



Michele Taylor – Waypoints' Executive Director
Janine Keagan – Waypoints' Sexual Assault Program Manager
S/Sgt. William Eros – Wood Buffalo RCMP Detachment

November 27, 2019

Child & Youth Advocacy Centre Renovation Project

- Waypoints was presented with a proposal by the RMWB and RCMP to operate a Child and Youth Advocacy Centre (CYAC) for the region in early 2018. The Board agreed and Waypoints' facility at 9917 Fraser Avenue (then the Emergency Women's Shelter) was chosen to become the region's first Child and Youth Advocacy Centre.
- Waypoints' Board named it the Care Centre for Children and Youth.
- The Board decided that once the Emergency Women's Shelter operations moved into its' new location, the Fraser Avenue property would be renovated to house the new service centre.

Waypoints' Organizational Mandate

- **Purpose:** to lead in improving the fundamental safety & health of individuals, families and communities
- **Vision:** a community free of domestic-family violence, sexual assault, abuse and homelessness
- **Community Served:** the Regional Municipality of Wood Buffalo, inclusive of all demographics
- **Capital Project to be funded by the grant:** Waypoints' Child & Youth Advocacy Centre Renovation Project
- **Project Goals/Outcome:** to repurpose and renovate a Waypoints' owned facility in order to operate a Child and Youth Advocacy Centre (CYAC) for the region

Community Impact

Alignment with 2018-2021 Strategic Plan:

- **Fiscal Responsibility:** re-purposing facility owned by a non-profit to provide new services from multiple community and government agencies.
- **Shared Services:** RCMP, Children Services, Victim Services and Waypoints will be providing services out of this facility.
- **Fiscally Responsible Budgets and Financial Plans:** low investment of RMWB dollars will net a functional, effective regional service centre
- **Developing Our People (& Youth):** more effective service delivery will promote healing in victims of crime
- **Accessibility:** one, child-friendly location to meet multiple service providers increases accessibility for families
- **Partnerships with Social Profits:** RCMP, Children Services, Victim Services and Waypoints working effectively to coordinate service delivery

Additional Information

Community Need: the need was determined by the original Wood Buffalo CYAC Community Steering Committee, 5 years ago, by looking at the challenges being experienced by service delivery agencies in our region and how other communities solved these challenges - by creating a CYAC. Child & Youth Advocacy Centres are the best practice standard in delivering support services to children and youth that have experienced family violence, sexual violence, and/or trauma. Family and sexual violence have increased significantly in Alberta in recent years, including our region. Increasing the effectiveness of our services for children and youth will reduce healing time and negative, long-term health effects.

Positive Impact: better coordination and collaboration between service delivery agencies, more accessible services to families, (one-stop, bus accessible location) and reduced healing time for family and sexual violence and trauma that children and youth have experienced from receiving services in a child and trauma friendly environment.

2020 Grant Request

	Total Cost	Other Funding Sources	Grant Request
Consultant Fees	\$0	\$0	\$0
Contract Admin Fees	\$0	\$0	\$0
General Construction	\$500,000	\$375,000	\$125,000
Equipment & Furnishings	\$25,000	\$25,000	\$0
Contingency/Misc.	\$25,000	\$0	\$25,000
Total	\$550,000	\$400,000	\$150,000

Closing

- CYACs improve the disclosure, investigation & prosecution process for child & youth victims & their families. Our CYAC will strengthen and enhance protective factors for child/youth victims & their families & seek to mitigate any further trauma to the child & their families. Victims & their families will feel supported, heard & empowered.
- Currently, child interviews are conducted at the RCMP Detachment in an environment that is cold, uninviting, & unfamiliar to children. To enhance the comfort of clients, the CYAC will be child-focused & child-friendly. The CYAC will be a safe, warm & welcoming space for children, youth & their families to meet with service providers, including the RCMP, GOA Children's Services, Waypoints' sexual assault & domestic violence support & counseling staff & Victim's Services.
- At the CYAC, they will complete their forensic interview & receive individualized support & specialized services. The CYAC will operate as a developmentally appropriate, trauma-informed, wrap-around Care Centre for our children & youth.

Waypoints Community Services Association
 2020 Community Capital Grant Analysis

CIP Grant Summary:

2017	2018	2019	2020 Request	2020 Recommended by CIP	Variance Recommended vs. Requested
-	-	-	150,000	150,000	-

Fiscal Year End	Total Expenses	Unrestricted Net Assets
March 31, 2019	7,369,168	2,293,086

Notes:

Project Name: Care Centre for Children and Youth - Building Renovation

Meets all eligibility criteria in CIP Policy FIN-220.

Budget Line Description	2020 Total Cost	2020 Recommended
Estimated Project Costs	550,870	150,000
Less: Other Funding Sources	(400,870)	-
Total Grant Request	\$ 150,000	\$ 150,000

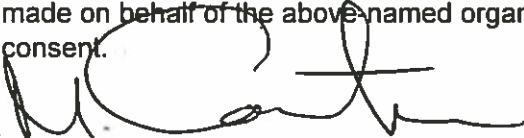

Community Capital Grant Part A - Organization Summary

Organization Name:	Waypoints Community Services Association
Street Address:	#100 130 Prospect Drive
City/Hamlet:	Fort McMurray
Province:	Alberta
Postal Code:	T9K 2Z5
Phone Number:	480-743-4698
Website:	www.waypointswb.ca
Fiscal Year End:	March 31, 2020
Act Registered Under:	Societies Act (Alberta)
Registration Number:	118928449RT0001

Note: Organization must be in good standing to receive funding.

Main Contact	
Title:	Executive Director
Name:	Michele Taylor
Daytime Phone:	Office: 780-743-4698 Cell: 17(1)
Email Address:	michele.taylor@waypointswb.ca
Executive Director	
Name:	Michele Taylor
Daytime Phone:	Office: 780-743-4698 Cell: 17(1)
Email Address:	michele.taylor@waypointswb.ca
Board Chair / President	
Name:	Cliff Dimm
Daytime Phone:	Office: 780-790-5454 Cell: 17(1)
Email Address:	dimm.cliff@syncrude.com 17(1)

Declaration of Board Members - In making this application, we, the undersigned, confirm that we are authorized by the applicant organization to complete the application and hereby represent to the Regional Municipality of Wood Buffalo's Community Investment Program and declare that to the best of our knowledge and belief, the information provided is truthful and accurate, and the application is made on behalf of the above-named organization and with the Board of Directors' full knowledge and consent.

 Signature of Board Member (must have signing authority)	 Signature of Board Member or Executive Director (must have signing authority)
Martin Carter Print Name	Michele Taylor Print Name
2019-09-19 Date: (Year-Month-Day)	2019-09-19 Date: (Year-Month-Day)

Part B - Board Questionnaire

How often does the Board of Directors meet? 6 times per annum

Minimum number of board members according to bylaws: 5

Number of board members:
Currently: 10 **2018:** 8 **2017:** 10

Describe measures being undertaken to fill vacant spots if minimum board members are not met:

Waypoints has not dropped below 8 board members in the last 10 years and prior to that we do not have information on what they did to fill vacant spots if their boards dropped below the minimum.

When we have vacancies we advertize with United Way, FuseSocial, our website and FaceBook page and Board Members recruit community members to apply.

Please list current Board of Directors:

Name	Board Position	Years on Board
Cliff Dimm	Board President/Chair	7.50
Colleen Kearney	Board Vice President/Vice Chair	6.50
Martin Carter	Board Treasurer	2.00
Gordon Armitage	Board Member	6.00
Arlene Rice	Board Member	5.50
Barbara Henning	Board Member	4.00
Asif H. Syed	Board Member	3.00
Chris Pirie	Board Member	0.50
Sylvie Comtois	Board Member	0.50
Jo-Anne Packham	Board Member	4.00

Part B - Board Questionnaire

Are any board members being paid, or receiving an honorarium, for being on the Board or for other positions in the organization outside of their role on the Board? Yes No

If yes, complete the following table:

Board member name	Paid role on the board / organization	Amount received

What are the restrictions (if any) on becoming a member of the organization or participating in programs or services?

None

How often does the Board review the financial position of the organization? What efforts have been made in the past fiscal year to increase the number and types of financial support for the organization?

The Board reviews the financial position of the organization 6 times per year. Attempts to increase the number and type of financial support for the organization are on-going. We have increased our annual operations funding from 2.7 million in 2013 to 7.4 million in 2019. We have increase services by 300% in that time.

We have Government of Canada, Government of Alberta, Corporate, RMWB, Service Clubs, Foundations, community groups and individuals contributing to our operations each year. We also do various fund-raisers throughout the year, (eg. Fort McMurray Food Festival, Mega 50/50's and Dinner Theatres).

For capital projects, we have large corporations, small businesses, individuals, the RMWB the Government of Alberta, Government of Canada, CMHA and CFEP grants. We have raised 37 million in capital funding to complete 37 million in capital projects over the last 7 years: Compass Affordable Housing Apartment Building, new Emergency Women's Shelter (Unity House) and the region's first Sexual Assault Healing Centre.

 The personal information collected in this application is collected under the authority of section 33(c) of Alberta's Freedom of Information and Protection of Privacy (FOIP) Act. It will be used to process the application and contact you if needed, during the review of this application. If you have any questions about the collection and use of the personal information you may contact the Manager, Community Investment Program, at 9909 Franklin Avenue, Fort McMurray, AB T9H 2K4 or at (780) 743-7918.

Part C - Business Case

The Community Capital Grant program is used to support the construction, expansion or renovation of recreational, social and cultural facilities in the region. Community Capital Grants are executed through agreements with community groups and non-profit organizations that operate the facilities.

Project Name: The Care Centre for Children and Youth (Child and Youth Advocacy Centre - CYAC)

EXECUTIVE SUMMARY

Summarize the purpose and importance of the project. Include the following (where applicable): explain the nature of the project (what it is) and indicate whether the project is to replace existing facilities or equipment. Indicate if the project is an existing project and explain why there is a funding shortfall at the current phase or if there are any changes to the project and why. Summarize the probable impact on the environment; reason why this project is necessary; benefits of the project, indicating the impact on service delivery standards; duration of the project (from predesign to completion). Indicate the consequences and impact of not doing the project, as well as any major constraints or risks involved with the project.

Text CANNOT exceed box. More detail/space available on following pages.

Waypoints is a social profit organization that has provided specialized family and sexual violence related services to the Regional Municipality of Wood Buffalo since 1982. There is a high percentage of young families and children in the population. Families have often left their homes and communities to travel to the Wood Buffalo Region for work, leaving behind their natural support networks and extended family support. This region has never had a Child and Youth Advocacy Centre (CYAC). The region has had a variety of agencies working together to create a CYAC for the region for over 5 years. The CYAC model is a well-established, best practice, service delivery model for children and youth that have experienced family and/or sexual violence and/or trauma. CYAC's improve the disclosure, investigation, and prosecution process for child and youth victims and their families. The CYAC and Multidisciplinary Team (MDT) model will also allow for simplified and coordinated access to services for the child and non-offending family members after the disclosure, by way of the CYAC Facilitator. The facilitator's role is to support the family from the beginning of the process, connect them to community resources such as Victim Services, Mental Health, and counselors and be a guiding hand during the often lengthy and confusing investigation and prosecution process.

Our project CYAC will directly focus on strengthening and enhancing protective factors for child/youth victims and their families and seek to mitigate any further trauma to the child and their families. Victims and their families will feel supported, heard, and empowered when working with the CYAC.

Currently, child interviews are conducted at the RCMP detachment in an environment that is often cold, uninviting, and unfamiliar to children. In order to enhance the comfort of child and youth victims and their families, the CYAC will be child focused and child friendly. With the establishment and opening of the CYAC there will be a safe, warm and welcoming space for children, youth and their families to meet with a variety of service providers, including the RCMP, GOA Children's Services, Waypoints' sexual assault and domestic violence support and counseling staff and Victim's Services. At the CYAC, they will complete their forensic interview, and receive individualized support and specialized services. The CYAC will operate as a developmentally appropriate, trauma-informed, wrap-around care centre for the children and youth of the RMWB. Waypoints is renovating the previous location of Unity House to reopen it as the CYAC, (Unity House is now operating out of its' new facility). The renovation is expected to take 5 months. Interior renovations are to be complete in 2 months, with operations starting up, followed by exterior renovations, which will be done as the final phase of renovations.

Part C - Business Case

STRATEGIC PLAN GOAL

The Regional Municipality of Wood Buffalo 2018-2021 Strategic Plan focuses on the vision of a vibrant, sustainable region we are proud to call home. It identifies four key strategic priorities to achieve this goal: Responsible Government, Downtown Revitalization, Regional Economic Development, and Rural and Indigenous Communities and Partnerships. The Community Investment Program aims to assist non-profit agencies to achieve the goals and objectives outlined in the Municipal Strategic Plan.

The Community Capital Grant is available to support facilities that contribute to the key strategic priorities identified above and are either owned by the Municipality and operated by a community group or non-profit organization (asset implications for the Municipality); or are owned and operated by community groups and organizations directly (no asset implications for the Municipality).

Please indicate which category is applicable to this application:

1. Responsible Government

- | | |
|---|--|
| <input checked="" type="checkbox"/> a. Fiscal Responsibility | <input type="checkbox"/> h. Intergovernmental Relations |
| <input checked="" type="checkbox"/> b. Shared Services | <input checked="" type="checkbox"/> i. Partnerships with Social Profits |
| <input checked="" type="checkbox"/> c. Fiscal Responsible Budgets and Financial Plans | <input type="checkbox"/> j. Implement Lessons Learned (2016 Wildfire Review) |
| <input type="checkbox"/> d. Asset Management | <input type="checkbox"/> k. Wildfire Recovery |
| <input checked="" type="checkbox"/> e. Developing Our People | <input type="checkbox"/> l. Public Engagement Strategy |
| <input type="checkbox"/> f. Foster equality, diversity and inclusion in the region | <input checked="" type="checkbox"/> m. Youth |
| <input checked="" type="checkbox"/> g. Accessibility | <input type="checkbox"/> n. Whistleblower Initiative |

2. Downtown Revitalization

- | | |
|--|--|
| <input checked="" type="checkbox"/> a. Encourage Development in the Downtown | <input type="checkbox"/> e. Riverfront Master Planning & Revitalization |
| <input type="checkbox"/> b. Establish Municipal Land Inventory | <input type="checkbox"/> f. Review of the Municipal Development Plan (MDP) |
| <input type="checkbox"/> c. Incentives to Update Store Fronts | <input type="checkbox"/> g. Aging in Place Facility |
| <input type="checkbox"/> d. Clear Land Use Plans and Regulations | |

3. Regional Economic Development

- | | |
|--|--|
| <input type="checkbox"/> a. Work with Industry and Suppliers - Fly in, Fly Out | <input type="checkbox"/> d. Economic Gardening and Pop Up Stores |
| <input type="checkbox"/> b. Business Attraction and Incentives | <input type="checkbox"/> e. Shop Local Program |
| <input type="checkbox"/> c. Small Business Incubator | <input type="checkbox"/> f. Support Arts and Culture |

4. Rural and Indigenous Communities and Partnerships

- | | |
|---|---|
| <input type="checkbox"/> a. Truth and Reconciliation Commission Calls to Action | <input type="checkbox"/> f. Inclusion and Partnerships (Rural Coalition) |
| <input type="checkbox"/> b. Indigenous Consultation | <input type="checkbox"/> g. Advocate for Rural and Indigenous Communities |
| <input type="checkbox"/> c. Delivery of Water and Sewer Servicing | <input type="checkbox"/> h. Transportation Strategy |
| <input type="checkbox"/> d. Amalgamation Review | <input type="checkbox"/> i. Rural Operational Efficiencies and Cost Savings |
| <input type="checkbox"/> e. Emergency Management | |

Part C - Business Case

Describe how the project aligns with the 2018 - 2021 Strategic Plan:

- Fiscal Responsibility: re-purposing an existing facility owned by a non-profit to provide new services from multiple community and government agencies.
- Shared Services: RCMP, Children's Services, Victim's Services and Waypoints will be providing services out of this facility.
- Fiscally Responsible Budgets and Financial Plans: relatively low investment of RMWB dollars will net a very functional, effective service centre for the region and greatly improve the quality of support for children, youth and their families.
- Developing Our People: more effective service delivery will promote healing in victims of crime
- Accessibility: one child-friendly location to meet with multiple service providers will increase accessibility for families, (rather than needing to visit multiple locations for various service providers)
- Partnerships with Social Profits: RCMP, Children's Services and Victim's Services working with Waypoints (a regional non-profit) effectively coordinating and collaborating on service delivery
- Youth: more effective service delivery for youth will promote healing in youth that are victims of crime
- Encourage Development in the Downtown: property improvements to this location in downtown and drawing people to the downtown to receive services at the CYAC

ANALYSIS

Justification:

What is the purpose for this project? No Longer Meeting Service Delivery Standards

What is the community need that this project will address?

Municipalities of the population size of Fort McMurray, and in some cases even smaller municipalities, have CYAC's in place as they are becoming the best practice standard in delivering support services to Children and Youth that have experienced family and/or sexual violence, and/or trauma. To meet the best practice for service delivery, we need a regional CYAC in our region.

Family and sexual violence have increased significantly in Alberta in recent years, including our region. Increasing the effectiveness of our services for children and youth will reduce healing time and negative, long-term health effects.

Part C - Business Case

How was the need determined?

The need was determined by the community Steering Community approximately 5 years ago by looking at the challenges being experienced by service delivery agencies in our region and how other communities solved these challenges - which was by creating a CYAC.

What will be the positive impacts to the community?

Positive impacts will be better coordination and collaboration between service delivery agencies, more accessible services to families, (one-stop, bus accessible location) and reduced healing time for family and sexual violence and trauma that children and youth have experienced from receiving services in a child and trauma friendly environment.

IMPLEMENTATION

Estimated Schedules:

Please enter the quarter and year in each box (e.g., Q1-2019):

Project Planning	Predesign	Design	Construction	Completion
Done	Done	In Progress	Q4-2019	Q2-2020

Annual Project Cash Flow, Capital Budget and Plan:

Please identify the cashflow for each quarter:

	Q1	Q2	Q3	Q4	2020 Total
Consultant Fees					0.00
Contract Administration Fees					0.00
General Services - Contracted		150,000.00			150,000.00
Equipment & Furnishing					0.00
Miscellaneous					0.00
Contingency					0.00
	\$ 0.00	\$ 150,000.00	\$ 0.00	\$ 0.00	\$ 150,000.00

Part D - Total Cost of Ownership

Total Cost of Ownership (TCO) is an analysis meant to consider all the lifetime costs that follow from owning certain kinds of assets. Below are a series of questions intended to ensure the costs associated with operating and maintaining the asset(s) that are to be constructed/acquired are considered, per the business case. For assistance with this section, please work with a Community Investment Coordinator.

Estimated Life of Asset (in years):

25

What will be the operational implication to the Municipality if this Capital Grant is approved:

- No Sustaining Grant required *If no grant required, proceed to pg. 10*
- Current Sustaining Grant remains unchanged to operate facility *If no increase, proceed to pg. 10*
- Current Sustaining Grant increase required to operate facility
- Current Sustaining Grant decrease to operate facility
- Sustaining Grant (new) required to operate facility

Operational Requirements Upon Project Completion

Please describe the operational requirements that will exist upon completion of this project. Include the following: headcount requirement (e.g. number of full time employees, part time employees), licenses and permits, insurance premiums, IT requirement (e.g. hardware, software, support), maintenance assumptions (e.g. repairs and maintenance, janitorial services), utility requirements (e.g. natural gas, heating oil, electricity, water and sewage), training needs, and any operational requirements.

Operational Requirements:

Headcount Requirements: all of these positions are paid for by grants Waypoints has in place
11 full-time staff:

-1 CYAC Facilitator, 2 Sexual Assault Public Educators, 1 Child Trauma Counselor, 1 Sexual Assault Advocate (Police and Court Support)

1 part-time staff:

-a full-time Sexual Assault Healing Centre & CYAC Manager will be working out of the CYAC
part-time

Operational requirements are being paid for by the following grants:

- Alberta Children's Services: CYAC Operations Grant
- Alberta Community and Social Services: Domestic Violence Outreach Programs and Services
- Alberta Justice and Solicitor General Victim's of Crime Fund
- Government of Canada Justice and Attorney General CYAC Operations Grant

As this is a renovation and not a new build, insurance, licenses and permits are in place for this building. Permits for the renovations will be applied for by our contractor, Casman Construction.

IT, repairs and maintenance, janitorial services, utilities and training needs are all currently in place and covered by grants that we have with the provincial and federal governments. We are expected to do some on-going fundraising in our region, which we will continue to do.

Part D - Total Cost of Ownership

Additionally Required Operational Costs

Include only the **additional** expected revenue that would be generated if this Capital Grant is approved (e.g., increase program revenue, ticket sales, event sales, grants, donations, etc.).

Existing revenues shall not be included here.

Source of Increased Revenue	Revenue
These services are free to the region, so there is no revenue generation.	0.00
Total	\$ 0.00

Include only the **additional** expected expenses that would be generated if this Capital Grant is approved (e.g., increase staff costs, utilities, etc.). Include expenses listed on previous page.

Existing expenses shall not be included here.

Source of Increase Expenses	Expenses
This is a renovation of a current building owned by Waypoints. No additional expenses are expected on the completion of this renovation.	0.00
Total	\$ 0.00

New or Increased / (Decreased) Sustaining Grant: \$ 0.00

Project Name The Care Centre for Children and Youth (Child and Youth) \$ 150,000.00

Project Category Other

Project Location Lower Townsite

Type of Project Capital Grant

Ward 1 - Fort McMurray

Municipal Function 00 - Other

Project Description and Scope

Waypoints is a social profit organization that has provided specialized family and sexual violence related services to the Regional Municipality of Wood Buffalo since 1982. There is a high percentage of young families and children in the population. Families have often left their homes and communities to travel to the Wood Buffalo Region for work, leaving behind their natural support networks and extended family support. This region has never had a Child and Youth Advocacy Centre (CYAC). The region has had a variety of agencies working together to create a CYAC for the region for over 5 years. The CYAC model is a well-established, best practice, service delivery model for children and youth that have experienced family and/or sexual violence and/or trauma. CYAC's improve the disclosure, investigation, and prosecution process for child and youth victims and their families. The CYAC and Multidisciplinary Team (MDT) model will also allow for simplified and coordinated access to services for the child and non-offending family members after the disclosure, by way of the CYAC Facilitator. The facilitator's role is to support the family from the beginning of the process, connect them to community resources such as Victim Services, Mental Health, and counselors and be a guiding hand during the often lengthy and confusing investigation and prosecution process.

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Waypoints is renovating the previous location of Unity House to reopen it as the CYAC, (Unity House is now operating out of its' new facility). The renovation is expected to take 5 months. Interior renovations are to be complete in 2 months, with operations starting up, followed by exterior renovations, which will be done as the final phase of renovations.

Total Cost of Investment

One-Time Capital Grant (A)	Operational and Maintenance Cost (Additional Sustaining Grant) Over 25 Years (B)	Total Cost of Investment (A) + (B)
\$ 150,000.00	\$ 0.00	\$ 150,000.00

Business Case created by Michele Taylor

Project Sponsor Branch Community Investment Program

Project Sponsor Department Community Services

Project Delivery Waypoints Community Services Association

WAYPOINTS COMMUNITY SERVICES ASSOCIATION
Financial Statements
Year Ended March 31, 2019



Donnelly & Co. LLP
Chartered Accountants



INDEPENDENT AUDITOR'S REPORT

To the Directors of Waypoints Community Services Association

Qualified Opinion

We have audited the financial statements of Waypoints Community Services Association (the Association), which comprise the statement of financial position as at March 31, 2019, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2019, 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 Association derives revenue from fundraising and donation 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 Association. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising or donation revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2019, current assets and net assets as at March 31, 2019.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

(continues)

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 Association'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 Association'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 Association 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.

Edmonton, Alberta
September 26, 2019

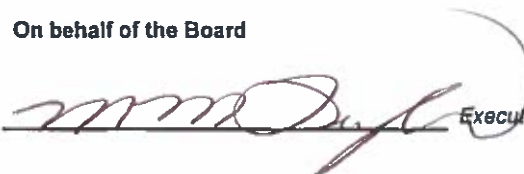

Chartered Accountants

WAYPOINTS COMMUNITY SERVICES ASSOCIATION
Statement of Financial Position
As at March 31, 2019

3

	Operating Fund	Capital Fund	Total 2019	Total 2018
Assets				
Current				
Cash and cash equivalents (Notes 4, 15)	\$ 1,799,734	\$ 233,899	\$ 2,033,633	\$ 4,758,104
Investments (Note 5)	-	-	-	2,613,869
Accounts receivable (Note 6)	219,443	-	219,443	228,725
Goods and Services Tax receivable	23,644	105,996	129,640	131,435
Prepaid expenses	75,744	-	75,744	90,086
	<u>2,118,565</u>	<u>339,895</u>	<u>2,458,460</u>	<u>7,822,219</u>
Capital assets (Note 7)	-	31,014,373	31,014,373	28,509,730
	<u>\$ 2,118,565</u>	<u>\$ 31,354,268</u>	<u>\$ 33,472,833</u>	<u>\$ 36,331,949</u>
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 8)	\$ 566,136	\$ 30,740	\$ 596,876	\$ 2,097,267
Deferred contributions (Note 9)	889,642	-	889,642	1,845,846
Current portion of long term debt (Note 10)	-	214,329	214,329	208,346
	<u>1,455,778</u>	<u>245,069</u>	<u>1,700,847</u>	<u>4,151,459</u>
Long term debt (Note 10)	-	12,425,908	12,425,908	12,642,434
Deferred capital contributions (Note 11)	-	-	-	5,485,423
Unamortized deferred capital contributions (Note 12)	-	16,352,992	16,352,992	11,099,465
	<u>1,455,778</u>	<u>29,023,969</u>	<u>30,479,747</u>	<u>33,378,781</u>
Commitments (Note 13)				
Net Assets				
Internally restricted (Note 14)	700,000	-	700,000	700,000
Unrestricted	(37,213)	2,330,299	2,293,086	2,253,168
	<u>\$ 2,118,565</u>	<u>\$ 31,354,268</u>	<u>\$ 33,472,833</u>	<u>\$ 36,331,949</u>

On behalf of the Board



Executive Director

WAYPOINTS COMMUNITY SERVICES ASSOCIATION

Statement of Changes in Net Assets

Year Ended March 31, 2019

	Operating Fund	Capital Fund	Sustainability and Emergency Fund	2019	2018
Net assets - beginning of year	\$ 7,512	\$ 2,245,656	\$ 700,000	\$ 2,953,168	\$ 3,521,259
Excess (deficiency) of revenue over expenses	796,274	(756,356)	-	39,918	(568,091)
Interfund transfer	(840,999)	840,999	-	-	-
Net assets - end of year	\$ (37,213)	\$ 2,330,299	\$ 700,000	\$ 2,993,086	\$ 2,953,168

Waypoints Community Services Association
Statement of Operations
For the Year Ended March 31, 2019

	Operating Fund										Capital Fund		2018
	Shelter and Outreach Program	Follow-up Program	Opportunity For Change Program	Second Stage Housing Program	Sexual Assault (AASAS) Program	Sexual Assault (United Way)	Sexual Assault (CYAC)	Domestic Violence Outreach Program	Compass-Affordable Housing	General	Capital	Total	Total
Grant Revenue	\$ 1,829,930	\$ 85,525	\$ 412,740	\$ 913,902	\$ 469,044	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,239,401	\$ 449,160
Alberta Community and Social Services	-	-	-	-	-	-	-	-	-	-	-	412,740	3,208,970
Alberta Health Services	-	-	-	-	-	-	78,950	-	-	-	-	78,950	-
Alberta Justice and Solicitor General	-	-	-	-	-	256,496	-	-	-	-	-	256,496	194,297
United Way	-	-	-	-	-	-	-	-	-	-	-	248,634	-
The Canadian Red Cross Society	32,791	-	-	-	25,137	-	-	248,634	-	393,644	-	461,572	116,974
Other grants	-	-	-	-	-	-	-	-	-	-	536,666	536,666	354,494
Amortization of deferred contributions (Note 12)	-	-	-	-	-	-	-	-	-	-	65,099	65,099	-
Casino revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Donations	4,062	-	-	50,020	15,467	-	-	-	-	-	-	259,002	371,532
Fundraising (Note 16)	168,000	-	-	-	-	-	-	-	237,252	-	-	405,252	84,851
Interest income	-	-	-	1,787	-	-	-	-	-	39,804	41,141	82,632	81,589
Other revenue	16,658	-	-	-	1,423	-	-	-	-	100	-	16,373	33,367
Rental revenue	-	-	-	47,115	-	-	-	-	181	-	-	1,247,894	1,317,919
	2,051,462	85,525	412,740	1,012,825	25,137	485,954	256,496	78,950	248,634	925,442	577,837	7,409,086	6,195,193
Administration expense													
Advertising	811	-	-	-	750	-	-	-	-	971	-	9,128	24,632
Bank charges, interest and penalties (recovery)	1,902	-	140	182	108	-	-	-	320	7,546	-	(16,366)	163,704
Board expenses	879	-	-	-	-	-	-	-	-	2,450	-	3,325	7,098
Fundraising (Note 16)	116	-	-	-	711	-	-	-	-	404,454	-	405,280	139,679
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	3,292
Meals and entertainment	449	-	-	223	63	-	-	84	-	264	-	1,083	3,573
Membership fees	6,767	-	-	1,900	1,100	-	-	-	828	1,491	-	12,086	9,377
Office equipment lease	10,842	-	8,879	1,288	-	-	-	223	2,520	5,287	-	29,039	32,488
Office supplies	21,372	141	2,017	1,721	5,244	-	-	529	1,427	1,020	-	43,432	33,967
Partner safety check	-	-	15,719	-	-	-	-	-	9,712	-	-	15,719	15,719
Professional fees	29,839	-	5,510	966	2,708	-	-	449	-	10,175	-	129,221	63,295
Public awareness	13,925	-	-	80	17,438	-	-	-	790	3,384	-	49,748	42,963
Staff and board travel	19,831	-	1,385	11,847	501	-	-	332	186	-	13,952	86,206	45,767
Staff recruitment and training	3,971	-	534	1,255	2,453	-	-	-	696	5,156	-	14,265	16,830
Telephone, fax and internet	19,187	2,698	5,042	7,551	26,360	-	-	454	782	6,318	-	68,623	87,323
Vehicle maintenance	13,118	290	3,056	8,004	3,513	-	-	1,181	5,254	2,012	-	35,919	36,574
	887	439	-	-	-	-	-	-	3,032	-	-	4,459	4,028
	144,006	3,809	42,284	34,797	749	74,023	-	3,262	17,593	451,852	(12,612)	681,172	730,335
Payroll expense													
Salaries and benefits	1,743,328	79,240	299,805	653,373	24,388	387,589	256,496	49,287	229,467	131,983	-	4,026,310	3,755,439

Waypoints Community Services Association
Statement of Operations
For the Year Ended March 31, 2019

	Operating Fund										Capital Fund			2018
	Shelter and Outreach Program	Fellow-up Program	Opportunity For Change Program	Second Stage Housing Program	Sexual Assault (AASAS)	Sexual Assault (ACSS)	Sexual Assault (United Way)	Sexual Assault (CYAC)	Domestic Violence Outreach Program	Compass - Affordable Housing	General	Capital	Total	Total
Direct client costs														
Basic needs	231	-	-	-	-	-	-	-	-	-	-	-	231	1,650
Client travel	7,543	-	-	2,553	-	-	-	-	-	-	-	-	10,166	8,344
Food	54,055	54	10,448	293	-	60	-	-	75	-	-	-	64,324	58,436
Other client costs	3,584	-	254	12,587	-	-	-	-	-	-	-	-	16,406	21,352
Resource materials	11,564	2,422	7,410	1,809	-	6,272	-	1,461	-	-	-	-	30,538	29,131
	78,977	2,475	16,112	17,222	-	6,333	-	1,461	75	-	-	-	122,666	118,916
Facility costs														
Amortization	-	-	-	-	-	-	-	-	-	-	897,586	-	897,586	676,029
Bad debts	-	-	-	-	-	-	-	-	-	-	-	-	-	43,068
Computer software and support	32,482	-	1,451	1,395	-	15,080	-	232	1,163	6,661	-	-	59,666	27,415
Furniture and equipment purchase	828	-	708	730	-	-	-	-	2,251	219	-	-	4,737	17,054
Household insurance	15,587	-	6,765	15,917	-	-	-	5,827	36,778	23,617	48,459	-	150,591	15,211
Household supplies	19,427	-	1,308	-	-	-	-	-	2,462	13	-	-	23,206	124,770
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-	372,010	-	372,010	377,414
Property tax	-	-	-	-	-	-	-	-	-	-	-	-	-	21,658
Rent	23,794	-	35,441	231,275	-	-	-	-	21,859	2,766	30,750	-	288,585	319,041
Repairs and maintenance	16,807	-	362	1,846	-	19	-	-	63,631	1,036	-	-	126,662	125,597
Security	8,844	-	362	207,644	-	-	-	-	147	36	-	-	217,033	225,730
Utilities	27,359	-	5,586	5,046	-	-	-	-	116,509	-	-	-	166,212	145,700
Waste disposal	2,159	-	920	-	-	-	-	-	32,389	-	-	-	38,412	33,033
	147,096	-	52,539	463,856	-	16,100	-	26,785	277,190	34,547	1,346,805	-	2,365,030	2,158,592
Total expenses	2,111,408	85,525	412,740	1,169,246	25,137	484,044	256,496	79,333	248,634	651,754	1,334,193	-	7,369,168	6,763,264
Excess (deficiency) of revenue over expenses	\$ (59,946)	\$ -	\$ -	\$ (156,424)	\$ -	\$ 1,910	\$ -	\$ (383)	\$ -	\$ 737,428	\$ 273,608	\$ (756,356)	\$ 39,916	\$ (568,061)

WAYPOINTS COMMUNITY SERVICES ASSOCIATION

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Statement of Cash Flows
Year Ended March 31, 2019

	2019	2018
Operating activities		
Cash receipts from funders	\$ 6,149,232	\$ 8,968,347
Cash paid to suppliers and employees	(7,585,622)	(4,612,971)
Interest received	82,832	98,530
Interest paid	(372,010)	(443,069)
	<u>(1,725,568)</u>	4,010,837
Investing activities		
Purchase of capital assets	(3,402,229)	(5,105,577)
Proceeds from disposal of investments	2,613,869	-
Purchase of investments	-	(38,869)
	<u>(788,360)</u>	(5,144,446)
Financing activity		
Repayment of long term debt	(210,543)	(236,161)
Increase in cash and cash equivalents	<u>(2,724,471)</u>	(1,369,770)
Cash and cash equivalents - beginning of year	<u>4,758,104</u>	6,127,874
Cash and cash equivalents - end of year (Note 4)	<u>\$ 2,033,633</u>	<u>\$ 4,758,104</u>

WAYPOINTS COMMUNITY SERVICES ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2019

1. Nature of operations

Waypoints Community Services Association ("the Association") was incorporated under the authority of the Societies Act of Alberta as a not-for-profit organization. The Society is registered as a charity and thus is exempt from income taxes under the Income Tax Act (Canada) ("the Act"). In order to maintain its status as a registered charity under the Act, the Association must meet certain requirements within the Act.

2. Summary of significant accounting policies

Basis of presentation

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

Use of estimates

The preparation of financial statements in accordance 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 period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

Fund accounting

The operating fund reports the assets, liabilities, revenue and expenses related to the Association's program delivery and administrative activities.

The capital fund reports the assets, liabilities, revenue and expenses related to the Association's capital assets and capital campaign.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash and short term investments with original maturities of three months or less. Cash and cash equivalents subject to restrictions that prevent its use for current purposes is included in restricted cash and cash equivalents.

Investments

Investments, which consist primarily of Guaranteed Investment Certificates, are carried at amortized cost.

(continues)

WAYPOINTS COMMUNITY SERVICES ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2019

2. Summary of significant accounting policies *(continued)*Capital assets

Capital assets which are over \$5,000 are recorded at cost. Capital assets less than \$5,000 are expensed in the year of acquisition. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Building - larger than 20,000 sq ft	40 years	straight-line method
Buildings - smaller than 20,000 sq ft	20 years	straight-line method
Automotive equipment	5 years	straight-line method
Computer equipment	3 years	straight-line method
Furniture and fixtures	5 years	straight-line method

In the year of acquisition, assets other than buildings are amortized at one-half their usual rates.

Buildings are amortized over their useful lives commencing at the earlier of when they are 90% occupied or when the construction loan is converted into a mortgage.

The Association regularly reviews its capital assets to eliminate obsolete items.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the operating fund in the year in which the related expenses are incurred. 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 capital assets are recorded as deferred capital contributions when received. When expended, they are transferred to unamortized deferred capital contributions and amortized to revenue at similar rates to the amortization of the related capital assets.

Investment income is recognized when earned.

Revenue from fundraising activities, including pledges and bequests, are recognized only when the amount to be received can be reasonably estimated and collection is reasonably assured.

(continues)

WAYPOINTS COMMUNITY SERVICES ASSOCIATION

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Notes to Financial Statements

Year Ended March 31, 2019

2. Summary of significant accounting policies (continued)Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred. However, transactions directly attributable to the acquisition, sale or issue of financial instruments that are not measured subsequently at fair value are amortized with the financial instruments.

Financial asset impairment

The Association assesses the impairment of its financial assets measured at cost or amortized cost when there are indicators of impairment. The amount of the impairment, which is not considered temporary, is recorded in excess revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance accounts, provided it is 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 excess of revenue over expenses in the year the reversal occurs.

Donated goods and services

The Association records donation in-kind with respect to goods 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.

Allocation of expenses

Expenses are allocated to programs based upon their proportionate use of staff, space and other administrative expenses. Other expenses are allocated where applicable based on actual program identification.

3. Financial instruments

The Association 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 Association's risk exposure and concentration as of March 31, 2019.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its funders, donors and other related sources and payment of long term debt and accounts payable.

(continues)

WAYPOINTS COMMUNITY SERVICES ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2019

3. Financial instruments (continued)*(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 Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily on its long term debt.

4. Cash and cash equivalents

	Operating Fund	Capital Fund	2019	2018
Restricted - capital donations	\$ -	\$ -	\$ -	\$ 1,750,198
Restricted - escrow (Note 10)	-	233,899	233,899	185,570
Restricted - casino funds	122,197	-	122,197	143,576
Restricted - raffle funds	-	-	-	142,690
Restricted - held for other organizations	121,981	-	121,981	126,759
Restricted - surplus retention reserve	69,468	-	69,468	69,132
Restricted - replacement reserve (Note 15)	51,916	-	51,916	50,302
Security and FOB deposits	55,446	-	55,446	66,727
Unrestricted	1,378,726	-	1,378,726	2,223,150
	\$ 1,799,734	\$ 233,899	\$ 2,033,633	\$ 4,758,104

Expenses from restricted cash and cash equivalents under the operating fund require approval from the funder, the lender or the Alberta Gaming, Liquor and Cannabis Commission. Restricted cash and cash equivalents under the capital fund represent donations received to be used on the construction of the new shelter and housing units.

5. Investments

	2019	2018
Investment savings account	\$ -	\$ 2,538,869
Guaranteed investment certificates, bearing interest at 0.90%, matured on April 12, 2018	-	75,000
	\$ -	\$ 2,613,869

WAYPOINTS COMMUNITY SERVICES ASSOCIATION

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Notes to Financial Statements

Year Ended March 31, 2019

6. Accounts receivable

	2019	2018
Grants receivable	\$ 215,509	\$ 65,051
Amounts due from tenants	3,934	21,482
Insurance receivable	-	137,192
Pledges receivable	-	5,000
	<u>\$ 219,443</u>	<u>\$ 228,725</u>

7. Capital assets

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land	\$ 1,145,681	\$ -	\$ 1,145,681	\$ 1,145,681
Buildings - Compass	23,121,632	2,307,332	20,814,300	21,392,341
Buildings - Unity House	8,816,267	220,406	8,595,861	5,559,042
Buildings - other	954,737	763,487	191,250	213,750
Automotive equipment	208,691	104,345	104,346	146,084
Computer equipment	81,639	81,639	-	-
Furniture and fixtures	289,113	126,178	162,935	52,832
	<u>\$ 34,617,760</u>	<u>\$ 3,603,387</u>	<u>\$ 31,014,373</u>	<u>\$ 28,509,730</u>

8. Accounts payable and accrued liabilities

	Operating Fund	Capital Fund	2019	2018
Accounts payable and accrued liabilities	\$ 178,046	\$ -	\$ 178,046	\$ 1,239,122
Holdbacks payable	-	-	-	481,225
Wages payable	210,663	-	210,663	152,695
Interest payable	-	30,740	30,740	30,740
Security and FOB deposits	55,446	-	55,446	66,727
Funds held for other organizations	121,981	-	121,981	126,758
	<u>\$ 566,136</u>	<u>\$ 30,740</u>	<u>\$ 596,876</u>	<u>\$ 2,097,267</u>

WAYPOINTS COMMUNITY SERVICES ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2019

9. Deferred contributions

The deferred contributions reported in the operating fund represent the unspent portion of operating grants and gaming proceeds received from the funders or donors for specific programs and purposes. Deferred contributions are recognized as revenue when the related expenses are made. Changes in the deferred contribution balance are as follows:

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 1,845,846	\$ 1,366,680
Received during the year	3,985,526	4,566,851
Recognized as revenue in the year	<u>(4,941,730)</u>	<u>(4,087,685)</u>
Balance, end of year	<u>\$ 889,642</u>	<u>\$ 1,845,846</u>

WAYPOINTS COMMUNITY SERVICES ASSOCIATION

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Notes to Financial Statements

Year Ended March 31, 2019

10. Long term debt

	<u>2019</u>	<u>2018</u>
CMHC mortgage bearing interest at 2.04% per annum, repayable in monthly blended payments of \$1,522. The loan matures on December 1, 2022 and is secured by land with a net book value of \$225,000 (2018 - \$225,000)	\$ 66,001	\$ 82,775
First National Financial LP term loan bearing interest at 2.94% per annum, repayable in monthly blended payments of \$47,024. The loan matures on March 1, 2025 and is secured by land and facility with a net book value of \$21,545,312 (2018 - \$22,123,353)	<u>12,574,236</u>	<u>12,768,005</u>
	12,640,237	12,850,780
Amounts payable within one year	<u>(214,329)</u>	<u>(208,346)</u>
	<u>\$ 12,425,908</u>	<u>\$ 12,642,434</u>

Principal repayment terms are approximately:

2020	\$ 214,329
2021	220,558
2022	226,970
2023	229,115
2024	221,833
Thereafter	<u>11,527,432</u>
	<u>\$ 12,640,237</u>

The First National Financial ("the Lender") term loan is secured by a first charge against the land and facility located at 130 Prospect Drive in Fort McMurray. It is also secured by an assignment of rents, first charge against present and after acquired property pertaining to this location and assignment of replacement reserve. This term loan may not be prepaid.

In addition to the monthly term loan payment, the Lender will collect 4% of estimated gross monthly rental income to fund a reserve for major capital repairs. Funding of the reserve is required throughout the term of the loan. The monies are held in trust by the Lender in an escrow account for future capital repairs. At March 31, 2019, \$233,899 (2018 - \$185,570) was held in trust by First National (see Note 4).

WAYPOINTS COMMUNITY SERVICES ASSOCIATION

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Notes to Financial Statements

Year Ended March 31, 2019

11. Deferred capital contributions

Deferred capital contributions represent the portion of contributed capital assets and unspent restricted contributions towards construction of shelters and housing units. Changes in the deferred contribution balance are as follows:

	<u>2019</u>	<u>2018</u>
Buildings		
Beginning balance	\$ 5,485,423	\$ 4,432,263
Add: amounts contributed in the year	304,800	1,053,160
Less: amounts transferred to unamortized deferred capital contributions	<u>(5,790,223)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 5,485,423</u>

12. Unamortized deferred capital contributions

Unamortized deferred capital contributions represent the unamortized portion of capital assets and restricted contributions that were used to purchase the Association's Centennial property, equipment at the Fraser property, capital grant and donations relating to the Compass building, capital grants, restricted gaming proceeds and donations relating to the new Unity House and donations received toward the purchase of automotive equipment and housing furniture. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives. Buildings less than 20,000 square feet have an estimated useful life of 20 years and buildings greater than 20,000 square feet have an estimated useful life of 40 years. Automotive equipment and equipment and furniture have an estimated useful life of 5 years.

Changes in the unamortized deferred capital contributions balance are as follows:

	<u>2019</u>	<u>2018</u>
Buildings		
Beginning balance	\$ 10,917,500	\$ 11,220,000
Add: transfers from deferred capital contributions	5,640,223	-
Less: amounts recognized as revenue during the year	<u>(469,706)</u>	<u>(302,500)</u>
	<u>16,088,017</u>	<u>10,917,500</u>
Automotive equipment		
Beginning balance	146,083	187,821
Add: transfers from deferred capital contributions	-	-
Less: amounts recognized as revenue during the year	<u>(41,738)</u>	<u>(41,738)</u>
	<u>104,345</u>	<u>146,083</u>

(continues)

WAYPOINTS COMMUNITY SERVICES ASSOCIATION

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Notes to Financial Statements

Year Ended March 31, 2019

12. Unamortized deferred capital contributions (continued)**Equipment and furniture**

Beginning balance	\$ 35,882	\$ 46,134
Add: transfers from deferred capital contributions	150,000	-
Less: amounts recognized as revenue during the year	<u>(25,252)</u>	<u>(10,252)</u>
	<u>160,630</u>	<u>35,882</u>
	<u>\$ 16,352,992</u>	<u>\$ 11,099,465</u>

13. Commitments

The Association has entered into the following agreements:

- a) Elevator maintenance - 5 year contract commencing December 1, 2015 with a monthly fee of \$592.89 plus Goods and Services Tax, adjusted annually in accordance with labor costs, paid annually.
- b) Office equipment - 5 year lease commencing February 2, 2015 and ending on August 1, 2020 with a quarterly fee of \$3,320.93 plus Goods and Services Tax.
- c) Office equipment - 5 year lease commencing March 18, 2019 and ending on March 17, 2024 with a quarterly fee of \$233.64 plus Goods and Services Tax.
- d) Electricity service agreement - three year electricity agreement commencing August 15, 2018 with a fixed retail fee of \$0.07 per kWh and a pool market price for electricity usage which fluctuates based on market conditions.
- e) Natural gas service agreement - three year gas contract commencing August 15, 2018 with a fixed retail fee of \$0.36 per GJ and a spot market price for natural gas usage which fluctuates based on market conditions.
- f) Security service agreement - security agreement commencing July 22, 2019 with a fixed rate of \$30.72 per hour for an average monthly cost of \$9,584.64 plus Goods and Services Tax.

The following minimum payments are required under agreements a to c:

2020	\$ 22,400
2021	4,468
2022	981
2023	981
2024	981

The Association has not met the reporting requirements under certain funding agreements with respect to providing audited financial information or audited financial statements within 90 days of the expiry of the agreements. This non-compliance has been discussed with funders and extension has been approved and did not result in the denial of further funding. Management will complete the required reporting.

WAYPOINTS COMMUNITY SERVICES ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2019

14. Internally restricted net assets

The Association has internally restricted net assets for the following special purposes:

- a) Sustainability and emergency fund - the purpose of the sustainability and emergency fund is to cover the cost of ongoing programs in the event of delay or unanticipated loss of funding from funders and to cover the costs of unexpected events.

15. Restricted - replacement reserve

The Association is required to maintain a replacement reserve for the original Unity House with an annual allocation of \$1,614. A separate bank account is maintained for this purpose (see Note 4).

	2019	2018
Balance, beginning of the year	\$ 50,302	\$ 48,688
Transfer for the year	1,614	1,614
Balance, end of the year	<u>\$ 51,916</u>	<u>\$ 50,302</u>

16. Donated goods and services

Included in fundraising revenue and expenses are donated goods and services for various fundraising events held by the Association with an estimated fair value of \$201,693.

17. Economic dependence

The Association is economically dependant on the Alberta government for its funding. All of the funding is used in various programs of the Association.