

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

**FINANCIAL STATEMENTS**

**MARCH 31, 2018**

## **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.

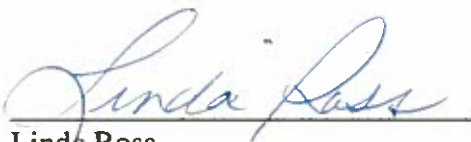
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and liabilities are recognized.

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.



Linda Ross  
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

**Report on the Financial Statements**

I have audited the accompanying financial statements of the Provincial Advisory Council on the Status of Women - Newfoundland and Labrador which comprise the statement of financial position as at March 31, 2018, the statements of operations, change in net financial assets, and cash flows 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 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.

*Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Provincial Advisory Council on the Status of Women - Newfoundland and Labrador as at March 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



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

June 28, 2018  
St. John's, Newfoundland and Labrador

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

**2018**

**2017**

**FINANCIAL ASSETS**

Cash	\$ 198,498	\$ 194,382
Accounts receivable (Note 4)	11,089	7,090
	<b>209,587</b>	<b>201,472</b>

**LIABILITIES**

Accounts payable and accrued liabilities (Note 5)	24,642	26,395
	<b>24,642</b>	<b>26,395</b>

<b>Net financial assets</b>	<b>184,945</b>	<b>175,077</b>
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**NON-FINANCIAL ASSETS**

Tangible capital assets (Note 6)	2,179	2,693
Prepaid expenses (Note 7)	7,784	7,557
	<b>9,963</b>	<b>10,250</b>

<b>Accumulated surplus</b>	<b>\$ 194,908</b>	<b>\$ 185,327</b>
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Subsequent event (Note 14)

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

Signed on behalf of the Council:

  
\_\_\_\_\_  
President/CEO

  
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Member

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

	2018 Budget	2018 Actual	2017 Actual
	(Note 10)		
<b>REVENUES</b>			
Province of Newfoundland and Labrador	\$ 418,000	\$ 421,500	\$ 418,000
Interest	-	3,291	3,309
Other	-	1,862	-
	<b>418,000</b>	<b>426,653</b>	<b>421,309</b>
<b>EXPENSES (Note 9)</b>			
Administration	384,470	387,115	378,778
Advisement of Government	28,965	15,055	18,228
<i>Ovations</i>	-	-	195
Public Awareness and Engagement	4,565	14,902	8,564
	<b>418,000</b>	<b>417,072</b>	<b>405,765</b>
<b>Annual surplus</b>	<b>-</b>	<b>9,581</b>	<b>15,544</b>
<b>Accumulated surplus, beginning of year</b>	<b>185,327</b>	<b>185,327</b>	<b>169,783</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 185,327</b>	<b>\$ 194,908</b>	<b>\$ 185,327</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**

	2018 Budget	2018 Actual	2017 Actual
	(Note 10)		
Annual surplus	\$ -	\$ 9,581	\$ 15,544
<b>Tangible capital assets</b>			
Acquisition of tangible capital assets	-	(2,398)	(1,735)
Amortization of tangible capital assets	-	2,912	3,157
	-	514	1,422
<b>Prepaid expenses</b>			
Acquisition of prepaid expense	-	(7,784)	(7,557)
Use of prepaid expense	-	7,557	6,898
	-	(227)	(659)
<b>Increase in net financial assets</b>	-	9,868	16,307
<b>Net financial assets, beginning of year</b>	175,077	175,077	158,770
<b>Net financial assets, end of year</b>	\$ 175,077	\$ 184,945	\$ 175,077

*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**

	2018	2017
<b>Operating transactions</b>		
Annual surplus	\$ 9,581	\$ 15,544
Adjustment for non-cash items		
Amortization of tangible capital assets	2,912	3,157
	12,493	18,701
Change in non-cash working capital		
Accounts receivable	(3,999)	(1,534)
Accounts payable and accrued liabilities	(1,753)	1,342
Prepaid expenses	(227)	(659)
<b>Cash provided from operating transactions</b>	<b>6,514</b>	<b>17,850</b>
<b>Capital transactions</b>		
Cash used to acquire tangible capital assets	(2,398)	(1,735)
<b>Cash applied to capital transactions</b>	<b>(2,398)</b>	<b>(1,735)</b>
<b>Increase in cash</b>	<b>4,116</b>	<b>16,115</b>
<b>Cash, beginning of year</b>	<b>194,382</b>	<b>178,267</b>
<b>Cash, end of year</b>	<b>\$ 198,498</b>	<b>\$ 194,382</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, 2018**

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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, 2018**

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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. 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, 2018**

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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. Changes in accounting policies**

**(a) New accounting standards**

On April 1, 2017, the Council adopted the following five new CPSAS Handbook Sections:

*PS 2200 Related Party Disclosures* – a new standard defining related parties and establishing disclosure requirements for related party transactions.

*PS 3210 Assets* – a new standard providing guidance for applying the definition of assets and establishing general disclosure requirements for assets but does not provide guidance for the recognition and disclosure of specific types of assets.

*PS 3320 Contingent Assets* – a new standard defining and establishing disclosure requirements for contingent assets but does not include disclosure standards for specific types of contingent assets.

*PS 3380 Contractual Rights* – a new standard defining and establishing disclosure requirements for contractual rights but does not include disclosure standards for specific types of contractual rights.

**PROVINCIAL ADVISORY COUNCIL ON THE STATUS OF WOMEN**  
**- NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2018**

**3. Changes in accounting policies (cont.)**

**(a) New accounting standards (cont.)**

*PS 3420 Inter-entity Transactions* – a new standard on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

These accounting changes had no significant impact on the financial statements.

**(b) Accounting pronouncement**

The PSAB has issued *PS 3430 Restructuring Transactions* which is effective April 1, 2018. This is a new standard on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities. The standard has not been applied in these financial statements.

The Council plans to adopt this standard by the effective date and is currently analyzing the impact the standard will have on the financial statements.

**4. Accounts receivable**

	<u>2018</u>	<u>2017</u>
Harmonized sales tax receivable	\$ 10,739	\$ 7,090
Accounts receivable	350	-
	<u>\$ 11,089</u>	<u>\$ 7,090</u>

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

**5. Accounts payable and accrued liabilities**

	<u>2018</u>	<u>2017</u>
Accrued leave	\$ 15,377	\$ 13,185
Trade accounts payables and accruals	9,249	13,210
Other	16	-
	<u>\$ 24,642</u>	<u>\$ 26,395</u>

**PROVINCIAL ADVISORY COUNCIL ON THE STATUS OF WOMEN**  
**- NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2018**

**6. Tangible capital assets**

	Furniture and equipment	Computer equipment and software	Leasehold improvements	Total
<b>Cost</b>				
Balance, March 31, 2017	\$ 35,262	\$ 40,676	\$ 3,272	\$ 79,210
Additions	-	2,398	-	2,398
Disposals	-	-	-	-
Balance, March 31, 2018	35,262	43,074	3,272	81,608
<b>Accumulated amortization</b>				
Balance, March 31, 2017	35,262	38,123	3,132	76,517
Amortization expense	-	2,772	140	2,912
Disposals	-	-	-	-
Balance, March 31, 2018	35,262	40,895	3,272	79,429
<b>Net book value, March 31, 2018</b>	<b>\$ -</b>	<b>\$ 2,179</b>	<b>\$ -</b>	<b>\$ 2,179</b>
Net book value, March 31, 2017	\$ -	\$ 2,553	\$ 140	\$ 2,693

**7. Prepaid expenses**

	<u>2018</u>	<u>2017</u>
Rent	\$ 3,847	\$ 3,846
Workplace, Health, Safety and Compensation Commission	1,229	1,200
Professional fees	101	101
Insurance	1,044	1,017
Other	1,563	1,393
	<b>\$ 7,784</b>	<b>\$ 7,557</b>

**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.

**PROVINCIAL ADVISORY COUNCIL ON THE STATUS OF WOMEN  
- NEWFOUNDLAND AND LABRADOR  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2018**

**8. Financial risk management (cont.)**

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.

**9. Expenses by object**

The following is a summary of expenses by object:

	<b>2018 <u>Budget</u></b>	<b>2018 <u>Actual</u></b>	<b>2017 <u>Actual</u></b>
	(Note 10)		
Amortization of tangible capital assets	\$ 2,125	\$ 2,912	\$ 3,157
Grants and subsidies	100	155	250
Other	350	72	501
Professional fees	7,290	10,129	6,893
Rent	47,520	46,157	45,979
Salaries and benefits	323,230	321,787	311,176
Supplies and services	20,685	29,118	21,897
Travel	16,700	6,742	15,912
	<b>\$ 418,000</b>	<b>\$ 417,072</b>	<b>\$ 405,765</b>



**PROVINCIAL ADVISORY COUNCIL ON THE STATUS OF WOMEN**  
**- NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2018**

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**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% (2017 - 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, 2018 was \$26,537 (2017 - \$26,020).

**12. Related party transactions**

The Council receives grants from the Province of Newfoundland and Labrador. Operating grants received during the year totaled \$418,000 (2017 - \$418,000). The Province also provided a one-time project funding grant in the amount of \$3,500. Total grants received for 2018 totaled \$421,500 (2017 - \$418,000).

**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.

**14. Subsequent event**

Subsequent to year end, Government enacted the *Salary Restraint and Extinguishment of Severance Pay Act*. As a result, employees of the Council are entitled to severance pay of \$29,088 as of May 31, 2018 which represents a liability to the Council. Severance pay is calculated based on years of service and current salary levels. Employees are entitled to one week of salary for each complete year of service as at May 31, 2018, to a maximum of 20 weeks. Employees will not accrue severance after May 31, 2018. Employees have the option of receiving their severance entitlement prior to March 31, 2019 or they may defer receiving their entitlement to a later date.