

**4 WING MILITARY FAMILY RESOURCE CENTRE SOCIETY (MFRCS)**

**Financial Statements**

**For the Year Ended March 31, 2021**



**COLBY•STECKLY**  
CHARTERED PROFESSIONAL ACCOUNTANTS

**4 WING MILITARY FAMILY RESOURCE CENTRE SOCIETY (MFRCS)**  
**Index to Financial Statements**  
**For the Year Ended March 31, 2021**

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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of 4 Wing Military Family Resource Centre Society (MFRCS)

*Qualified Opinion*

We have audited the financial statements of 4 Wing Military Family Resource Centre Society (MFRCS) (the Society), which comprise the statement of financial position as at March 31, 2021, and the statements of revenues and expenditures, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*Basis for Qualified Opinion*

In common with many charitable organizations, the Society derives revenue from cash transactions 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 Society 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. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation of scope.

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 Society in accordance with 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 qualified audit 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 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

(continues)

Independent Auditor's Report to the Members of 4 Wing Military Family Resource Centre Society (MFRCS) (continued)

Those charged with governance are responsible for overseeing the Society'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 Society'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 Society'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 Society 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.

Edmonton, Alberta  
June 24, 2021


COLBY STECKLY

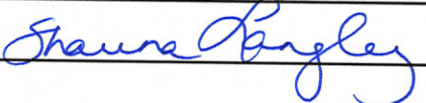
CHARTERED PROFESSIONAL ACCOUNTANTS

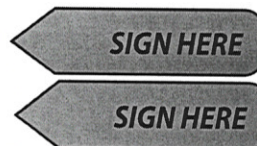
**4 WING MILITARY FAMILY RESOURCE CENTRE SOCIETY (MFRCS)**  
**Statement of Financial Position**  
**As at March 31, 2021**

|  | 2021                | 2020                |
|--|---------------------|---------------------|
| <b>ASSETS</b>                            |                     |                     |
| <b>CURRENT</b>                           |                     |                     |
| Cash                                     | \$ 495,140          | \$ 88,107           |
| Restricted cash (Note 3)                 | 267,062             | 932,211             |
| Short term investments (Note 5)          | 314,490             | 309,461             |
| Accounts receivable (Note 4)             | 118,523             | 98,457              |
| Inventory                                | 37,070              | 29,946              |
| Goods and services tax recoverable       | 3,704               | 2,448               |
| Prepaid expenses                         | 24,366              | 28,240              |
|  | <u>1,260,355</u>    | 1,488,870           |
| <b>PROPERTY AND EQUIPMENT (Note 6)</b>   | <b>262,983</b>      | 254,040             |
| <b>LONG TERM INVESTMENTS (Note 5)</b>    | <b>312,845</b>      | 514,861             |
| <b>RESTRICTED CASH (Note 3)</b>          | <b>237,593</b>      | 26,602              |
|  | <u>\$ 2,073,776</u> | <u>\$ 2,284,373</u> |
| <b>LIABILITIES</b>                       |                     |                     |
| <b>CURRENT</b>                           |                     |                     |
| Accounts payable and accrued liabilities | \$ 44,959           | \$ 34,102           |
| Funding repayable (Note 9)               | 47,036              | 8,146               |
| Unearned revenue (Note 12)               | 267,062             | 897,868             |
| Wages payable (Note 7)                   | 101,923             | 135,181             |
| Employee deductions payable              | 3,181               | 21,319              |
|  | <u>464,161</u>      | 1,096,616           |
| <b>NET ASSETS</b>                        |                     |                     |
| Unrestricted                             | 817,643             | 352,254             |
| Invested in Capital Assets               | 262,982             | 254,040             |
| Internally restricted                    | 506,039             | 506,039             |
| Externally restricted                    | 22,951              | 75,424              |
|  | <u>1,609,615</u>    | 1,187,757           |
|  | <u>\$ 2,073,776</u> | <u>\$ 2,284,373</u> |

**ON BEHALF OF THE BOARD**

 Trustee

 Trustee



See notes to financial statements

**4 WING MILITARY FAMILY RESOURCE CENTRE SOCIETY (MFRCS)**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2021**

|  | Unrestricted         |                  | Externally Restricted |              |   |            | Total<br>2021 | Total<br>2020 |
|--|----------------------|------------------|-----------------------|--------------|---|------------|---------------|---------------|
|  | General Fund<br>2021 | MFS Fund<br>2021 | 4 Wing Fund<br>2021   | AGLC<br>2021 | Early Learning<br>Childcare<br>Centre<br>2021 |            |               |               |
| <b>REVENUES</b>                                      |                      |                  |                       |              |   |            |               |               |
| COVID-19 funding                                     | \$ 368,739           | \$ -             | \$ -                  | \$ -         | \$ 49,238                                     | \$ 417,977 | \$ 60,182     |               |
| Fee for service                                      | 160,189              | -                | -                     | -            | 437,983                                       | 598,172    | 716,146       |               |
| Fundraising and sponsorships                         | 167,181              | -                | -                     | -            | -   | 167,181    | 191,289       |               |
| Government grants                                    | 75,334               | 900,216          | 318,269               | -            | 759,224                                       | 2,053,043  | 2,053,958     |               |
| Interest earned                                      | 13,948               | -                | -                     | -            | -   | 13,948     | 21,021        |               |
| Other revenue  | 6,083                | -                | -                     | -            | 921   | 7,004      | 6,426         |               |
|  | 791,474              | 900,216          | 318,269               | -            | 1,247,366                                     | 3,257,325  | 3,049,022     |               |
| <b>EXPENSES</b>                                      |                      |                  |                       |              |   |            |               |               |
| Depreciation of capital assets                       | 31,400               | -                | -                     | -            | -   | 31,400     | 23,589        |               |
| Management and administration                        | -                    | 23,551           | -                     | -            | -   | 37,206     | 185,927       |               |
| Program Costs  | 40,189               | 199,321          | 94,178                | -            | 45,610  | 379,298    | 881,396       |               |
| Resource Development                                 | 2,398                | 1,168            | -                     | -            | -   | 3,566      | 41,412        |               |
| Wages and benefits                                   | 258,840              | 700,834          | 137,846               | 16,338       | 1,270,139                                     | 2,383,997  | 1,792,133     |               |
|  | 332,827              | 924,874          | 232,024               | 16,338       | 1,329,405                                     | 2,835,467  | 2,924,457     |               |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b> | \$ 458,647           | \$ (24,658)      | \$ 86,245             | \$ (16,338)  | \$ (82,039)                                   | \$ 421,858 | \$ 124,565    |               |

See notes to financial statements



**4 WING MILITARY FAMILY RESOURCE CENTRE SOCIETY (MFRCS)**

**Statement of Changes in Net Assets  
Year Ended March 31, 2021**

|  | Unrestricted | Invested in<br>Capital Assets | Internally<br>restricted | Externally<br>restricted | 2021         | 2020         |
|--|--------------|-------------------------------|--------------------------|--------------------------|--------------|--------------|
| <b>NET ASSETS - BEGINNING OF YEAR</b>  | \$ 352,254   | \$ 254,040                    | \$ 506,039               | \$ 75,424                | \$ 1,187,757 | \$ 1,063,192 |
| Excess of revenues over expenses   | 458,647      | -                             | -                        | (36,789)                 | 421,858      | 124,565      |
| Amortization transferred to capital asset fund                               | 31,400       | -                             | -                        | -                        | 31,400       | 23,589       |
| Amortization transferred from general fund                                   | -            | (31,400)                      | -                        | -                        | (31,400)     | (23,589)     |
| Property and equipment purchases transferred to capital asset fund           | -            | -                             | -                        | (40,342)                 | (40,342)     | (115,858)    |
| Property and equipment purchases transferred from externally restricted fund | -            | 40,342                        | -                        | -                        | 40,342       | 115,858      |
| Transfers  | -            | -                             | -                        | -                        | -            | -            |
| ELCC 2018-19 surplus transferred to internally restricted fund               | (24,658)     | -                             | -                        | 24,658                   | -            | -            |
| ELCC 2018-19 surplus transferred from externally restricted fund             | -            | -                             | -                        | -                        | -            | 25,000       |
|  | -            | -                             | -                        | -                        | -            | (25,000)     |
| <b>NET ASSETS - END OF YEAR</b>  | \$ 817,643   | \$ 262,982                    | \$ 506,039               | \$ 22,951                | \$ 1,609,615 | \$ 1,187,757 |

See notes to financial statements



**4 WING MILITARY FAMILY RESOURCE CENTRE SOCIETY (MFRCS)**

**Statement of Cash Flows  
Year Ended March 31, 2021**

|   | 2021              | 2020                |
|---|-------------------|---------------------|
| <b>OPERATING ACTIVITIES</b>                   |                   |                     |
| Cash receipts from members and funders        | \$ 2,332,447      | \$ 3,011,772        |
| Cash paid to suppliers and employees          | (2,786,044)       | (2,888,747)         |
| Goods and services tax                        | (1,257)           | 10,430              |
| Covid 19 relief income                        | 251,084           | 60,182              |
| Cash flow from (used by) operating activities | <u>(203,770)</u>  | <u>193,637</u>      |
| <b>INVESTING ACTIVITIES</b>                   |                   |                     |
| Additions to capital assets                   | (40,342)          | (115,859)           |
| Purchase of short term GIC investments        | 206,126           | (208,824)           |
| Purchase of long term GIC investments         | (9,139)           | (109,459)           |
| Cash flow from (used by) investing activities | <u>156,645</u>    | <u>(434,142)</u>    |
| <b>DECREASE IN CASH FLOW</b>                  | <b>(47,125)</b>   | <b>(240,505)</b>    |
| Cash - beginning of year                      | <u>1,046,920</u>  | <u>1,287,425</u>    |
| <b>CASH - END OF YEAR</b>                     | <b>\$ 999,795</b> | <b>\$ 1,046,920</b> |
| <b>CASH CONSISTS OF:</b>                      |                   |                     |
| Cash  | \$ 495,140        | \$ 88,107           |
| Restricted cash- current                      | 267,062           | 932,211             |
| Restricted cash - long term                   | 237,593           | 26,602              |
|   | <u>\$ 999,795</u> | <u>\$ 1,046,920</u> |

See notes to financial statements



1. **PURPOSE OF THE SOCIETY**

4 Wing Military Family Resource Centre Society (MFRCS) (the "Society") is a not-for-profit organization incorporated provincially under the Companies Act of Alberta. As a registered charity the society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The society provides programs and services that promote the well-being of military families and the surrounding community under the vision "Community Strength through Family Strength".

The mission of the society is to enable a mission ready force by addressing the challenges faced by Canadian Forces members and their families that result from military service and to work for the general betterment of life for military families within 4 Wing's area of responsibility. The society assesses the needs of the community and responds with a professional and consistent system of support, programs, services, and activities. This community-based system of family support is to be aimed at promoting health and social well-being.

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2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and restricted cash

Cash includes cash only. Restricted cash includes amounts that are restricted for a specific use.

Short term and Long term Investments

Short-term investments are carried at amortized cost and consist primarily of GICs with original maturities beyond three months and less than twelve months at the purchase date.

Restricted short term investments include GICs and are valued at cost plus accrued interest. The carrying amounts approximate fair value as they are renewed on an annual basis.

Investments that are classified as long term includes GICs with the maturity dates exceed one calendar year or they are restricted internally to be held for other than current purposes.

Inventory

Inventory consists of materials and supplies to be consumed in the rendering of services, in addition to promotional items for sale or giveaway. Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Measurement uncertainty

The preparation of financial statements in conformity 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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

Revenue recognition - Fund accounting

4 Wing Military Family Resource Centre Society (MFRCS) follows the restricted fund method of accounting for contributions.

Under the restricted fund method, unrestricted contributions are reported as revenue under the general fund when received or deemed receivable. Restricted contributions are reported as revenue in their respective funds; any restricted contributions which do not belong to a specific fund are recorded as deferred contributions and recorded as revenue in the general fund when the related expenses are incurred.

The Society maintains the following funds:

The General Fund accounts for the society's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants outside of those reported under the restricted Military Family Services ("MFS"), 4 Wing Cold Lake ("4 Wing") Fund or Early Learning Child Care Centre ("ELCC"). Revenues for restricted contributions are reported under the general fund when the related expenses are incurred.

The Invested in Capital Assets Fund reports the assets, liabilities, revenues and expenses related to 4 Wing Military Family Resource Centre Society (MFRCS)'s capital assets.

The ELCC Fund reports the cumulative excess of revenues over expenses for its Early Learning Child Care Centre (ELCC) and daycare operations, excluding the preschool, out of school care, evening care and emergency and respite care services.

The MFS Fund reports the core funding received from Military Family Services (MFS) net of expenses incurred under the externally restricted use of proceeds.

The 4 Wing Fund reports the core funding received from 4 Wing Cold Lake net of expenses incurred under the externally restricted use of proceeds.

The Alberta Gaming Liquor and Cannabis Commission (AGLC) Fund reports the restricted contributions received and reported to the AGLC. These funds are also maintained in a separate bank accounts as per AGLC directive.

The Special Projects (SP) Fund reports the operations of programs funded through restricted contributions which do not belong to any of the above funds. These projects are comparable in both the nature of their operations and the restrictions placed on their funding.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a straight-line basis at the following rates:

|                        |     |
|------------------------|-----|
| Equipment              | 10% |
| Leasehold improvements | 10% |

The society regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Contributed services and materials

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

When a fair value can be reasonably estimated and when the contributed materials or services are used in the normal course of operations, they are expensed and the associated contribution revenue is recognized.

3. **RESTRICTED CASH**

Restricted cash includes contributions received from the Alberta Gaming, Liquor and Cannabis Commission (AGLC) that are maintained in a separate account per AGLC directive of \$25,291 (2020 - \$25,291), a savings account of \$212,302 (2020 - \$1,311), and funding subject to externally imposed usage restrictions of \$267,062 (2020 - \$932,211)

4. **ACCOUNTS RECEIVABLE**

|   | <u>2021</u>       | <u>2020</u>      |
|---|-------------------|------------------|
| 4 Wing Family Resource Centre- On Ramp    | \$ 77,442         | \$ -             |
| Government of Alberta - Subsidy           | 27,083            | 20,757           |
| Veterans Family Program                   | 6,185             | -                |
| GST Refund                                | 5,558             | 10,744           |
| Accounts Receivable - Other               | 2,255             | 313              |
| Canada Emergency Wage Subsidy             | -                 | 60,182           |
| Military Families Support Society Subsidy | -                 | 6,461            |
|   | <u>\$ 118,523</u> | <u>\$ 98,457</u> |

**5. INVESTMENTS**

|  | <u>2021</u>              | <u>2020</u>              |
|--|--------------------------|--------------------------|
| Non-redeemable GIC bearing fixed annual interest of 2.75%, maturing September 26, 2021 | \$ 211,155               | \$ -                     |
| Cashable GIC bearing fixed interest of 1.52%, maturing April 25, 2021                  | 103,335                  | -                        |
| Cashable GIC bearing fixed annual interest of 1.81% maturing April 25, 2021            | -                        | 101,685                  |
| Non-redeemable GIC bearing fixed annual interest of 2.55%, maturing September 26, 2020 | -                        | 207,776                  |
| <b>TOTAL - SHORT TERM INVESTMENTS</b>  | <b><u>314,490</u></b>    | <b><u>309,461</u></b>    |
| Non-redeemable GIC bearing fixed annual interest of 2.75%, maturing September 26, 2021 | -                        | 208,391                  |
| Non-redeemable GIC bearing fixed annual interest of 2.41%, maturing April 25, 2022     | 156,700                  | 153,375                  |
| Cashable GIC bearing fixed interest of 2.21%, maturing April 25, 2021                  | 156,145                  | 153,095                  |
|  | -                        | -                        |
| <b>TOTAL - LONG TERM INVESTMENTS</b>   | <b><u>312,845</u></b>    | <b><u>514,861</u></b>    |
|  | <b><u>\$ 627,335</u></b> | <b><u>\$ 824,322</u></b> |

The non-redeemable GICs have redemption options only on their anniversary dates.

**6. PROPERTY AND EQUIPMENT**

|                        | Cost                     | Accumulated<br>amortization | 2021<br>Net book<br>value | 2020<br>Net book<br>value |
|------------------------|--------------------------|-----------------------------|---------------------------|---------------------------|
| Equipment              | \$ 202,169               | \$ 61,510                   | \$ 140,659                | \$ 116,951                |
| Leasehold improvements | 147,651                  | 25,327                      | 122,324                   | 137,089                   |
|                        | <b><u>\$ 349,820</u></b> | <b><u>\$ 86,837</u></b>     | <b><u>\$ 262,983</u></b>  | <b><u>\$ 254,040</u></b>  |

**7. WAGES PAYABLE**

|                  | <u>2021</u>              | <u>2020</u>              |
|------------------|--------------------------|--------------------------|
| Salaries Payable | \$ 27,551                | \$ 80,036                |
| Vacation Payable | 74,372                   | 55,145                   |
|                  | <b><u>\$ 101,923</u></b> | <b><u>\$ 135,181</u></b> |

**8. IN-KIND CONTRIBUTIONS**

During the year, the Society received measurable donated goods and services totaling \$17,244 (2020 - \$31,180).

**9. EARLY LEARNING CHILDCARE CENTRE**

The Province of Alberta provide three years of funding to support \$ 25 per day childcare, improve quality of care, and support staff through wage top-ups. This funding ends March 31, 2021.

|   | <u>2021</u>          |
|---|----------------------|
| <u>ELCC Funding and Expenditure</u>               |                      |
| <b>Funding Available</b>                          | <b>621,300</b>       |
| <b>Expenditures</b>                               | <b>-</b>             |
| Affordability (to provide \$25 per day childcare) | <b>(470,680)</b>     |
| Quality (to enhance programming)                  | <b>(4,985)</b>       |
| Improvements (to support casual care)             | <b>-</b>             |
| Wage Floors (to support increased staff wages)    | <b>(98,599)</b>      |
|   | <u><b>47,036</b></u> |

In this fiscal year, the MFRCS childcare was able to utilize \$ 574,264 of the \$ 621,300 in available funding. At year end, the society has Early Learning and Child Care (ELCC) unused funding of \$47,036 (2020 - \$8,146), which is repayable at the year end.

**10. FINANCIAL INSTRUMENTS**

The society 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 society's risk exposure and concentration as of March 31, 2021.

**(a) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The society is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources, pension contributions payable, accounts payable and accrued liabilities.

**(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 society 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 society manages exposure through its normal operating and financing activities. The society is exposed to interest rate risk primarily through its term deposits.

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

**11. ECONOMIC DEPENDENCE**

The society receives the majority of their annual funding in addition to cost-free infrastructure through various agreements represented by Military Family Services. Should the core provisions of these agreements substantially change, management is of the opinion that the society's offerings would need to be revised in order to continue functioning as a going concern.

**12. UNEARNED REVENUE**

Unearned revenue consists of restricted funds that were received in advance of the upcoming fiscal period.

|   | <u>2021</u>       | <u>2020</u>       |
|---|-------------------|-------------------|
| <u>Canadian Forces Morale and Welfare: MFS Core Funding</u>           |                   |                   |
| Opening balance   | \$ 231,282        | \$ 230,129        |
| Funds received  | 901,464           | 921,675           |
| Funds utilized  | (866,224)         | (920,522)         |
|   | <u>266,522</u>    | <u>231,282</u>    |
| <u>Minister of Children's Services: Early Learning and Child Care</u> |                   |                   |
| Opening Balance   | 619,300           | 620,248           |
| Funds received  | -                 | 599,300           |
| Funds utilized  | (574,264)         | (592,102)         |
| Funds repayable   | (47,036)          | (8,146)           |
| Funding surplus   | 2,000             | -                 |
|   | <u>-</u>          | <u>619,300</u>    |
| <u>Childcare fees</u>   |                   |                   |
| Opening balance   | 29,058            | 10,915            |
| Funds received  | 13,051            | 100,849           |
| Funds utilized  | (42,109)          | (82,706)          |
|   | <u>-</u>          | <u>29,058</u>     |
| <u>Event deposits</u>   |                   |                   |
| Opening balance   | 18,178            | 2,376             |
| Funds received  | 440               | 18,259            |
| Funds utilized  | (18,178)          | (2,457)           |
|   | <u>440</u>        | <u>18,178</u>     |
| <u>Refundable registration deposit</u>                                |                   |                   |
| Deposit received  | 100               | 50                |
|   | <u>\$ 267,062</u> | <u>\$ 897,868</u> |

**13. INTERNALLY RESTRICTED OPERATIONAL RESERVE FUND**

The internally restricted net assets consists of GIC investments held with Lakeland Credit Union that have been internally restricted by way of board directive to cover future shortages should there be significant changes to the Society's funding.

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**14. SUBSEQUENT EVENTS**

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

As at March 31, 2021, the society is aware of changes in its operations as a result of the COVID-19 crisis and following all the rules and restrictions imposed. Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the society's operations as at the date of these financial statements.

The out of school care was closed for two weeks in May 2021 due to schools going to virtual classrooms due to the extra restrictions imposed by the provincial government. The childcare COVID-19 restrictions continue to increase costs for additional staffing.

There is an ongoing change to the funding process for the annual MFS grant that society receives, which may result in a decrease to the total funding. At this point, the amount is unclear. This change will come in effect April 1, 2022.

Lastly, the society has started 50/50 virtual raffles.

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**15. COMPARATIVE FIGURES**

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

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## 16. STATEMENT OF USAGE OF FUNDS

|  | 2021             | 2020             |
|--|------------------|------------------|
| <b>MFS Fund</b>  |                  |                  |
| Available funds  | \$ -             | \$ 6,499         |
| Excess of revenues over expenses                       | (24,658)         | (21,237)         |
| Deficit covered by general funding                     | <u>24,658</u>    | <u>14,738</u>    |
| <b>MFS Fund - End of period</b>                        | <u>\$ -</u>      | <u>\$ -</u>      |
| <b>4 Wing Fund</b>                                     |                  |                  |
| Available funds  | \$ 30,778        | \$ 150,897       |
| Excess of revenues over expenses                       | 86,253           | (4,261)          |
| Funds spent on purchase of capital assets              | <u>(40,342)</u>  | <u>(115,858)</u> |
| <b>4 Wing Fund - End of period</b>                     | <u>\$ 76,689</u> | <u>\$ 30,778</u> |
| <b>AGLC</b>  |                  |                  |
| Available funds  | \$ 39,479        | \$ 31,873        |
| Excess of revenues over expenses                       | <u>(16,338)</u>  | <u>7,606</u>     |
| <b>AGLC - End of period</b>                            | <u>\$ 23,141</u> | <u>\$ 39,479</u> |
| <b>Early Learning Childcare Centre</b>                 |                  |                  |
| Allocation to 2018-19 Childcare deficit                | \$ -             | \$ 25,000        |
| Available funds  | -                | (25,000)         |
| Expenditures during the year                           | 621,300          | -                |
| Funding Repayable                                      | <u>(574,264)</u> | <u>-</u>         |
|  | <u>(47,036)</u>  | <u>-</u>         |
| <b>Early Learning Childcare Centre - End of period</b> | <u>\$ -</u>      | <u>\$ -</u>      |