

Miskanawah Community Services Association
Financial Statements
March 31, 2023

Management's Responsibility

To the Members of Miskanawah Community Services Association:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

MNP LLP is appointed by the Members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

June 19, 2023



Chief Executive Officer

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, 2023, 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, 2023, and the results of its operations, its change in net assets 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.
- 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 19, 2023

MNP LLP

Chartered Professional Accountants

MISKANAWAH COMMUNITY SERVICES ASSOCIATION
STATEMENT OF FINANCIAL POSITION

As at March 31, 2023

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$ 96,654	\$ 128,553
Cash and cash equivalents, externally restricted (Note 4)	1,679,337	1,437,068
Short term investments (Note 3)	271,053	332,851
Accounts receivable	31,374	37,527
GST receivable, unrestricted	18,899	19,328
Prepaid expense and deposits	153,402	101,572
	2,250,719	2,056,899
LONG TERM INVESTMENTS (Note 3)	63,758	-
PROPERTY AND EQUIPMENT (Note 5)	80,076	73,315
	\$ 2,394,553	\$ 2,130,214
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 103,382	\$ 138,832
Salaries and benefits payable	143,407	159,939
Grants payable Government of Alberta - Children's Services contracts (Note 4)	288,099	498,440
Grants payable Calgary Homeless Foundation contract (Note 4)	105,659	-
Deferred contributions (Note 4)	1,285,579	938,628
	1,926,126	1,735,839
DEFERRED CAPITAL CONTRIBUTIONS (Note 6)	57,244	38,294
	1,983,370	1,774,133
COMMITMENTS (Note 8)		
NET ASSETS		
Unrestricted	388,351	321,060
Invested in property and equipment	22,832	35,021
	411,183	356,081
	\$ 2,394,553	\$ 2,130,214

Approved on behalf of the Board



Director



Director

MISKANAWAH COMMUNITY SERVICES ASSOCIATION
STATEMENT OF OPERATIONS
For the Year Ended March 31, 2023

	2023	2022
REVENUE		
Government of Alberta - Children's Services contracts	\$ 5,124,700	\$ 6,463,319
United Way of Calgary and Area	674,938	710,553
Calgary Homeless Foundation	368,416	250,785
City of Calgary - Family and Community Support Services	299,868	298,222
City of Calgary - Connect the Dots!	278,661	39,254
Government of Alberta - Children's Services fee for service	137,980	145,132
City of Calgary - Crime Prevention Investment Plan	125,369	93,772
Collaborative Funders' Table	96,191	88,214
Donations and other contributions	99,023	125,878
Calgary Foundation	80,000	150,000
Interest and other revenue	55,222	8,431
Government of Canada	35,845	50,381
Casino	8,289	-
Burns Memorial Fund	1,000	17,150
	7,385,502	8,441,091
 EXPENSES		
Salaries, benefits and elder services	5,387,446	6,059,475
Direct client and program	826,266	1,247,720
Facility	696,985	694,784
Administration	384,147	326,212
Vehicles	22,471	20,845
	7,317,315	8,349,036
 Excess of revenue over expenses before amortization	 68,187	 92,055
Amortization of deferred capital contributions <i>(Note 6)</i>	26,498	14,596
Amortization expense	(39,583)	(26,912)
 EXCESS OF REVENUE OVER EXPENSES	 \$ 55,102	 \$ 79,739

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, 2023

	Unrestricted	Invested in Property and Equipment	Total
Balance, beginning of year, as previously reported	\$ 321,060	\$ 35,021	\$ 356,081
Excess of revenue over expenses	55,102	-	55,102
Amortization of deferred capital contributions (Note 6)	(26,498)	26,498	
Amortization expense	39,583	(39,583)	
Deferred capital contributions received	45,448	(45,448)	
Purchase of capital assets	(46,344)	46,344	
Unrestricted net assets, end of the year	<u>\$ 388,351</u>	<u>\$ 22,832</u>	<u>\$ 411,183</u>

For the year ended March 31, 2022

	Unrestricted	Invested in Property and Equipment	Total
Balance, beginning of year	\$ 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 property and equipment	(74,219)	74,219	-
Unrestricted net assets, end of the year	<u>\$ 321,060</u>	<u>\$ 35,021</u>	<u>\$ 356,081</u>

MISKANAWAH COMMUNITY SERVICES ASSOCIATION
STATEMENT OF CASH FLOWS
For the year ended March 31, 2023

	2023	2022
FUNDS PROVIDED BY (USED IN) OPERATIONS		
EXCESS OF REVENUE OVER EXPENSES	55,102	79,739
Charges not requiring cash outlay:		
Amortization	39,583	26,912
Amortization of deferred capital contributions	(26,498)	(14,596)
	68,187	92,055
Changes in non-cash operating working capital:		
Accounts receivable	6,153	23,172
GST receivable	429	(1,508)
Prepaid expense and deposits	(51,830)	(17,412)
Accounts payable and accrued liabilities	(35,450)	34,616
Salaries and benefits payable	(16,532)	(10,178)
Grants payable Government of Alberta - Children's Services contracts	(210,341)	(97,490)
Grants payable Calgary Homeless Foundation contract	105,659	-
Cash flows from operating activities	(133,725)	23,255
FINANCING ACTIVITIES		
Deferred cash contributions (funding for next fiscal)	346,951	468,246
Deferred capital contributions received	45,448	50,849
Cash flows from financing activities	392,399	519,095
INVESTING ACTIVITIES		
Purchase of property and equipment	(46,344)	(74,219)
Investments (interest reinvested)	(1,960)	(2,627)
Cash flows from investing activities	(48,304)	(76,846)
INCREASE IN CASH AND CASH EQUIVALENTS	210,370	465,504
Cash and cash equivalents, beginning of the year	1,565,621	1,100,117
CASH AND CASH EQUIVALENTS, END OF THE YEAR	1,775,991	1,565,621
Consisting of:		
Cash and cash equivalents, unrestricted	96,654	128,553
Cash and cash equivalents, externally restricted (Note 4)	1,679,337	1,437,068
	1,775,991	1,565,621

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, 2023

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, 2023

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%
Vehicles	Declining balance	30%

The Association amortizes capital assets using the half year rule in the year of acquisition.

(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 directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized 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, 2023

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, 2023:

Maturing	September 9, 2023	3.25%	109,271
Maturing	October 7, 2023	3.20%	57,551
Maturing	January 20, 2024	4.55%	104,231
			<u>\$ 271,053</u>

The Association held the following long term investment with TD Canada Trust on March 31, 2023:

Maturing	January 16, 2025	4.35%	<u>\$ 63,758</u>
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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	August 6, 2022	0.50%	57,216
Maturing	November 19, 2022	0.50%	103,624
Maturing	January 14, 2023	0.50%	63,439
			<u>\$ 332,851</u>

MISKANAWAH COMMUNITY SERVICES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

4 GRANTS PAYABLE, DEFERRED CONTRIBUTIONS AND RESTRICTED ASSETS

Externally Restricted Assets

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

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents, externally restricted	\$ 1,679,337	\$ 1,437,068
	<u>\$ 1,679,337</u>	<u>\$ 1,437,068</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>2023</u>	<u>2022</u>
Deferred contributions	\$ 1,234,204	\$ 881,308
Casino	51,375	57,320
	<u>\$ 1,285,579</u>	<u>\$ 938,628</u>
Grants payable Government of Alberta - Children's Services contracts	288,099	498,440
Grants payable Calgary Homeless Foundation contract	105,659	-
Total deferred contributions and grants payable	<u>\$ 1,679,337</u>	<u>\$ 1,437,068</u>

5 PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2023	Net 2022
Computer equipment	68,545	45,824	22,721	49,044
Furniture and equipment	13,105	2,493	10,612	5,914
Vehicles	100,557	53,814	46,743	18,357
	<u>\$ 182,207</u>	<u>\$ 102,131</u>	<u>\$ 80,076</u>	<u>\$ 73,315</u>

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

MISKANAWAH COMMUNITY SERVICES ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

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>2023</u>	<u>2022</u>
Balance, beginning of the year	\$ 38,294	\$ 2,041
Additions during the year	45,448	50,849
Amount amortized to income during the year	(26,498)	(14,596)
Balance at the end of the year	<u>\$ 57,244</u>	<u>\$ 38,294</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 four leases for premises which expire June 30, 2023, May 31, 2026, March 31, 2028 and June 30, 2028.

The Association has entered into an equipment lease which expires September 2028.

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:

2024	481,199
2025	420,537
2026	432,837
2027	384,150
2028	384,252
<u>\$</u>	<u>2,102,975</u>

9 FUNDRAISING

As required under Section 7(2) of the Charitable Fundraising Regulations of Alberta, the following amounts are disclosed; expenses incurred in the year for the purposes of soliciting contributions were nil (2022 - nil) and the total amount paid as remuneration to employees and contractors of the organization whose principal duties involved fundraising were nil (2022 - nil).