

**Miskanawah Community Services Association**  
**Financial Statements**  
*March 31, 2024*

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, 2024, 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, 2024, 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.
- 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 18, 2024

*MNP LLP*

Chartered Professional Accountants

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

As at March 31, 2024

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents, unrestricted	\$ 5,168	\$ 96,654
Cash and cash equivalents, externally restricted (Note 4)	1,934,398	1,679,337
Short term investments (Note 3)	349,512	271,053
Accounts receivable	372,088	31,374
GST receivable, unrestricted	17,734	18,899
Prepaid expense and deposits	89,253	153,402
	2,768,153	2,250,719
<b>LONG TERM INVESTMENTS (Note 3)</b>	-	63,758
<b>PROPERTY AND EQUIPMENT (Note 5)</b>	349,785	80,076
	\$ 3,117,938	\$ 2,394,553
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 148,720	\$ 103,382
Salaries and benefits payable	171,076	143,407
Grants payable Government of Alberta - Children's Services contracts (Note 4)	184,092	288,099
Grants payable Calgary Homeless Foundation contract (Note 4)	124,316	105,659
Deferred contributions (Note 4)	1,625,990	1,285,579
	2,254,194	1,926,126
<b>DEFERRED CAPITAL CONTRIBUTIONS (Note 6)</b>	209,892	57,244
	2,464,086	1,983,370
<b>COMMITMENTS (Note 8)</b>		
<b>NET ASSETS</b>		
Unrestricted	513,959	388,351
Invested in property and equipment	139,893	22,832
	653,852	411,183
	\$ 3,117,938	\$ 2,394,553

Approved on behalf of the Board

Director

Director

**MISKANAWAH COMMUNITY SERVICES ASSOCIATION**  
**STATEMENT OF OPERATIONS**  
For the Year Ended March 31, 2024

	2024	2023
<b>REVENUE</b>		
Government of Alberta - Children's Services contracts	\$ 3,473,476	\$ 5,124,700
Stoney Nakoda - Tsuut'ina Tribal Council (G4)	1,913,566	-
Calgary Homeless Foundation	781,842	368,416
United Way of Calgary and Area	705,621	674,938
Donations and other contributions	354,361	99,023
City of Calgary - Family and Community Support Services	316,059	299,868
City of Calgary - Connect the Dots!	266,206	278,661
City of Calgary - Crime Prevention Investment Plan	171,972	125,369
City of Calgary - Building Safer Communities	139,596	-
Collaborative Funders' Table	124,747	96,191
Government of Alberta - Children's Services fee for service	123,399	137,980
Calgary Foundation	112,676	80,000
Government of Canada - Canadian Heritage	103,295	35,845
Interest and other revenue	71,555	55,222
Government of Canada - Community Foundations of Canada	28,460	-
Donner Canadian Foundation	20,000	-
Silver Gummy	15,000	-
Government of Alberta - Indigenous Relations	10,000	-
Casino	8,085	8,289
Burns Memorial Fund	1,000	1,000
	<b>8,740,916</b>	<b>7,385,502</b>
<b>EXPENSES</b>		
Salaries, benefits and elder services	5,516,429	5,387,446
Direct client and program	1,956,800	826,266
Facility	599,686	696,985
Administration	379,648	384,147
Vehicles	19,780	22,471
	<b>8,472,343</b>	<b>7,317,315</b>
<b>Excess of revenue over expenses before amortization</b>	<b>268,573</b>	<b>68,187</b>
Amortization of deferred capital contributions (Note 6)	48,649	26,498
Amortization expense	(56,313)	(39,583)
Loss on write-down of property and equipment	(18,240)	-
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 242,669</b>	<b>\$ 55,102</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, 2024

	Unrestricted	Invested in Property and Equipment	Total
Balance, beginning of year, as previously reported	\$ 388,351	\$ 22,832	\$ 411,183
Excess of revenue over expenses	242,669	-	242,669
Amortization of deferred capital contributions (Note 6)	(48,649)	48,649	-
Amortization expense	56,313	(56,313)	-
Loss on write-down of property and equipment	18,240	(18,240)	-
Deferred capital contributions received	201,297	(201,297)	-
Purchase of capital assets	(344,262)	344,262	-
Unrestricted net assets, end of the year	<u>\$ 513,959</u>	<u>\$ 139,893</u>	<u>\$ 653,852</u>

**For the year ended March 31, 2023**

	Unrestricted	Invested in Property and Equipment	Total
Balance, beginning of year	\$ 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>

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, 2024

	2024	2023
<b>FUNDS PROVIDED BY (USED IN) OPERATIONS</b>		
<b>EXCESS OF REVENUE OVER EXPENSES</b>	242,669	55,102
<b>Charges not requiring cash outlay:</b>		
Amortization	56,313	39,583
Amortization of deferred capital contributions	(48,649)	(26,498)
Loss on write-down of property and equipment	18,240	-
	<u>268,573</u>	<u>68,187</u>
<b>Changes in non-cash operating working capital:</b>		
Accounts receivable	(340,714)	6,153
GST receivable	1,165	429
Prepaid expense and deposits	64,149	(51,830)
Accounts payable and accrued liabilities	45,338	(35,450)
Salaries and benefits payable	27,669	(16,532)
Grants payable Government of Alberta - Children's Services contracts	(104,007)	(210,341)
Grants payable Calgary Homeless Foundation contract	18,657	105,659
Cash flows from operating activities	<u>(19,170)</u>	<u>(133,725)</u>
<b>FINANCING ACTIVITIES</b>		
Deferred cash contributions (funding for next fiscal)	340,411	346,951
Deferred capital contributions received	201,297	45,448
Cash flows from financing activities	<u>541,708</u>	<u>392,399</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(344,262)	(46,344)
Investments (interest reinvested)	(14,701)	(1,960)
Cash flows from investing activities	<u>(358,963)</u>	<u>(48,304)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	163,575	210,370
Cash and cash equivalents, beginning of the year	1,775,991	1,565,621
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>	<u>1,939,566</u>	<u>1,775,991</u>
<b>Consisting of:</b>		
Cash and cash equivalents, unrestricted	5,168	96,654
Cash and cash equivalents, externally restricted (Note 4)	1,934,398	1,679,337
	<u>1,939,566</u>	<u>1,775,991</u>

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, 2024

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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, 2024

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**(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 intended to allocate the cost of the assets over their useful life:

	<u>Method</u>	<u>Rate</u>
Computer equipment	Declining balance	55%
Furniture and fixtures	Declining balance	20%
Leasehold improvements	Straight line	5 years
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 revenue 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, 2024

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**(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, 2024:

Maturing	November 10, 2024	5.20%	113,445
Maturing	December 9, 2024	5.35%	59,721
Maturing	January 16, 2025	4.35%	66,531
Maturing	March 23, 2025	5.00%	109,815
			\$ 349,512

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
			\$ 271,053

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

Maturing	January 16, 2025	4.35%	\$ 63,758
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**MISKANAWAH COMMUNITY SERVICES ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the Year Ended March 31, 2024

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

***Externally Restricted Assets***

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents, externally restricted	\$ 1,934,398	\$ 1,679,337
	\$ 1,934,398	\$ 1,679,337

***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>2024</u>	<u>2023</u>
Deferred contributions	\$ 1,614,831	\$ 1,234,204
Casino	11,159	51,375
	1,625,990	1,285,579
Grants payable Government of Alberta - Children's Services contracts	184,092	288,099
Grants payable Calgary Homeless Foundation contract	124,316	105,659
Total deferred contributions and grants payable	\$ 1,934,398	\$ 1,679,337

**5 PROPERTY AND EQUIPMENT**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2024</u>	<u>Net 2023</u>
Computer equipment	41,814	21,212	<b>20,602</b>	22,721
Furniture and equipment	158,594	19,165	<b>139,429</b>	10,612
Leasehold improvements	173,758	17,375	<b>156,383</b>	-
Vehicles	93,557	60,186	<b>33,371</b>	46,743
	\$ 467,723	\$ 117,938	\$ <b>349,785</b>	\$ 80,076

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

**MISKANAWAH COMMUNITY SERVICES ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the Year Ended March 31, 2024

**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><b>2024</b></u>	<u><b>2023</b></u>
Balance, beginning of the year	\$ 57,244	\$ 38,294
Additions during the year	201,297	45,448
Amount amortized to income during the year	(48,649)	(26,498)
Balance at the end of the year	<u>\$ 209,892</u>	<u>\$ 57,244</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 three leases for premises which expire May 31, 2026, March 31, 2028 and June 30, 2028.

The Association has entered into an equipment operating 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:

2025	420,537
2026	432,837
2027	384,150
2028	384,252
2029	91,216
	<u>\$ 1,712,992</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 (2023 - \$nil) and the total amount paid as remuneration to employees and contractors of the organization whose principal duties involved fundraising were \$nil (2023 - \$nil).

**MISKANAWAH COMMUNITY SERVICES ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the Year Ended March 31, 2024

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**10 CONTINGENCIES**

The Association has generated funds through casino events, which are subject to review and approval by the Alberta Gaming, Liquor and Cannabis Commission (AGLC). The AGLC retains the right to review and approve the utilization of these funds to ensure compliance with their restrictions and guidelines.

Management believes that all funds have been spent in accordance with the restrictions imposed by the AGLC. There is a possibility that upon review, the AGLC may determine that certain expenditures do not meet the stipulated requirements. In such a case, the Association might be obligated to repay the restricted funds used.

**11 SUBSEQUENT EVENT**

On May 1, 2024, the Association received notice from the Government of Alberta - Children's Services terminating the Nipisis Indigenous Foster Care contract as of February 28, 2025. The annual contract amount is \$976,040. Management is aware of this cancellation and currently developing plans to alter its operations to manage this cancellation.