

MOOSE JAW MULTICULTURAL COUNCIL INC.

Financial Statements

Year Ended March 31, 2018

MOOSE JAW MULTICULTURAL COUNCIL INC.

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Year Ended March 31, 2018

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S.N.ROY & ASSOCIATES

INDEPENDENT AUDITOR'S REPORT

To the Members of Moose Jaw Multicultural Council Inc.

We have audited the accompanying financial statements of Moose Jaw Multicultural Council Inc., which comprise the statement of financial position as at March 31, 2018 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the company derives revenue from grants, donations, daycare fees and expense reimbursements the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the company and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Moose Jaw Multicultural Council Inc. as at March 31, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Moose Jaw, Saskatchewan
June 13, 2018

S.N.Roy & Associates

MOOSE JAW MULTICULTURAL COUNCIL INC.

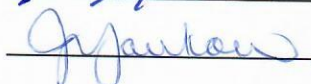
Statement of Financial Position

March 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 193,491	\$ 204,979
Term deposits	91,272	90,268
Accounts receivable	293,216	297,619
Interest receivable	-	21
Goods and services tax recoverable	4,592	2,900
Prepaid expenses	-	3,427
	<u>\$ 582,571</u>	<u>\$ 599,214</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 14,877	\$ 17,529
Employee deductions payable	27,850	26,293
Deferred income	95,916	119,619
	<u>138,643</u>	<u>163,441</u>
NET ASSETS		
General fund	432,476	424,321
Restricted fund	11,452	11,452
	<u>443,928</u>	<u>435,773</u>
	<u>\$ 582,571</u>	<u>\$ 599,214</u>

ON BEHALF OF THE BOARD

 Director

 Director

See notes to financial statements

MOOSE JAW MULTICULTURAL COUNCIL INC.

Statement of Changes in Net Assets

Year Ended March 31, 2018

	General Fund	Restricted Fund	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 424,321	\$ 11,452	\$ 435,773	\$ 404,862
EXCESS OF REVENUES OVER EXPENSES	8,155	-	8,155	30,911
NET ASSETS - END OF YEAR	\$ 432,476	\$ 11,452	\$ 443,928	\$ 435,773

See notes to financial statements

MOOSE JAW MULTICULTURAL COUNCIL INC.

Statement of Revenues and Expenditures

Year Ended March 31, 2018

	2018	2017
REVENUES		
Schedule of Revenues and Expenditures	\$ 1,839,964	\$ 1,858,716
Schedule of Revenues and Expenditures - Happy Valley Park	-	2,096
	<u>1,839,964</u>	<u>1,860,812</u>
EXPENSES		
Schedule of Revenues and Expenditures	1,831,809	1,825,566
Schedule of Revenues and Expenditures - Happy Valley Park	-	4,335
	<u>1,831,809</u>	<u>1,829,901</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 8,155</u>	<u>\$ 30,911</u>

See notes to financial statements

MOOSE JAW MULTICULTURAL COUNCIL INC.

Schedule of Revenues and Expenditures

Year Ended March 31, 2018

	2018	2017
REVENUE		
Program revenues	\$ 1,650,694	\$ 1,666,897
Daycare revenues	170,098	166,601
Expense recovery	11,880	9,901
Donations	5,472	2,852
Interest income	1,403	1,637
Memberships	290	220
Grants	127	-
Expense recoveries	-	10,608
	1,839,964	1,858,716
EXPENSES		
Advertising and promotion	1,278	1,826
General and administrative expenses	140,117	181,880
Rental	105,558	100,943
Salaries and wages	1,537,093	1,475,069
Supplies	15,779	16,489
Telephone	15,471	29,933
Travel	16,513	19,426
	1,831,809	1,825,566
INCOME FROM OPERATIONS	\$ 8,155	\$ 33,150

See notes to financial statements

MOOSE JAW MULTICULTURAL COUNCIL INC.
Schedule of Revenues and Expenditures - Happy Valley Park
Year Ended March 31, 2018

	2018	2017
REVENUE		
Interest income	\$ -	\$ 96
Expense recoveries	-	2,000
	-	2,096
EXPENSES		
Honoraria	-	1,012
Office	-	33
Salaries and wages	-	3,110
Utilities	-	180
	-	4,335
LOSS FROM OPERATIONS	\$ -	\$ (2,239)

See notes to financial statements

MOOSE JAW MULTICULTURAL COUNCIL INC.

Statement of Cash Flow

Year Ended March 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 8,155	\$ 30,911
Changes in non-cash working capital:		
Accounts receivable	4,403	34,708
Interest receivable	21	-
Accounts payable	(2,652)	(11,768)
Deferred income	(23,703)	24,186
Prepaid expenses	3,427	3,010
Goods and services tax payable	(1,692)	2,801
Employee deductions payable	1,557	(144)
	<u>(18,639)</u>	<u>52,793</u>
INCREASE (DECREASE) IN CASH FLOW	(10,484)	83,704
Cash - beginning of year	<u>295,247</u>	<u>211,543</u>
CASH - END OF YEAR	\$ 284,763	\$ 295,247
CASH CONSISTS OF:		
Cash	\$ 193,491	\$ 204,979
Term deposits	<u>91,272</u>	<u>90,268</u>
	<u>\$ 284,763</u>	<u>\$ 295,247</u>

See notes to financial statements

MOOSE JAW MULTICULTURAL COUNCIL INC.

Notes to Financial Statements

Year Ended March 31, 2018

1. COMPARATIVE FIGURES

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

2. PURPOSE OF ORGANIZATION

The Moose Jaw Multicultural Council Inc. is a local organization that welcomes and integrates newcomers to Canada and develops harmonious relations among Canadians through various programs and activities. Moose Jaw Multicultural Council Inc. is incorporated as a non-profit organization.

3. DISCONTINUED OPERATIONS

The organization has decided to discontinue operating Happy Valley Park in 2016 on behalf of the City of Moose Jaw as it is no longer a part of the core operations of Moose Jaw Multicultural Council Inc. The Board is currently considering ways to use the residual funds to commemorate the work that was put into the park. The Schedule of Revenues and Expenditures - Happy Valley Park is presented to record the remaining activities of the park.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Donated goods

Donated goods are recorded at their fair market value at the time of the donation if the fair value of the donated goods can be reasonably determined. In 2017, a 2000 Dodge Ram 15 Passenger Van was donated to the organization by the Salvation Army. Fair value cannot be reasonably determined and is therefore not reflected in these financial statements.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments and are valued at cost. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Capital assets

Capital asset acquisitions and disposals are not recorded on the statement of financial position but, are recorded on the statement of revenues and expenditures in the year of acquisition or disposal.

Goods and Services Tax

Contributed materials and services are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

Net assets

1. Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year and are available for general purposes.

(continues)

MOOSE JAW MULTICULTURAL COUNCIL INC.

Notes to Financial Statements

Year Ended March 31, 2018

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

Revenue recognition

Moose Jaw Multicultural Council 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Government grants

Government grants are recorded when there is a reasonable assurance that the company has complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Income taxes

The organization is a registered charity with tax exempt status under the Income Tax Act.

5. FINANCIAL INSTRUMENTS

The company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of March 31, 2018.

(a) Liquidity risk

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

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The company is mainly exposed to interest rate risk.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the company manages exposure through its normal operating activities by investing in guaranteed investment certificates.

Unless otherwise noted, it is management's opinion that the company is not exposed to significant other price risks arising from these financial instruments.

MOOSE JAW MULTICULTURAL COUNCIL INC.

Notes to Financial Statements

Year Ended March 31, 2018

6. TERM DEPOSITS

	2018	2017
3 Year Non-redeemable Term Deposit maturing June 8, 2020. The interest rate is 1.65%.	\$ 9,390	\$ 9,260
2 Year Non-redeemable Term Deposit maturing October 21, 2018. The interest rate is 1.05%	75,036	74,257
Redeemable Term Deposit maturing January 10, 2019. The interest rate is 0.80%.	6,846	6,751
	<u>\$ 91,272</u>	<u>\$ 90,268</u>

7. DEFERRED INCOME

Contributions are recognized as revenues in the year in which the related expense occurred. Deferred contributions are as follows:

	2018	2017
Organizational Development Fund	\$ -	\$ 2,331
SISAG	8,683	13,543
Stage 1 English	1,069	3,511
Newcomer Welcome	3,547	28,842
Daycare	6,500	10,000
Notary	1,318	993
Miscellaneous	34,904	27,572
RBC Foundation	12,542	10,000
Community Connections	12,393	14,820
LINC	2,833	3,036
Saskatchewan Cares	4,934	4,971
Volunteer Activities	1,000	-
Spanish 3100	1,073	-
Memberships	120	-
General Revenue	5,000	-
	<u>\$ 95,916</u>	<u>\$ 119,619</u>

Moose Jaw Multicultural Council Inc. calculates the deferred income amount of funding from projects based on the estimated cost of completion.

8. ECONOMIC DEPENDENCE

The organization currently receives significant revenues in grants from the Government of Canada. As a result, the organization is dependant on the continuation of these grants to maintain operations at their current level.