

MOOSE JAW MILITARY FAMILY RESOURCE CENTRE INC.

Audited Financial Statements

Year Ended March 31, 2019

MOOSE JAW MILITARY FAMILY RESOURCE CENTRE INC.

Index to Financial Statements

Year Ended March 31, 2019

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flow	6
Notes to Financial Statements	7
Expenses (<i>Schedule 1</i>)	10

Independent Auditor's Report

To the Board of Directors of Moose Jaw Military Family Resource Centre Inc.

Opinion

We have audited the financial statements of Moose Jaw Military Family Resource Centre Inc., which comprise the statement of financial position as at March 31, 2019, and the statement of operations, statement of changes in net 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 our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2019 and its financial performance and its cash flows for the year then ended in accordance with accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

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 Entity 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 opinion.

In common with many Non-for-Profit Organizations, the Organization derives revenue from donations and other fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to a comparison of recorded revenue with bank deposits and we were unable to determine whether any adjustments might be necessary to revenue, excess of revenue, assets and net assets.

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 ASNPO, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

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 Entity'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 Entity'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 Entity 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.

Priority Accounting Services CPA Prof. Corp.
Chartered Professional Accountants

May 22, 2019

Moose Jaw Military Family Resource Centre Inc.
Statement of Financial Position
For the Year Ended March 31, 2019

ASSETS		
	2019	2018
	\$	\$
Current Assets		
Petty cash	400	400
Membership shares Credit Union	20	20
Operating Bank	<u>71,597</u>	<u>167,962</u>
	72,017	168,382
Accounts Receivable	1,883	2,498
Prepaid expenses	6,566	-
GST receivable	<u>2,187</u>	<u>4,636</u>
	<u>82,653</u>	<u>175,516</u>
Fixed Assets (Note 4)		
Equipment	80,760	80,760
Toy lending library	947	947
French resources	2,101	2,101
English resources	<u>550</u>	<u>550</u>
	84,358	84,358
Less: Accumulated depreciation	<u>84,358</u>	<u>84,358</u>
	-	-
Long Term Investments (Note 5)	<u>399,372</u>	<u>292,856</u>
	<u>482,024</u>	<u>468,371</u>
	<u>482,024</u>	<u>468,371</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	1,409	1,038
Payroll deductions payable	-	6,471
Deferred contracts	-	18,983
Unearned revenue	<u>392,941</u>	<u>371,160</u>
	<u>394,350</u>	<u>397,652</u>
Net Assets		
Equipment equity	406	406
Donated Equipment equity	13,640	13,640
Fund Balance	<u>73,627</u>	<u>56,673</u>
	87,673	70,719
Approved on behalf of the Board	<u>482,024</u>	<u>468,371</u>
	<u>482,024</u>	<u>468,371</u>

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

Moose Jaw Military Family Resource Centre Inc.
Statement of Operations
For the Year Ended March 31, 2019

	2019	2018
REVENUE	\$	\$
Interest Revenue	8,454	8,128
MFS VA Pilot Grant Revenue	-	17,969
United Way	126	-
VA Pilot Program Prior Yr Adj	-	3,469
VFP Revenue	117,658	20,832
DMFS: IPSC & Casualty Sup Childcare	-	-
DMFS	923,949	955,855
Grants: TPL HRSDC	42,542	44,003
Donations	11,710	36,094
Fundraising	430	603
ELC Casual Childcare Rev	44,288	50,623
Wage Grant	-	-
Youth Centre Revenue	-	9,467
Kids Klostet Revenue	1,170	2,960
Summer Fun Revenue	35,509	32,715
Prev. Supp & Intervention Rev	-	-
Parents & Tots Revenue	94	182
Family Sep. & Reunion Revenue	20	20
SLT (Program) Revenue	-	-
Spec. Events/Wel&Comm. Orientation Revenue	549	1,276
Non School Day/Break Prgm Revenue	4,780	-
Program Revenue	409	855
Miscellaneous Income	754	1,180
DND Funding	131,460	183,204
Conference Revenue	-	-
3CFFTS Portage Revenue	535	350
TOTAL REVENUE	<u>1,324,437</u>	<u>1,362,847</u>
 EXPENSES		
Total Activity Expense	193,568	339,513
Total Operating Expense	76,597	106,219
Wage Expense	1,037,318	912,199
Depreciation	-	-
	<u>1,307,483</u>	<u>1,357,931</u>
 NET INCOME	 <u>16,954</u>	 <u>4,916</u>

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

Statement of Changes in Net Assets
Year Ended March 31, 2019

	<u>2019</u>	<u>2018</u>
NET ASSETS - BEGINNING OF YEAR	\$ 70,719	\$ 65,803
Excess of revenues over expenses	<u>16,954</u>	<u>4,917</u>
NET ASSETS - END OF YEAR	<u>\$ 87,673</u>	<u>\$ 70,720</u>

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

Moose Jaw Military Family Resource Centre Inc.

Statement of Cash Flow

Year Ended March 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 16,954	\$ 4,917
Changes in non-cash working capital:		
Accounts receivable	615	11,655
Employee deductions payable	(6,471)	6,471
Prepaid	(6,565)	(1)
Deferred income/revenue	(18,983)	18,983
Accounts payable and accrued liabilities	371	402
Goods and services tax payable	2,449	(3,478)
Unearned revenue	21,781	48,759
	(6,803)	82,791
Cash flow from operating activities	10,151	87,708
INVESTING ACTIVITY		
Long Term Investments - long term	(106,516)	(6,263)
INCREASE (DECREASE) IN CASH FLOW	(96,365)	81,445
Cash - beginning of year	168,382	86,937
CASH - END OF YEAR	\$ 72,017	\$ 168,382
CASH CONSISTS OF:		
Cash	\$ 72,017	\$ 168,382

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

MOOSE JAW MILITARY FAMILY RESOURCE CENTRE INC.

Notes to Financial Statements

Year Ended March 31, 2019

1. ECONOMIC DEPENDENCE

The Organization received approximately 75% of revenues for services from MFS (Military Family Services) funded by the Department of National Defence. These core programs operate on renewed contracts for services.

2. DESCRIPTION OF BUSINESS

The business is incorporated under the provincial business corporations act. The Moose Jaw Military Family Resource Centre Inc. operated as a non-profit organization that provides support services to military members and families, as well as members and families of civilian partners and contractors. It operates core programs funded by the Department of National Defence. It also operates other programs internally funded. The organization is exempt from income taxes under paragraph 149(1)(l) of the Income Tax Act.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash Equivalents

The company has cash and bank term deposits. Highly liquid investments with maturities of one year or less at date of purchase are classified as cash equivalents.

Cash and Short-term Investments

Short-term debt securities purchased with maturity of three months or less are classified as cash equivalents.

Financial Instruments Policy

Financial instruments are recorded at fair value when acquired or issued.

Comparative Figures

Certain comparative amounts have been reclassified to conform to the current year's presentation.

Impairment of Long-Lived Assets

The company does not have assets that would cause impairment. The Organization considers that no circumstances exist that would require such evaluation.

Basis of Presentation

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

Revenue Recognition

Moose Jaw Military Family Resource Centre Inc. follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses 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.

Investment income is recognized as revenue when earned.

(continues)

MOOSE JAW MILITARY FAMILY RESOURCE CENTRE INC.

Notes to Financial Statements

Year Ended March 31, 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed Services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Fixed Assets

Capital assets are stated at cost and amortization is recorded at 1% per month.

Machinery, equipment, furniture and fixtures 1% straight-line method.

Use of 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 amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods.

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2019 Net Book value	2018 Net Book value
Machinery, equipment, furniture and fixtures	\$ 84,358	\$ 84,358	\$ -	\$ -

Fixed assets are depreciated at a rate of 1 percent of cost per month. Assets are depreciated beginning in the year after acquisition.

5. LONG TERM INVESTMENTS

	2019	2018
Two-year non-redeemable term deposit maturing January 19, 2019. Interest is paid annually @ 1.65%.	\$ -	\$ 76,238
One-year non-redeemable term deposit maturing January 19, 2020. Interest is paid annually @ 2.60%.	155,414	76,013
One-year non-redeemable term deposit maturing May 6, 2019. Interest is paid annually @ 1.45%	243,958	140,605
	\$ 399,372	\$ 292,856

MOOSE JAW MILITARY FAMILY RESOURCE CENTRE INC.

Notes to Financial Statements

Year Ended March 31, 2019

6. DEFERRED PROJECTS

Funds have been received for projects that have yet to be completed

	<u>2019</u>	<u>2018</u>
<u>Projects</u>		
Deferred Projects/Wages	\$ 392,941	\$ 371,160

7. RISK MANAGEMENT

Exposure to credit risk, interest risk and liquidity risk arise in the normal course of the Organization's operations.

Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss.

The Organization's principal financial assets are cash, accrued interest receivable and guaranteed investment certificates. The carrying amounts of financial assets in the statement of financial position represent the Organizations maximum credit exposure at the balance sheet date. The amounts disclosed in the statement of financial position are net of the allowance for doubtful accounts, estimated based on previous experience and an assessment of the current economic environment. The Organization does not have significant exposure to any individual customer and has not incurred any significant bad debts during the year. Dealing with institutions that have strong credit ratings minimizes credit risk related to cash and guaranteed investment certificates.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

Moose Jaw Military Family Resource Centre Inc.

Schedule of Expenses

For the Year Ended March 31, 2019

EXPENSES	2019	2018	
Receiver General exp., prior year	0	0	
VA Non-Pilot Site Expense	0	0	
Emergency Childcare Expense	681	1,371	
FLO/IPSC PD & Resources	3,962	1,146	
IPSC: Casualty Support Childcare	2,310	297	
FLO/IPSC Travel	5,833	6,060	
Emergency Respite Childcare Exp.	4,029	4,888	
3CFFTS Portage Travel, PD, Training	9,158	5,612	
3CFFTS Portage Program & Resource	12,933	28,992	
NYM - Leadership/Outdoor Adv. Exp.	653	5,504	
GBV Exp	15,959	0	
Fundraising Expense	0	0	
ELC Casual Childcare Exp.	11,967	16,875	
Youth Centre Expense	1,000	1,400	
Transportation Expense	0	0	
Kids Klostet Expense	1,088	1,926	
Prev. Sup. Intervention Expense	17,990	22,698	
Summer Fun Expense	23,440	24,080	
Parents & Tots Expense	1,692	2,095	
Info & Referral Expense	2,762	1,230	
Community Integration Expense	17,284	73,684	
Personal Development Exp.	1,462	0	
Volunteer Sup. & Dev. Expense	4,878	12,221	
Volunteer Childcare Expense	1,659	1,740	
SLT Expense	4,564	19,740	
Volunteer Training Expense	1,250	0	
Family Sep. & Reunion Expense	7,032	11,227	
Projects Expense	4,346	43,048	
Regina/Reserve Units Exp	4,914	42,992	
VFP program	21,784	-323	
Vehicle Insurance/Main/Repair	6,890	1,991	
Non School Day/Break Program Expense	2,048	9,021	
Total Activity Expense	<u>193,568</u>	<u>339,513</u>	
Miscellaneous Expense	557	77	
Food & Beverage Expense	7,895	9,772	
Professional Expense (acc't, legal)	6,501	5,400	
Promotion & Advertising	8,369	1,058	
Annual General Meeting, Year End	0	36	
Bank Charges	3	7	
NSF Cheques	0	0	
Membership, Fees, Dues	4,534	4,175	
Third Party Liability Insurance	13,550	6,222	
Employee Benefit Insurance Exp.	957	957	
Admin. & Logistical Support Exp.	547	1,452	
Staff Team Building Expense	1,564	295	
Conference Expense	1,133	22,534	
GST Expense	3,457	5,833	
PST Expense	3,925	12,174	
Staff Professional Development	18,029	17,861	
Maintenance & Repairs	469	546	
Board Training & Development Exp.	5,108	17,821	
Total Operating Expense	<u>76,597</u>	<u>106,219</u>	
Wages, ELC Casual Childcare	46,089	60,127	
Wages, Summer Fun	40,783	31,570	
Wages, Youth	25,504	0	
Wages, ECC & ERCC	31,390	30,067	
Wages, DMFS Public	0	0	
Wages, SLT	120	0	
Wages, VA Pilot	0	17,358	
Wages, Non School Day/Break Program	8,745	29,836	
Wages, Parents & Tots	3,501	5,011	
Wages, VFP Corrd	41,063	11,372	
Wages, VFP Admin	42,762	7,535	
CPP Expense	34,623	28,781	
EI Expense	17,261	14,635	
Group RRSP Expense	52,608	53,478	
Group Benefit Premium	35,339	30,466	
Workers Compensation SK & MB	7,923	11,881	
Wages, Management & Admin.	140,375	117,648	
Wages, Volunteer Manage & Com Invol	44,606	52,614	
Wages, Personal Dev. & Comm. Int.	54,000	12,174	
Wages, Child & Youth Services	47,109	84,154	
Wages, Family Sep. & Reunion Serv.	47,411	59,464	
Wages, Prev. Sup. & Intervention	193,307	126,404	
Wages, 3CFFTS Portage	57,300	60,370	
Wages, FLO (IPSC)	65,500	67,252	
Wages, CSCC	0	0	
Wage Expense	<u>1,037,318</u>	<u>912,199</u>	
Total Administration	<u>1,307,483</u>	<u>1,357,931</u>	
Depreciation	<u>0</u>	<u>0</u>	
Total Depreciation	<u>0</u>	<u>0</u>	
TOTAL EXPENSE	<u>1,307,483</u>	<u>1,357,931</u>	