>
	<u>\$ 6,496,584</u>	<u>\$ 6,760,463</u>
LIABILITIES AND FUND BALANCE		
Accounts payable and accruals	-	51,091
Deferred revenue	309,385	300,000
Deferred contributions	1,787,626	1,844,700
Building Fund	<u>4,399,573</u>	<u>4,564,672</u>
	<u>\$ 6,496,584</u>	<u>\$ 6,760,463</u>

10. ECONOMIC DEPENDENCE

The Organization is dependent on government funding agreements. It would be difficult for the current operations of the Organization to continue without this annual funding. However, it is management's opinion that this funding will continue into the foreseeable future.

11. FINANCIAL RISK MANAGEMENT

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, market (other price) risk, currency risk, credit risk, and liquidity risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices.

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Organization's investments in securities quoted in an active market exposes the Organization to price risks as these investments are subject to price changes in an open market. The Organization does not use derivative financial instruments to alter the effects of this risk.

It is management's opinion that the Organization is not exposed to significant interest rate, currency, credit or liquidity risks arising from its financial instruments.