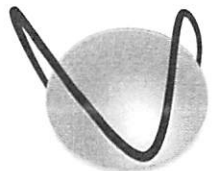


LETHBRIDGE PREGNANCY CARE CENTRE
Financial Statements
Year Ended December 31, 2018





Tax Advisors and Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Lethbridge Pregnancy Care Centre

We have audited the accompanying financial statements of Lethbridge Pregnancy Care Centre, which comprise the statement of financial position as at December 31, 2018 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion

In common with many not-for-profit organizations, Lethbridge Pregnancy Care Centre derives revenue from 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 Lethbridge Pregnancy Care Centre. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2018, current assets and net assets as at December 31, 2018.

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Independent Auditor's Report to the Members of Lethbridge Pregnancy Care Centre *(continued)*

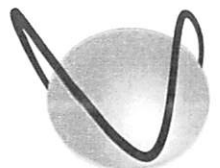
Qualified Opinion

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 Lethbridge Pregnancy Care Centre as at December 31, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Lethbridge, Alberta
April 8, 2019

volution LLP

Chartered Professional Accountants



LETHBRIDGE PREGNANCY CARE CENTRE

Statement of Financial Position

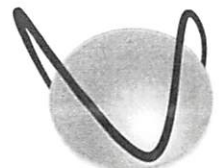
December 31, 2018

	2018	2017
ASSETS		
Current		
Cash (Note 3)	\$ 702,255	\$ 621,755
Accounts receivable	8,506	297
Inventory (Note 4)	5,676	-
Goods and services tax recoverable	902	999
Prepaid expenses	4,378	4,929
Deposits	1,759	1,759
	<u>723,476</u>	<u>629,739</u>
Capital assets (Note 5)	<u>58,660</u>	<u>64,822</u>
	<u>\$ 782,136</u>	<u>\$ 694,561</u>
LIABILITIES AND NET ASSETS		
Current		
Accounts payable	\$ 8,464	\$ 5,397
Lease Commitments (Note 6)		
Net Assets		
Share capital (Note 7)	6	6
Unrestricted fund	715,006	624,335
Internally restricted fund	58,660	64,823
	<u>773,672</u>	<u>689,164</u>
	<u>\$ 782,136</u>	<u>\$ 694,561</u>

ON BEHALF OF THE BOARD


 Director


 Director

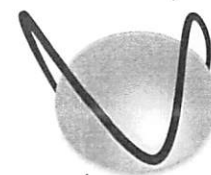


LETHBRIDGE PREGNANCY CARE CENTRE

Statement of Revenues and Expenditures

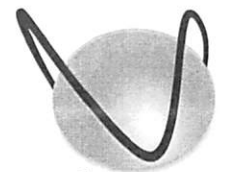
Year Ended December 31, 2018

	2018	2017
REVENUES		
Donations	\$ 260,794	\$ 248,798
Gala donations	128,100	100,080
Baby bottle campaign	26,096	28,213
Fall event	11,467	29,797
Interest and other income	9,380	2,853
Community Foundation (CFLSA) grant	2,500	-
Government grants (Note 8)	-	13,794
	<u>438,337</u>	<u>423,535</u>
EXPENDITURES		
Salaries and benefits	186,544	136,923
Fundraising costs	37,749	37,866
Client marketing	34,123	32,367
Occupancy costs	32,885	28,330
Office	20,177	14,340
Staff and volunteer development	16,606	12,000
Professional fees	5,742	3,551
GST expense	3,953	2,675
Bank charges	2,730	1,820
Amortization	13,320	13,913
	<u>353,829</u>	<u>283,785</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 84,508</u>	<u>\$ 139,750</u>



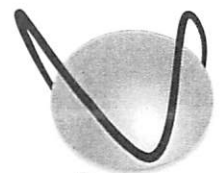
LETHBRIDGE PREGNANCY CARE CENTRE
Statement of Changes in Net Assets
Year Ended December 31, 2018

	Unrestricted Fund	Internally Restricted Fund	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 624,335	\$ 64,823	\$ 689,158	\$ 549,408
Excess(deficiency) of revenues over expenditures	97,828	(13,320)	84,508	139,750
Interfund transfers <i>(Note 9)</i>	(7,157)	7,157	-	-
NET ASSETS - END OF YEAR	\$ 715,006	\$ 58,660	\$ 773,666	\$ 689,158



LETHBRIDGE PREGNANCY CARE CENTRE
Statement of Cash Flow
Year Ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 84,508	\$ 139,750
Item not affecting cash:		
Amortization of capital assets	13,320	13,913
	<u>97,828</u>	<u>153,663</u>
Changes in non-cash working capital:		
Accounts receivable	(8,209)	(153)
Inventory	(5,676)	-
Goods and services tax recoverable	97	(24)
Prepaid expenses	551	1,444
Deposits	-	1,000
Accounts payable	3,066	(422)
	<u>(10,171)</u>	<u>1,845</u>
Cash flow from operating activities	<u>87,657</u>	<u>155,508</u>
INVESTING ACTIVITY		
Purchase of capital assets	(7,157)	(2,245)
INCREASE IN CASH FLOW	80,500	153,263
Cash - beginning of year	<u>621,755</u>	<u>468,492</u>
CASH - END OF YEAR	\$ 702,255	\$ 621,755



LETHBRIDGE PREGNANCY CARE CENTRE

Notes to Financial Statements

Year Ended December 31, 2018

1. Purpose of the organization

Lethbridge Pregnancy Care Centre (the "organization") is a not-for-profit organization, incorporated with share capital under the Alberta Companies Act. The organization's principal operations are to provide support, guidance and practical help and assistance to women in distress over unexpected pregnancy or other pregnancy related concerns. As the organization is a registered charity it is exempt from income tax under paragraph 149(1)(f) of the Income Tax Act.

2. Summary of significant accounting policies

Basis of presentation

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

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash includes cash on deposit at a financial institution. Cash equivalents include guaranteed investment certificates and are measured at cost.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Capital assets

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

Computer equipment	50%	declining balance method
Furniture and fixtures	20%	declining balance method
Leasehold improvements	10 years	straight-line method

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

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

Lethbridge Pregnancy Care Centre follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenditures are incurred. Unrestricted investment income is recognized as revenue when services provided.

Ticket sales and seminar fees are recognized as revenue when the events are held.

(continues)

LETHBRIDGE PREGNANCY CARE CENTRE

Notes to Financial Statements

Year Ended December 31, 2018

2. Summary of significant accounting policies (continued)

Contributed goods and services

Volunteers contribute a significant amount of their time each year and numerous new and used goods are contributed to the organization throughout the year. Because of the time required and difficulty in determining their fair value, contributed services are not recognized in the financial statements. When market value can be reasonably attained for goods contributed a gift in kind receipt will be issued.

Financial instruments policy

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.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Amortization is based on the estimated useful life of property and equipment. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. Guaranteed Investment Certificates

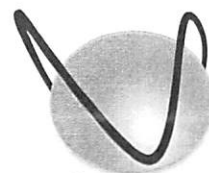
The guaranteed investment certificates (GICs) of the organization bear interest at 1.05% and mature on June 13, 2019. Their market value at December 31, 2018 was \$589,249.

4. Inventory

Inventory consists of fundraising materials for resale. During the year, \$938 in costs related to inventory was expensed.

5. Capital assets

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Computer equipment	\$ 10,548	\$ 7,652	\$ 2,896	\$ 539
Furniture and fixtures	19,056	11,956	7,100	8,177
Leasehold improvements	104,772	56,108	48,664	56,106
	<u>\$ 134,376</u>	<u>\$ 75,716</u>	<u>\$ 58,660</u>	<u>\$ 64,822</u>



LETHBRIDGE PREGNANCY CARE CENTRE

Notes to Financial Statements

Year Ended December 31, 2018

6. Lease commitments

The organization currently has a verbal agreement for a renewed five year lease with respect to its premises. Under the original lease contract the organization is responsible for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at December 31, 2018, are as follows:

2019	\$	25,905
2020		25,905
2021		25,905
2022		25,905
2023		2,159
		<u>105,779</u>
	\$	<u>105,779</u>

7. Share capital

Authorized:

1,000 Common voting shares, par value \$1 per share

Issued:

6 Common voting shares

	<u>2018</u>	<u>2017</u>
	<u>\$ 6</u>	<u>\$ 6</u>

8. Government grants

Grants

Canada Summer Jobs Grant

	<u>2018</u>	<u>2017</u>
	<u>\$ -</u>	<u>\$ 13,794</u>

These are the total government grants received by the Lethbridge Pregnancy Care Centre. In 2018, Lethbridge Pregnancy Care Centre did not receive any provincial funding and opted not to apply for the Canada Summer Jobs Grant.

9. Interfund transfers

The transfers between the Unrestricted Fund and the Restricted Fund were approved by the Board of Directors to cover capital asset additions.

10. Related party transactions

During the year the organization received donations and sponsorships of \$27,532 (\$30,590 - 2017) from staff and members of its board of directors as well as from companies controlled by members of its board of directors.

These transactions were in the normal course of operations and are measured at their carrying amounts.

