

**Zebra Child Protection  
Centre Society  
Financial Statements**  
For the fifteen months ended March 31, 2019

**Zebra Child Protection Centre Society**  
**Financial Statements**  
For the fifteen months ended March 31, 2019

---

**Contents**

Independent Auditor's Report	2 - 3
<b>Financial Statements</b>	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 13



Tel: 780-461-8000  
Fax: 780-461-8800  
www.bdo.ca

BDO Canada LLP  
9897 34 Avenue NW  
Edmonton AB T6E 5X9 Canada

---

## Independent Auditor's Report

---

To the Board of Directors of  
Zebra Child Protection Centre Society

### *Qualified Opinion*

We have audited the accompanying financial statements of Zebra Child Protection Centre Society (the "Society"), 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 fifteen months, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Zebra Child Protection Centre Society as at March 31, 2019, and the results of its operations and its cash flows for the fifteen months in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Society derives a material amount of revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess (deficiency) of revenue over expenditures, and cash flows from operations for the fifteen months ended March 31, 2019, and year ended December 31, 2017 current assets as at March 31, 2019 and December 31, 2017, and net assets as at January 1, 2018 and March 31, 2019 and net assets as at January 1 and December 31, 2017. Our audit opinion on the financial statements for the year ended December 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

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

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

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

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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



---

## Independent Auditor's Report (continued)

---

### *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 Society'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 Society'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 Society 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.

*BDO Canada LLP*

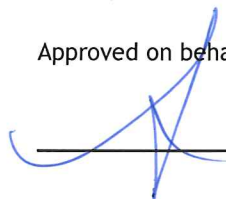
Chartered Professional Accountants

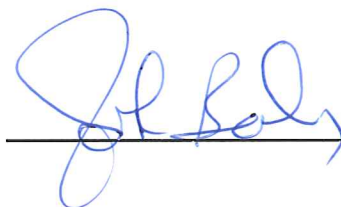
Edmonton, Alberta  
June 19, 2019

## Zebra Child Protection Centre Society Statement of Financial Position

	March 31 2019	December 31 2017
<b>Assets</b>		
<b>Current</b>		
Cash (Note 2)	\$ 2,293,409	\$ 1,210,252
Short-term investments (Note 2)	15,001	15,785
Accounts receivable	498,185	15,021
Prepaid expenses	18,779	7,813
	2,825,374	1,248,871
<b>Capital assets (Note 3)</b>	115,650	140,427
	\$ 2,941,024	\$ 1,389,298
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 172,755	\$ 75,606
Deferred rent reimbursement (Note 11)	26,866	-
Deferred contributions - operating (Note 5)	1,706,297	1,034,815
Deferred contributions - casino (Note 6)	106,850	62,521
	2,012,768	1,172,942
<b>Deferred contributions - capital (Note 7)</b>	74,762	84,267
	2,087,530	1,257,209
<b>Lease commitments (Note 11)</b>		
<b>Net assets</b>		
Unrestricted net assets (deficit)	675,991	(60,687)
Internally restricted net assets (Note 8)	136,616	136,616
Invested in capital assets	40,887	56,160
	853,494	132,089
	\$ 2,941,024	\$ 1,389,298

Approved on behalf of the board:

 \_\_\_\_\_, Director

 \_\_\_\_\_, Director

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

## Zebra Child Protection Centre Society Statement of Changes in Net Assets

(fifteen months)  
March 31  
2019

	Unrestricted	Internally Restricted	Invested in Capital Assets	Total
<b>Balance, beginning of period</b>	\$ (60,687)	\$ 136,616	\$ 56,160	\$ 132,089
Excess (deficiency) of revenue over expenditures for the period	737,328	-	(15,923)	721,405
Funding of capital assets (Note 9)	(650)	-	650	-
<b>Balance, end of period</b>	<b>\$ 675,991</b>	<b>\$ 136,616</b>	<b>\$ 40,887</b>	<b>\$ 853,494</b>

(year)  
December 31  
2017

	Unrestricted	Internally Restricted	Invested in Capital Assets	Total
<b>Balance, beginning of period</b>	\$ 86,445	\$ 136,616	\$ 73,935	\$ 296,996
Deficiency of revenue over expenditures for the period	(147,132)	-	(17,775)	(164,907)
<b>Balance, end of period</b>	<b>\$ (60,687)</b>	<b>\$ 136,616</b>	<b>\$ 56,160</b>	<b>\$ 132,089</b>

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

## Zebra Child Protection Centre Society Statement of

	(fifteen months) March 31 2019	(year) December 31 2017
<b>Revenue</b>		
Government grants	\$ 1,396,415	\$ 509,259
Unrestricted donations	933,013	374,205
Other revenue (Note 10)	358,161	108,372
Deferred donations spent (Note 6)	209,158	197,228
Restricted donations	60,528	66,886
Amortization of deferred contributions - capital (Note 7)	24,784	21,374
	<b>2,982,059</b>	<b>1,277,324</b>
<b>Expenditures</b>		
Wages and benefits (Note 10)	1,016,296	774,822
Consulting fees	377,298	45,892
Rent (Note 11)	307,660	121,397
Fundraising	132,365	72,371
Professional fees	86,711	54,230
Office	75,880	34,268
Communication tools	50,034	31,127
Amortization	40,707	39,150
Volunteer recognition	32,952	13,885
Training	26,607	65,263
Children's items and clothing	24,386	857
Travel	24,342	22,471
Insurance	15,594	14,909
Interest and bank charges	15,192	8,626
Computer support	12,252	7,833
Telephone	6,949	6,097
Very Important Paws Program	6,299	4,665
Children's snacks	4,718	4,599
Repairs and maintenance	3,407	3,140
Clinical Care	1,005	116,629
	<b>2,260,654</b>	<b>1,442,231</b>
<b>Excess (deficiency) of revenue over expenditures for the period</b>	<b>\$ 721,405</b>	<b>\$ (164,907)</b>

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



## Zebra Child Protection Centre Society Statement of Cash Flows

	(fifteen months) March 31 2019	(year) December 31 2017
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenue over expenditures for the period	\$ 721,405	\$ (164,907)
Adjustments for non-cash items		
Amortization of capital assets	40,707	39,150
Amortization of deferred contributions - capital	<u>(24,784)</u>	<u>(21,374)</u>
	737,328	(147,131)
Change in non-cash working capital items		
Decrease (increase) in accounts receivable	(483,164)	22,637
Increase in prepaid expenses	(10,966)	(3,005)
Increase in accounts payable and accrued liabilities	97,148	9,954
Increase in deferred rent reimbursement	26,866	-
Increase in deferred contributions - operating	671,482	306,660
Increase (decrease) in deferred contributions - casino	44,329	(24,664)
Increase in deferred contributions - capital	<u>15,279</u>	<u>17,484</u>
	<u>1,098,302</u>	<u>181,935</u>
<b>Cash flows from investing activity</b>		
Purchase of capital assets	<u>(15,929)</u>	<u>(17,484)</u>
Increase in cash during the period	1,082,373	164,451
Cash and cash equivalents, beginning of period	<u>1,226,037</u>	<u>1,061,586</u>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 2,308,410</b>	<b>\$ 1,226,037</b>
<b>Cash and cash equivalents consist of:</b>		
Cash	\$ 2,293,409	\$ 1,210,252
Short-term investments	<u>15,001</u>	<u>15,785</u>
	<u>\$ 2,308,410</u>	<u>\$ 1,226,037</u>

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



---

# Zebra Child Protection Centre Society

## Notes to the Financial Statements

March 31, 2019

---

### Nature of operations

Zebra Child Protection Centre Society (the "Society") (the "Society") works to improve the life experiences of children in the community who have suffered abuse. This is done by providing a collaborative and integrated environment; developing and implementing leading practices; offering support and "giving a voice" to the child and family throughout the process of disclosure, investigation, intervention and prosecution - each applied to appropriately address the best interests of each child. The Society's outreach programs seek to educate and engage the community in protecting children through reporting signs of abuse and advocating for protection and justice. The Society is incorporated under the Societies Act of Alberta, and is a registered charity under paragraph 149(1)(f) of the Income Tax Act and is exempt from income taxes.

---

### 1. Summary of significant accounting policies

The financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

The significant accounting policies used are as follows:

#### Accounting estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenditures during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

#### Revenue recognition

The Society follows the deferral method of accounting for contributions. Externally 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.

Externally restricted contributions for the acquisition of capital assets are recorded as deferred contributions - capital and are amortized to revenue on the same basis as the capital assets are amortized to expenditures.

Proceeds from fundraising events are recognized as revenue in the year when the event occurs if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue when earned.

---

# Zebra Child Protection Centre Society

## Notes to the Financial Statements

March 31, 2019

---

1. Summary of significant accounting policies (continued)

**Financial instruments**

The Society initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Society subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in operations.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in operations.

**Capital assets**

Capital assets are recorded at cost. The Society provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. No amortization is recorded in the year of disposal. The annual amortization rates and methods are as follows:

Asset	Method	Rate
Vehicle	Declining balance	30%
Office equipment	Declining balance	20%
Furniture	Declining balance	20%
Leasehold improvements	Straight-line	10 years
Computer equipment	Declining balance	30%
Audio/visual equipment	Declining balance	30%

**Contributed services**

Volunteers contributed time to assist the Society in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

**Cash and cash equivalents**

Cash and cash equivalents are defined as cash on hand and short-term deposits with term maturity of four months or less from year-end.

---

## Zebra Child Protection Centre Society Notes to the Financial Statements

March 31, 2019

### 2. Cash and short-term investments

Cash and short-term investments include \$104,885 (December 31, 2017 - \$61,542) which is externally restricted for expenditures approved by the Alberta Gaming and Liquor Commission pursuant to the Society's casino application, and \$1,706,297 (December 31, 2017 - \$1,034,815) that is restricted for operations as disclosed in Note 5.

The Society has invested in Guaranteed Investment Certificates bearing interest at a rate of 2.35% per annum, with a maturity date of October 26, 2019.

### 3. Capital assets

	March 31 2019		December 31 2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Vehicle	\$ 43,531	\$ 30,777	\$ 43,531	\$ 23,834
Office equipment	54,384	51,418	52,419	50,728
Furniture	326,384	249,944	324,806	226,009
Leasehold improvements	2,964	493	2,964	148
Computer equipment	129,585	112,441	117,199	105,762
Audio/visual equipment	70,556	66,681	70,556	64,567
	<u>627,404</u>	<u>511,754</u>	<u>611,475</u>	<u>471,048</u>
Net book value		<u>\$ 115,650</u>		<u>\$ 140,427</u>

### 4. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances of \$24,983 (December 31, 2017 - \$203).

## Zebra Child Protection Centre Society Notes to the Financial Statements

March 31, 2019

5. Deferred contributions - operating

	March 31 2019	December 31 2017
Alberta Health Services Mental Health Contract	\$ 882,991	\$ 384,382
Clinical Care	194,878	204,673
Victims of Crime - Child Support Services	150,000	-
Victims of Crime - Mental Health	112,907	30,785
Ladies on the Green	99,143	45,099
Court Preparation Program	61,864	61,864
Funded Agency (Region 6)	45,229	-
Toy Closet	38,654	38,604
Family and Community Safety	28,386	171,708
Centre Renovations	23,493	23,493
Courthouse Dog Program	18,013	21,188
St. John's Legacy Foundation - Film	15,000	15,000
Multi-disciplinary Training	11,507	11,507
Associated Canadian Travellers - Awareness and Equipment	10,860	10,860
Clothing	10,669	10,669
Zebra Centre - Film	2,703	2,703
Telus Grant	-	2,280
	<b>\$ 1,706,297</b>	<b>\$ 1,034,815</b>

Deferred contributions - operating represents externally restricted operating funds that are to be used to pay for expenditures in the next year.

6. Deferred contributions - casino

	March 31 2019	December 31 2017
Balance, beginning of period	\$ 62,521	\$ 87,185
Add: casino funds - net	99,359	14,141
Less: amounts amortized to deferred donations spent	(55,030)	(38,805)
Balance, end of period	<b>\$ 106,850</b>	<b>\$ 62,521</b>

Deferred contributions - casino represent externally restricted funds received from the operation of a casino fundraiser. The Alberta Gaming and Liquor Commission approves and issues licences for casino events and the proceeds must be used on approved expenditures as stated in the casino application.

The difference in the current period between externally restricted cash (Note 2) and the balance for deferred contributions - casino is made up of accounts payable of \$1,966 (December 31, 2017 - \$979) related to expenditures which will be paid out of the externally restricted cash account.

## Zebra Child Protection Centre Society Notes to the Financial Statements

March 31, 2019

**7. Deferred contributions - capital**

	March 31 2019	December 31 2017
Balance, beginning of period	\$ 84,267	\$ 88,157
Add: contributions received	15,279	17,484
Less: amounts amortized to revenue	(24,784)	(21,374)
Balance, end of period	\$ 74,762	\$ 84,267

Deferred contributions - capital represent externally restricted contributions used for the purchase of capital assets. These amounts are amortized and included in revenue on the same basis as the amortization of the related capital assets purchased with the funds.

**8. Internally restricted net assets**

The internally restricted net assets at the end of the period are comprised of \$51,797 (December 31, 2017 - \$51,797) for Child Support Services and \$84,819 (December 31, 2017 - \$84,819) for Clinical Care for children.

**9. Interfund transfers**

During the period, \$650 (December 31, 2017 - \$nil) was used from unrestricted net assets to fund the cash outlays for the capital asset additions. The remaining \$15,279 (December 31, 2017 - \$17,484) of capital asset additions was funded using funds from the Bridging Fund, Victims of Crime - Child Support Services Fund, Telus Fund, Family and Community Safety Fund and Casino Fund (December 31, 2017 - Ladies on the Green Fund and Alberta Human Services Funded Agency).

**10. Other revenue**

Donations revenue includes \$108,250 (December 31, 2017 - \$89,723) of donations-in-kind from the Edmonton Police Service for the period. Also, \$16,536 (December 31, 2017 - \$3,401) of donations-in-kind was received for Toy Closet inventory, silent auction items and capital assets (December 31, 2017 - Toy Closet inventory) that have been included in donations revenue. Other goods and services received have not been recorded in these financial statements as the fair market value is too difficult to determine.

Various other expenditures are incurred by the Edmonton Police Service and Alberta Children's Services and are not charged to the Society, including wages and benefits, office supplies, insurance and other related costs. As a result of the difficulty in determining many of these amounts, the costs have not been estimated and recorded in these financial statements. As information, in 2018 and 2019, the Child Protection Section and Child At Risk Response Team (CARRT) of the Edmonton Police Service budgeted \$3,234,900 (2017 - \$2,514,239) and \$1,176,082 (2017 - \$980,870), respectively, to be dedicated to the operation of the Society. These amounts represent labour and other administrative costs relating to the individuals that work directly with the Society but these costs have not been included in these financial statements.

Other revenue also contains \$182,744 (December 31, 2017 - \$nil) of rental reimbursements from the Edmonton Police Service.

---

# Zebra Child Protection Centre Society

## Notes to the Financial Statements

March 31, 2019

---

### 11. Lease commitments

The Society's premises are under a five year operating lease that expires August 31, 2023. The City of Edmonton (the "City") is no longer the tenant on the lease as it is now under the Society's name, however, the City continues to pay for the Society. The Edmonton Police Service has approved funding up to \$316,334 for 2019 towards payment of rent and custodial fees. If rent exceeds this approved amount and other funds are not received from the City, the Society is required to fund the remaining balance.

---

### 12. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) 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 Society is exposed to credit risk as it maintains all its bank accounts at a single financial institution. Balances in these accounts may exceed federally insured amounts. Also, the Society is exposed to credit risk as two (December 31, 2017 - four) funders. make up 95% (December 31, 2017 - 61%) of the accounts receivable balance.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to this risk through its investment in Guaranteed Investment Certificates with fixed interest rates, resulting in changes in fair value of the Guaranteed Investment Certificates as market interest rates change.

---

### 13. Financial risk management

The Society is exposed to a variety of financial risks by virtue of its activities. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Most funds are kept in cash or short-term investments and exposure to equity or higher risk instruments is very limited at this time.

The Board of Directors have the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies. Risk management is monitored by the Executive Director and proposed changes to the investment policies are recommended, reviewed and approved by the Board of Directors.

---

### 14. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year, including reclassifying the rental reimbursement from in-kind donations as discussed in Note 10. The changes do not affect prior year operations.

---