

**PROVINCIAL ADVISORY COUNCIL  
ON THE STATUS OF WOMEN -  
NEWFOUNDLAND AND LABRADOR**

**FINANCIAL STATEMENTS**

**MARCH 31, 2019**

## Management's Report

### *Management's Responsibility for the Provincial Advisory Council on the Status of Women - Newfoundland and Labrador Financial Statements*

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and liabilities are recognized.

Management is also responsible for ensuring that transactions comply with relevant policies and authorities and are properly recorded to produce timely and reliable financial information.

The Council members are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through participation in Council meetings. The Council members review internal financial information on a quarterly basis and external audited financial statements yearly.

The Auditor General conducts an independent audit of the annual financial statements of the Council, in accordance with Canadian generally accepted auditing standards, in order to express an opinion thereon. The Auditor General has full and free access to financial management of the Provincial Advisory Council on the Status of Women - Newfoundland and Labrador.

On behalf of the Provincial Advisory Council on the Status of Women - Newfoundland and Labrador.



Paula Sheppard  
President/CEO



**AUDITOR  
GENERAL**  
of Newfoundland and Labrador

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**INDEPENDENT AUDITOR'S REPORT**

To the Council Members  
Provincial Advisory Council on the Status of Women  
- Newfoundland and Labrador  
St. John's, Newfoundland and Labrador

*Opinion*

I have audited the financial statements of the Provincial Advisory Council on the Status of Women - Newfoundland and Labrador (the Council), which comprise the statement of financial position as at March 31, 2019, and the statement of operations, statement of change in net financial assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2019, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Opinion*

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

*Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

## **Independent Auditor's Report (cont.)**

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

### *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 public sector accounting standards, 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 Council'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 Council or to cease operations, or has no realistic alternative but to do so.

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Council's internal control.

## Independent Auditor's Report (cont.)

- 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 Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Council 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.

I 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 I identify during my audit.



**JULIA MULLALEY, CPA, CA**  
**Auditor General**

July 19, 2019  
St. John's, Newfoundland and Labrador

**PROVINCIAL ADVISORY COUNCIL ON THE STATUS OF WOMEN  
- NEWFOUNDLAND AND LABRADOR  
STATEMENT OF FINANCIAL POSITION**

As at March 31

2019

2018

**FINANCIAL ASSETS**

Cash	\$ 201,189	\$ 198,498
Accounts receivable (Note 4)	5,894	11,089
	<b>207,083</b>	<b>209,587</b>

**LIABILITIES**

Accounts payable and accrued liabilities (Note 5)	22,270	24,642
	<b>22,270</b>	<b>24,642</b>

<b>Net financial assets</b>	<b>184,813</b>	<b>184,945</b>
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**NON-FINANCIAL ASSETS**

Tangible capital assets (Note 6)	801	2,179
Prepaid expenses (Note 7)	6,842	7,784
	<b>7,643</b>	<b>9,963</b>

<b>Accumulated surplus</b>	<b>\$ 192,456</b>	<b>\$ 194,908</b>
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*The accompanying notes are an integral part of these financial statements.*

Signed on behalf of the Council:

  
President/CEO

  
Member

**PROVINCIAL ADVISORY COUNCIL ON THE STATUS OF WOMEN  
- NEWFOUNDLAND AND LABRADOR  
STATEMENT OF OPERATIONS  
For the Year Ended March 31**

	2019 Budget	2019 Actual	2018 Actual
(Note 10)			
<b>REVENUES</b>			
Province of Newfoundland and Labrador	\$ 418,000	\$ 418,000	\$ 421,500
Government of Canada	-	7,000	-
Interest	-	3,348	3,291
Other	-	-	1,862
	<b>418,000</b>	<b>428,348</b>	<b>426,653</b>
<b>EXPENSES (Note 9)</b>			
Administration	384,470	399,770	387,115
Advisement of Government	28,965	19,709	15,055
Public Awareness and Engagement	4,565	11,321	14,902
	<b>418,000</b>	<b>430,800</b>	<b>417,072</b>
<b>Annual (deficit) surplus</b>	-	(2,452)	9,581
<b>Accumulated surplus, beginning of year</b>	<b>194,908</b>	<b>194,908</b>	<b>185,327</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 194,908</b>	<b>\$ 192,456</b>	<b>\$ 194,908</b>

*The accompanying notes are an  
integral part of these financial statements.*

**PROVINCIAL ADVISORY COUNCIL ON THE STATUS OF WOMEN  
- NEWFOUNDLAND AND LABRADOR  
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
For the Year Ended March 31**

	2019 Budget	2019 Actual	2018 Actual
(Note 10)			
Annual (deficit) surplus	\$ -	\$ (2,452)	\$ 9,581
<b>Tangible capital assets</b>			
Acquisition of tangible capital assets	-	-	(2,398)
Amortization of tangible capital assets	2,125	1,378	2,912
	2,125	1,378	514
<b>Prepaid expenses</b>			
Acquisition of prepaid expense	-	(6,842)	(7,784)
Use of prepaid expense	-	7,784	7,557
	-	942	(227)
<b>(Decrease) increase in net financial assets</b>	2,125	(132)	9,868
<b>Net financial assets, beginning of year</b>	184,945	184,945	175,077
<b>Net financial assets, end of year</b>	\$ 187,070	\$ 184,813	\$ 184,945

*The accompanying notes are an  
integral part of these financial statements.*



**PROVINCIAL ADVISORY COUNCIL ON THE STATUS OF WOMEN  
- NEWFOUNDLAND AND LABRADOR**

**STATEMENT OF CASH FLOWS**

**For the Year Ended March 31**

**2019**

**2018**

**Operating transactions**

Annual (deficit) surplus	\$ (2,452)	\$ 9,581
Adjustment for non-cash items		
Amortization of tangible capital assets	1,378	2,912
	(1,074)	12,493
Change in non-cash working capital		
Accounts receivable	5,195	(3,999)
Accounts payable and accrued liabilities	(2,372)	(1,753)
Prepaid expenses	942	(227)
<b>Cash provided from operating transactions</b>	<b>2,691</b>	<b>6,514</b>
<b>Capital transactions</b>		
Cash used to acquire tangible capital assets	-	(2,398)
<b>Cash applied to capital transactions</b>	<b>-</b>	<b>(2,398)</b>
<b>Increase in cash</b>	<b>2,691</b>	<b>4,116</b>
<b>Cash, beginning of year</b>	<b>198,498</b>	<b>194,382</b>
<b>Cash, end of year</b>	<b>\$ 201,189</b>	<b>\$ 198,498</b>

*The accompanying notes are an  
integral part of these financial statements.*

**PROVINCIAL ADVISORY COUNCIL ON THE STATUS OF WOMEN  
- NEWFOUNDLAND AND LABRADOR  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2019**

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**1. Nature of operations**

The Provincial Advisory Council on the Status of Women - Newfoundland and Labrador (the Council) is a Crown corporation of the Province of Newfoundland and Labrador, established under the *Status of Women Advisory Council Act*. The purpose of the Council is to advise the Minister responsible for the Status of Women, the Government and the public on matters of interest and concern to women. Its affairs are managed by Council members appointed by the Lieutenant-Governor in Council.

The Council is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

**2. Summary of significant accounting policies**

**(a) Basis of accounting**

The Council is classified as an Other Government Organization as defined by Canadian public sector accounting standards (CPSAS). These financial statements are prepared by management in accordance with CPSAS for provincial reporting entities established by the Canadian Public Sector Accounting Board (PSAB). The Council does not prepare a statement of re-measurement gains and losses as the Council does not enter into relevant transactions or circumstances that are being addressed by the statement.

**(b) Financial instruments**

The Council's financial instruments recognized in the statement of financial position consist of cash, accounts receivable and accounts payable and accrued liabilities. The Council generally recognizes a financial instrument when it enters into a contract which creates a financial asset or financial liability. Financial assets and financial liabilities are initially measured at cost, which is the fair value at the time of acquisition.

The Council subsequently measures all of its financial assets and financial liabilities at cost. Financial assets measured at cost include cash and accounts receivable. Financial liabilities measured at cost include accounts payable and accrued liabilities.

**(c) Cash**

Cash includes cash in the bank.

**PROVINCIAL ADVISORY COUNCIL ON THE STATUS OF WOMEN**  
**- NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2019**

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**2. Summary of significant accounting policies (cont.)**

**(d) Tangible capital assets**

Tangible capital assets are recorded at cost, including amounts that are directly related to the acquisition of the assets.

The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Furniture and equipment	5 years
Computer hardware and software	3 years
Leasehold improvements	5 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Council's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

**(e) Prepaid expenses**

Prepaid expenses are charged to the expense over the periods expected to benefit from it.

**(f) Employee future benefits**

The employees of the Council are subject to the *Public Service Pensions Act, 1991*. Employee contributions are matched by the Council and remitted to Provident<sup>10</sup> from which pensions will be paid to employees when they retire. This plan is a multi-employer, defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and the average of their best 6 years of earnings for service on or after January 1, 2015, and, for service before January 1, 2015, the higher of the average of the frozen best 5 years of earnings up to January 1, 2015, or the average of the best 6 years of earnings for all service.

The contribution of the Council to the plan is recorded as an expense for the year.

**(g) Revenues**

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

The Council recognizes the receipt of government transfers as revenue in the period the transfer is authorized and all eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the Council. Government transfers consist of funding from the Province of Newfoundland and Labrador and the Government of Canada. Income attributable to financial instruments is reported in the statement of operations.

**PROVINCIAL ADVISORY COUNCIL ON THE STATUS OF WOMEN**  
**- NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2019**

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**2. Summary of significant accounting policies (cont.)**

**(h) Expenses**

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Transfers, which include grants and subsidies, are recorded as expenses when the grant is authorized, eligibility criteria have been met by the recipient and a reasonable estimate of the amount can be made.

**(i) Measurement uncertainty**

The preparation of financial statements, in conformity with CPSAS, requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of capital assets.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

**3. Change in accounting policy**

On April 1, 2018, the Council adopted *PS 3430 Restructuring Transactions*. This is a new standard on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities. This accounting change had no impact on the financial statements.

**4. Accounts receivable**

	<u>2019</u>	<u>2018</u>
Harmonized sales tax receivable	\$ 5,894	\$ 10,739
Accounts receivable	-	350
	<u>\$ 5,894</u>	<u>\$ 11,089</u>

There is no allowance for doubtful accounts since all amounts are considered collectible.

**PROVINCIAL ADVISORY COUNCIL ON THE STATUS OF WOMEN**  
**- NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2019**

**5. Accounts payable and accrued liabilities**

	<u>2019</u>	<u>2018</u>
Accrued leave	\$ 11,846	\$ 15,377
Trade accounts payables and accruals	10,365	9,249
Other	59	16
	<u>\$ 22,270</u>	<u>\$ 24,642</u>

**6. Tangible capital assets**

	<u>Furniture and equipment</u>	<u>Computer hardware and software</u>	<u>Leasehold improvements</u>	<u>Total</u>
<b>Cost</b>				
Balance, March 31, 2018	\$ 35,262	\$ 43,074	\$ 3,272	\$ 81,608
Additions	-	-	-	-
Disposals	-	-	-	-
Balance, March 31, 2019	35,262	43,074	3,272	81,608
<b>Accumulated amortization</b>				
Balance, March 31, 2018	35,262	40,895	3,272	79,429
Amortization expense	-	1,378	-	1,378
Disposals	-	-	-	-
Balance, March 31, 2019	35,262	42,273	3,272	80,807
<b>Net book value, March 31, 2019</b>	<b>\$ -</b>	<b>\$ 801</b>	<b>\$ -</b>	<b>\$ 801</b>
Net book value, March 31, 2018	\$ -	\$ 2,179	\$ -	\$ 2,179

**PROVINCIAL ADVISORY COUNCIL ON THE STATUS OF WOMEN**  
**- NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2019**

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**7. Prepaid expenses**

	<u>2019</u>	<u>2018</u>
Rent	\$ 3,847	\$ 3,847
Workplace, Health, Safety and Compensation Commission	-	1,229
Professional fees	101	101
Insurance	1,215	1,044
Other	1,679	1,563
	<u>\$ 6,842</u>	<u>\$ 7,784</u>

**8. Financial risk management**

The Council recognizes the importance of managing significant risks and this includes policies, procedures and oversight designed to reduce the risks identified to an appropriate threshold. The risks that the Council are exposed to through its financial instruments are credit risk, liquidity risk and market risk. There was no significant change in the Council's exposure to these risks or its processes for managing these risks from the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Council's main credit risk relates to cash and accounts receivable. The Council's maximum exposure to credit risk is the carrying amounts of these financial instruments. The Council is not exposed to significant credit risk with its cash because this financial instrument is held with a Chartered Bank. The Council is not exposed to significant credit risk related to its accounts receivable. In addition, the Council has policies and procedures for the monitoring and collection of its accounts receivable so as to mitigate potential credit losses. There is no allowance for doubtful accounts since all amounts are considered collectible.

Liquidity risk

Liquidity risk is the risk that the Council will be unable to meet its contractual obligations and financial liabilities. The Council manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its obligations and liabilities. The Council's exposure to liquidity risk relates mainly to its accounts payable and accrued liabilities.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency (foreign exchange) risk, interest rate risk and other price risk. The Council is not exposed to significant foreign exchange, interest rate or other price risk.

**PROVINCIAL ADVISORY COUNCIL ON THE STATUS OF WOMEN  
- NEWFOUNDLAND AND LABRADOR  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2019**

**9. Expenses by object**

The following is a summary of expenses by object:

	<b>2019 <u>Budget</u> (Note 10)</b>	<b>2019 <u>Actual</u></b>	<b>2018 <u>Actual</u></b>
Amortization of tangible capital assets	\$ 2,125	\$ 1,378	\$ 2,912
Grants and subsidies	100	987	155
Other	350	330	72
Professional fees	7,290	10,906	10,129
Rent	47,520	46,160	46,157
Salaries and benefits	323,230	330,331	321,787
Supplies and services	20,685	25,379	29,118
Travel	16,700	15,329	6,742
	<b>\$ 418,000</b>	<b>\$ 430,800</b>	<b>\$ 417,072</b>

**10. Budgeted figures**

Budgeted figures, which have been prepared on a cash basis, are provided for comparison purposes and have been derived from the estimates approved by the House of Assembly of the Province of Newfoundland and Labrador.

**11. Employee future benefits**

The Council and its employees contribute to the Public Service Pension Plan in accordance with the *Public Service Pensions Act, 1991* (the *Act*). The plan is administered by Provident<sup>10</sup>, including payment of pension benefits to employees to whom the *Act* applies.

The plan provides a pension to employees based on the member's age at retirement, their length of service and rates of pay. The maximum contribution rate for eligible employees was 11.85% (2018 - 11.85%). The Council contributes an amount equal the employee contributions to the plan. The pension expense for the Council for the year ended March 31, 2019 was \$24,997 (2018 - \$26,537).

**12. Related party transactions**

The Council receives grants from the Province of Newfoundland and Labrador. Operating grants received during the year totaled \$418,000 (2018 - \$421,500).

**13. Non-financial assets**

The recognition and measurement of non-financial assets is based on their service potential. These assets will not provide resources to discharge liabilities of the Council. For non-financial assets, the future economic benefit consists of their capacity to render service to further the Council's objectives.