

**Miskanawah Community Services Association**  
**Financial Statements**  
*March 31, 2022*

## Independent Auditor's Report

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To the Members of Miskanawah Community Services Association:

### Opinion

We have audited the financial statements of Miskanawah Community Services Association (the "Association"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for 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 Association 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.

### 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 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

MNP LLP

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- 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 Association'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 Association 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.

Calgary, Alberta

June 9, 2022

*MNP LLP*

Chartered Professional Accountants

**MISKANAWAH COMMUNITY SERVICES ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**

As at March 31, 2022

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents, unrestricted	\$ 128,553	\$ 33,805
Cash and cash equivalents, externally restricted (Note 4)	1,437,068	1,066,312
Short term investments (Note 3)	332,851	267,101
Accounts receivable	37,527	60,699
GST receivable, unrestricted	19,328	17,820
Prepaid expense and deposits	101,572	84,160
	2,056,899	1,529,897
<b>LONG TERM INVESTMENTS (Note 3)</b>	-	63,123
<b>PROPERTY AND EQUIPMENT (Note 5)</b>	73,315	26,008
	\$ 2,130,214	\$ 1,619,028
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 138,832	\$ 104,216
Salaries and benefits payable	159,939	170,117
Grants payable Government of Alberta - Children's Services contracts (Note 4)	498,440	595,930
Deferred contributions (Note 4)	938,628	470,382
	1,735,839	1,340,645
<b>DEFERRED CAPITAL CONTRIBUTIONS (Note 6)</b>	38,294	2,041
	1,774,133	1,342,686
<b>COMMITMENTS (Note 8)</b>		
<b>SIGNIFICANT EVENT (Note 10)</b>		
<b>NET ASSETS</b>		
Unrestricted	321,060	252,375
Invested in property and equipment	35,021	23,967
	356,081	276,342
	\$ 2,130,214	\$ 1,619,028

**Approved on behalf of the Board**

e-Signed by Dan Rochon  
2022-06-10 15:48:14:14 MDT

**Director**

e-Signed by Bruce Randall  
2022-06-11 17:08:13:13 MDT

**Director**

**MISKANAWAH COMMUNITY SERVICES ASSOCIATION**  
**STATEMENT OF OPERATIONS**  
For the Year Ended March 31, 2022

	2022	2021
<b>REVENUE</b>		
Government of Alberta - Children's Services contracts	\$ 6,463,319	\$ 6,096,867
United Way of Calgary and Area	710,553	642,708
City of Calgary - Family and Community Support Services	298,222	438,929
Calgary Homeless Foundation	250,785	-
Calgary Foundation	150,000	82,990
Government of Alberta - Children's Services fee for service	145,132	138,665
Donations and other contributions	125,878	58,236
City of Calgary - Crime Prevention Investment Plan	93,772	70,146
Collaborative Funders' Table	88,214	40,101
Government of Canada	50,381	97,074
City of Calgary - Connect the Dots!	39,254	-
Burns Memorial Fund	17,150	11,825
Interest and other revenue	8,431	49,686
Government of Alberta - Justice and Solicitor General	-	53,246
Calgary Learns	-	18,883
Casino	-	56
	<b>8,441,091</b>	<b>7,799,412</b>
<b>EXPENSES</b>		
Salaries, benefits and elder services	6,059,475	5,618,572
Direct client and program	1,247,720	1,026,246
Facility	694,784	750,551
Administration	326,212	397,475
Vehicles	20,845	15,222
	<b>8,349,036</b>	<b>7,808,066</b>
<b>Excess (deficiency) of revenue over expenses before amortization</b>	<b>92,055</b>	<b>(8,654)</b>
Amortization of deferred capital contributions (Note 6)	14,596	46,179
Amortization expense	(26,912)	(10,877)
Loss on write-down of property and equipment (Note 5)	-	(55,899)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 79,739</b>	<b>\$ (29,251)</b>

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

**MISKANAWAH COMMUNITY SERVICES ASSOCIATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
For the year ended March 31, 2022

	Unrestricted	Invested in Property and Equipment	Total
Balance, beginning of year, as previously reported	\$ 252,375	\$ 23,967	\$ 276,342
Excess (deficiency) of revenue over expenses	79,739	-	79,739
Amortization of deferred capital contributions (Note 6)	(14,596)	14,596	
Amortization expense	26,912	(26,912)	
Deferred capital contributions received	50,849	(50,849)	
Purchase of capital assets	(74,219)	74,219	
Unrestricted net assets, end of the year	<u>\$ 321,060</u>	<u>\$ 35,021</u>	<u>\$ 356,081</u>

**For the year ended March 31, 2021**

	Unrestricted	Invested in Property and Equipment	Total
Balance, beginning of year	\$ 261,029	\$ 44,564	\$ 305,593
Excess (deficiency) of revenue over expenses	(29,251)	-	(29,251)
Amortization of deferred capital contributions (Note 6)	(46,179)	46,179	
Amortization expense	10,877	(10,877)	
Loss on write-off of property and equipment	55,899	(55,899)	-
Unrestricted net assets, end of the year	<u>\$ 252,375</u>	<u>\$ 23,967</u>	<u>\$ 276,342</u>

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

**MISKANAWAH COMMUNITY SERVICES ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
For the year ended March 31, 2022

	2022	2021
<b>FUNDS PROVIDED BY (USED IN) OPERATIONS</b>		
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	79,739	(29,251)
<b>Charges not requiring cash outlay:</b>		
Amortization	26,912	10,877
Loss on write-off of property and equipment	-	55,899
Amortization of deferred capital contributions	(14,596)	(46,179)
	92,055	(8,654)
<b>Changes in non-cash operating working capital:</b>		
Accounts receivable	23,172	14,588
GST receivable	(1,508)	(5,139)
Prepaid expense and deposits	(17,412)	(57,437)
Accounts payable and accrued liabilities	34,616	9,541
Salaries and benefits payable	(10,178)	27,708
Grants payable Government of Alberta - Children's Services contracts	(97,490)	562,033
Cash flows from operating activities	23,255	542,640
<b>FINANCING ACTIVITIES</b>		
Deferred cash contributions (funding for next fiscal)	468,246	285,351
Deferred capital contributions received	50,849	-
Cash flows from financing activities	519,095	285,351
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(74,219)	-
Investments (interest reinvested)	(2,627)	(5,720)
Cash flows from investing activities	(76,846)	(5,720)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>465,504</b>	<b>822,271</b>
Cash and cash equivalents, beginning of the year	1,100,117	277,846
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>	<b>1,565,621</b>	<b>1,100,117</b>
<b>Consisting of:</b>		
Cash and cash equivalents, unrestricted	128,553	33,805
Cash and cash equivalents, externally restricted (Note 4)	1,437,068	1,066,312
	1,565,621	1,100,117

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

**MISKANAWAH COMMUNITY SERVICES ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2022

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**1 NATURE OF THE ORGANIZATION**

Miskanawah Community Services Association (the "Association") is guided by Indigenous teachings and provides evidence-informed supportive services to all people in the Calgary area in order to strengthen their circles of self, family, community and culture.

The Association was previously incorporated March 27, 2001 under the companies Act of the Province of Alberta, and received non profit charitable private foundation status effective April 1, 2001. The Association received re-designation as a not for profit charitable organization pursuant to the Canadian Income Tax Act effective April 1, 2004.

The Association approved a reorganization and was reincorporated under the Societies Act of the Province of Alberta effective June 26, 2007. Thus, the original corporation that was operating under the Companies Act was dissolved and continued operations under the Society's Act. In addition, the Association approved a name change from Spectrum Youth and Family Services Association to Pathways Community Services Association and received re-designation as a registered charity effective July 1, 2008. On October 15, 2019, the Association approved a name change from Pathways Community Services Association to Miskanawah Community Service Association. The Association is a registered not for profit charitable organization and it is exempt from income taxes. In order to maintain its status as a registered charity under the Income Tax Act ("the Act"), the Association must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

**2 SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

**(a) Revenue Recognition**

The Association follows the deferral method of accounting for contributions, which include grants and donations. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Restricted contributions for the purchase of capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Unrestricted contributions are recognized as revenue when received or receivable.

Restricted and unrestricted contributions receivable are recorded if the amount can be reasonably estimated and collection is reasonably assured.

**(b) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, balances with banks, and short term deposits with original maturities of three months or less.



**MISKANAWAH COMMUNITY SERVICES ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2022

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**2 SIGNIFICANT ACCOUNTING POLICIES** *(continued from previous page)*

**(c) Capital Assets**

Purchased capital assets of \$ 5,000 and over are recorded at cost and contributed capital assets are recorded at fair market value at the date of acquisition. Amortization on capital assets is provided using the following methods and annual rates:

	<u>Method</u>	<u>Rate</u>
Computer equipment	Declining balance	55%
Furniture and fixtures	Declining balance	20%
Leasehold improvements	Straight line	10 years
Vehicles	Declining balance	30%

The Association amortizes capital assets using the half year rule in the year of acquisition. Also included in capital assets is artwork which is not amortized (*Note 5*).

**(d) Donated Goods and Services**

Goods and services donated to the Association are recorded in these financial statements if they are used in the normal course of operations, if a fair value can be reasonably determined and if they would have otherwise been purchased.

Volunteers have contributed a variety of services to assist the Association in carrying out its objectives. The fair value of these services are not recognized in these financial statements.

**(e) Financial Instruments**

***Measurement of Financial Instruments***

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income. Financial instruments measured at amortized cost include cash, short term investments, accounts receivable and accounts payable.

At initial recognition, the Association may irrevocably elect to subsequently measure any financial instrument at fair value. The Association has not made such an election during the year. The Association subsequently measures financial assets and liabilities at amortized cost.

Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

***Financial Risk***

It is management's opinion that the Association is not exposed to significant interest rate, currency, price, market or credit risks arising from these financial instruments.

**MISKANAWAH COMMUNITY SERVICES ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2022

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**2 SIGNIFICANT ACCOUNTING POLICIES** *(continued from previous page)*

**(f) Financial Asset Impairment**

The Association assesses impairment of all its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in the current year statement of operations.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the statement of operations in the year the reversal occurs.

**(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 amount of assets and liabilities, the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenue and expenses for the periods covered. The main estimates relate to the collectability of receivables, the useful life of property and equipment and the amounts recorded as accrued liabilities.

**3 SHORT TERM INVESTMENTS**

The Association held the following short term investments with TD Canada Trust on March 31, 2022:

Maturing July 9, 2022 @ 0.55%	\$ 108,572
Maturing November 19, 2022 @ 0.5%	103,624
Maturing January 14, 2023 @ 0.5%	63,439
Maturing August 6, 2022 @ 0.5%	57,216
	\$ 332,851

The Association held the following short term investments with TD Canada Trust on March 31, 2021:

Maturing May 8, 2021 @ 2.00%	\$ 108,204
Maturing September 19, 2021 @ 0.85%	102,605
Maturing June 5, 2021 @ 1.40%	56,292
	\$ 267,101

The Association held the following long term investment with TD Canada Trust on March 31, 2021:

Maturing January 14, 2023 @ 0.5%	\$ 63,123
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**MISKANAWAH COMMUNITY SERVICES ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2022

**4 GRANTS PAYABLE, DEFERRED CONTRIBUTIONS AND RESTRICTED ASSETS**

***Externally Restricted Assets***

The grants payable and deferred contributions have been allocated as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents, externally restricted	\$ 1,437,068	\$ 1,066,312
	<u>\$ 1,437,068</u>	<u>\$ 1,066,312</u>

***Deferred Contributions and Grants Payable***

Deferred contributions and grants payable represent unspent grants, fundraising and donations that have been externally restricted and designated by the donor for a specific purpose.

	<u>2022</u>	<u>2021</u>
Deferred contributions	\$ 881,308	\$ 411,729
Casino	57,320	58,653
	<u>\$ 938,628</u>	<u>\$ 470,382</u>
Grants payable	498,440	595,930
Total deferred contributions and grants payable	<u>\$ 1,437,068</u>	<u>\$ 1,066,312</u>

**5 PROPERTY AND EQUIPMENT**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2022</b>	<b>Net 2021</b>
Leasehold improvements	\$ -	\$ -	\$ -	\$ -
Computer equipment	67,648	18,604	<b>49,044</b>	-
Furniture and equipment	6,571	657	<b>5,914</b>	-
Vehicles	61,644	43,287	<b>18,357</b>	26,008
	<u>\$ 135,863</u>	<u>\$ 62,548</u>	<u>\$ 73,315</u>	<u>\$ 26,008</u>

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2021</b>	<b>Net 2020</b>
Leasehold improvements	\$ -	\$ -	\$ -	\$ 39,586
Computer equipment	-	-	-	477
Furniture and equipment	-	-	-	10,604
Vehicles	61,644	35,636	<b>26,008</b>	38,267
Artwork	-	-	-	3,850
	<u>\$ 61,644</u>	<u>\$ 35,636</u>	<u>\$ 26,008</u>	<u>\$ 92,784</u>

During 2021 the Association moved to new premises. As a result of the move, capital assets having a carrying value of \$55,899 were disposed of for \$nil proceeds thereby resulting in a loss on disposal of \$55,899.

**MISKANAWAH COMMUNITY SERVICES ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2022

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**6 DEFERRED CAPITAL CONTRIBUTIONS**

Deferred contributions related to property and equipment are comprised of the unamortized portion of contributed capital assets and contributions from government and community donors restricted for the purchase of capital assets.

	<u>2022</u>	<u>2021</u>
Balance, beginning of the year	\$ 2,041	\$ 48,220
Additions during the year	50,849	-
Amount amortized to income during the year	(14,596)	(46,179)
Balance at the end of the year	<u>\$ 38,294</u>	<u>\$ 2,041</u>

**7 ECONOMIC DEPENDENCE**

The Association receives its revenue in the form of grants from a variety of sources. In management's opinion, the Association's continued operations are dependent on the continuance of these grants.

**8 COMMITMENTS**

The Association has entered into two operating leases for premises which expire May 31, 2023 and June 30, 2023.

The Association has entered into an equipment operating lease which expires April 2023.

Future minimum annual commitments for premises and equipment, including an estimate of operating expenses for the premises, for the next five years are as follows:

2023	662,137
2024	159,569
	<u>\$ 821,706</u>

**9 COMPARATIVE FIGURES**

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

**10 COVID-19**

The COVID-19 pandemic is causing significant financial market and social dislocation. The situation is dynamic with various levels of government around the world responding in different ways to address the outbreak. The Association continues to monitor its operations and assess the impacts COVID-19 will have on its business activities.

**MISKANAWAH COMMUNITY SERVICES ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2022

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**11 SUBSEQUENT EVENT**

On March 25, 2022, the Association received notice from the Government of Alberta - Children's Services terminating the Mahmawi-atowskiwin contract as of December 31, 2022. The annual contract amount is \$3,431,720.

Management is aware of this cancellation and currently developing plans to alter its operations to manage this cancellation.