

# **Moose Jaw Military Family Resource Centre Inc.**

**Audited Financial Statements**

**March 31, 2020**

# Moose Jaw Military Family Resource Centre Inc.

March 31, 2020

## CONTENTS

	<u>Page</u>
<b>Financial Statements</b>	
Auditors' Report	1
Statement of Financial Position	3
Statement of Operations	4
Statement of Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7

## **Independent Auditors' Report**

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*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, 2020, 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, 2020 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

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### **Independent Auditors' Report**

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.**

# Moose Jaw Military Family Resource Centre Inc.

## Statement of Financial Position

March 31, 2020

	Note	2020	2019
<b>Assets</b>			
<b>Current Assets</b>			
Cash		\$ 99,534	\$ 72,017
Accounts receivable, net of allowances	2.	5,162	4,070
Other current assets		9,425	6,566
<b>Total Current Assets</b>		<b>114,121</b>	<b>82,653</b>
Long term investments	3.	407,786	399,372
<b>Total Assets</b>		<b>\$ 521,907</b>	<b>\$ 482,025</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		\$ 612	\$ 1,409
Deferred income/revenue		462,325	392,941
<b>Total Current Liabilities</b>		<b>462,937</b>	<b>394,350</b>
<b>Equity</b>			
Unrestricted Net Assets		58,970	87,675
<b>Total Liabilities and Equity</b>		<b>\$ 521,907</b>	<b>\$ 482,025</b>

Approved on Behalf of the Board:

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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, 2020

	2020	2019
<b>Revenue</b>		
MFS VA Pilot Grant Revenue	\$ 672	\$ 245
Other revenue	15,136	7,027
VFP Revenue	114,551	117,658
United Way	1,121	126
DMFS: IPSC & Casualty Sup Childcare	955,569	923,949
Other grants	28,903	23,559
Donations	12,089	11,710
Programs for kids and youth	56,081	100,250
DND Funding	150,959	131,460
Interest income	10,890	8,454
<b>Total revenue</b>	<b>1,345,971</b>	<b>1,324,438</b>
<b>Expenses</b>		
Operating expenses	125,302	76,597
Activity Expense	263,363	193,568
Wages and benefits	986,010	1,037,317
<b>Total expenses</b>	<b>1,374,675</b>	<b>1,307,482</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (28,704)</b>	<b>\$ 16,956</b>

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

# Moose Jaw Military Family Resource Centre Inc.

## Statement of Net Assets

For the Year Ended March 31, 2020

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	2020	2019
Unrestricted Net Assets	\$ 87,674	\$ 70,719
Excess (deficiency) of revenues over expenditures	(28,704)	16,956
<b>Unrestricted Net Assets</b>	<b>\$ 58,970</b>	<b>\$ 87,675</b>

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

# Moose Jaw Military Family Resource Centre Inc.

## Statement of Cash Flows

For the Year Ended March 31, 2020

	Note	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income (loss) for the period		\$ (28,704)	\$ 16,956
Trade accounts payable		(798)	(7,136)
Deferred liability		69,384	2,798
Increase (decrease) in receivables		(1,092)	4,099
Increase (decrease) in prepaid expense and other assets		(2,859)	(6,566)
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>35,931</b>	<b>10,151</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of long-term investments		(8,414)	(106,516)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
<b>OTHER ACTIVITIES:</b>			
<b>Net cash increase (decreases) in cash and cash equivalents</b>		<b>27,517</b>	<b>(96,365)</b>
Cash and cash equivalents at beginning of period		72,017	168,382
<b>Cash and cash equivalents at end of period</b>		<b>\$ 99,534</b>	<b>\$ 72,017</b>

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

# Moose Jaw Military Family Resource Centre Inc.

## Notes to the Financial Statements

For the Year Ended March 31, 2020

### 1. Significant Accounting Policies

#### a. Nature of business/basis of preparation

##### i. Date and place of incorporation, commencement of operations

Moose Jaw Military Family Resource Centre Inc. (organization) 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.

These financial statements prepared in accordance with the Canadian Accounting Standards for Not-for-Profit organizations.

#### b. Cash and cash equivalents

Cash and cash equivalents includes short-term investments and highly liquid investments in money market instruments which are carried at the lower of cost and market value with a maturity date of three months or less from the acquisition date. These are valued at cost which approximates market value.

#### c. Property, plant and equipment

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

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

#### d. Impairment of long lived assets

In the event that facts and circumstances indicate that the organization 's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The organization considers that no circumstances exist that would require such an evaluation.

#### e. Financial instruments

The organization has determined that the estimated fair value of the financial assets and liabilities do not differ considerably from their book value.

#### f. 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

# Moose Jaw Military Family Resource Centre Inc.

## Notes to the Financial Statements

For the Year Ended March 31, 2020

### 1. Significant Accounting Policies continued

#### f. Revenue recognition continued

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.

#### *Contributed surplus*

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.

#### g. 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 the reporting period. Actual results could differ from those estimates and may have an impact on future periods.

#### h. Economic dependence

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

### 2. Receivables

#### a. Accounts by period

Accounts receivable consist of the following:

	2020	2019
Taxes receivable	\$ 3,279	\$ 2,187
Trade accounts receivable	1,883	1,883
<b>Total</b>	<b>\$ 5,162</b>	<b>\$ 4,070</b>

### 3. Investments

Investments consist of the following:

# Moose Jaw Military Family Resource Centre Inc.

## Notes to the Financial Statements

For the Year Ended March 31, 2020

	2020	2019
<b>GIC</b>		
Conexus two year non redeemable term deposits maturing January 19, 2020. Interest paid annually @ 2.60%	\$ -	\$ 155,414
Conexus two year non redeemable term deposits maturing May 6, 2019. Interest paid annually @ 2.60%	-	243,958
<b>Total equity investments</b>	-	399,372
<b>GIC</b>		
Conexus one year non redeemable term deposits maturing January 19, 2021. Interest paid annually @ 2.10%	158,630	-
Conexus one year non redeemable term deposits maturing May 6, 2020. Interest paid annually @ 2.20%	244,282	-
Accrued interest receivable	4,874	-
<b>Total other investments</b>	407,786	-
<b>Total investments</b>	\$ 407,786	\$ 399,372

#### 4. Property, plant and equipment

Property, plant and equipment consist of the following:

	2020		2019	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Toy lending library	\$ 947	\$ (947)	-	\$ -
English library	550	(550)	-	-
Machinery, equipment, furniture and fixtures	80,760	(80,760)	-	-
French Resources	2,101	(2,101)	-	-
<b>Total</b>	\$ 84,358	\$ (84,358)	-	\$ -

#### 5. Accounts payable

Accounts payable consist of the following:

	2020	2019
Trade accounts payable	\$ 612	\$ 1,409

# Moose Jaw Military Family Resource Centre Inc.

## Notes to the Financial Statements

For the Year Ended March 31, 2020

### 5. Accounts payable continued

### 6. Deferred projects

#### a. Funds have been received for projects that have yet to be completed

	2020	2019
Deferred projects/wages	\$ 462,325	\$ 392,943

### 7. Credit risk

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

#### (a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. 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 Organization's maximum credit exposure at the balance sheet date. The amounts disclosed in the statement of financial position are net of 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.

#### (b) Liquidity risk:

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the Organization not being able to liquidate assets in a timely manner at a reasonable price. The Organization monitors its cash flow throughout the year to ensure its revenue collecting practices take into account the timing and level of its cash obligations. The Organization has sufficient funds from which to operate and this risk is considered to be low.

### 8. Subsequent events

#### a. COVID-19

"Subsequent to year-end, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19" outbreak). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

# Moose Jaw Military Family Resource Centre Inc.

## Notes to the Financial Statements

For the Year Ended March 31, 2020

**a. COVID-19 continued**

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. The Organization is dependent on its workforce to deliver its services on behalf of the Department of National Defence. If significant portions of the Organization's workforce are unable to work effectively, or if operations are curtailed due to illness, quarantines, or other restrictions in connection with the COVID-19 pandemic, the Organization's operation will likely be impacted and costs may increase. At this time, the Organization's management cannot predict the impact of the COVID-19 pandemic, but management continues to monitor the situation."