

**COMOX MILITARY FAMILY RESOURCE CENTRE
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

**COMOX MILITARY FAMILY RESOURCE CENTRE
INDEX TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10
Schedule of Operations (<i>Schedule 1</i>)	11

INDEPENDENT AUDITOR'S REPORT

To the Directors of Comox Military Family Resource Centre

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of Comox Military Family Resource Centre (the "Society"), which comprise the statement of financial position as at March 31, 2022, 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, 2022, 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.

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from donations 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, 2021 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 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 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.

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.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Courtenay Matthews LLP

Courtenay, British Columbia
June 29, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

COMOX MILITARY FAMILY RESOURCE CENTRE
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 1,036,023	\$ 1,114,344
Accounts receivable (Note 3)	87,943	92,644
Goods and services tax recoverable	2,267	5,070
Prepaid expenses	19,423	23,238
Investments maturing within one year	87,701	87,701
	1,233,357	1,322,997
TANGIBLE CAPITAL ASSETS (Note 4)	187,585	201,209
LONG TERM INVESTMENTS	100,000	100,000
	\$ 1,520,942	\$ 1,624,206
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 42,437	\$ 58,000
Wages payable	48,500	119,358
Due to government agencies	54,791	43,037
Deferred contributions (Note 5)	333,444	306,718
	479,172	527,113
NET ASSETS		
Invested in Tangible Capital Assets	187,585	201,209
Internally Restricted (Note 6)	854,185	895,884
	1,041,770	1,097,093
	\$ 1,520,942	\$ 1,624,206

Approved on behalf of the Board



**COMOX MILITARY FAMILY RESOURCE CENTRE
STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED MARCH 31, 2022**

	2022	2021
REVENUES		
Child care centre fees	\$ 1,177,556	\$ 889,780
Federal government funding	886,450	899,324
Provincial government funding	287,158	819,473
Programs and other revenue	169,102	151,376
Interest	7,235	7,397
Donations	1,604	6,462
	2,529,105	2,773,812
OPERATING EXPENSES		
Advertising and promotion	21,299	13,470
Amortization	24,557	23,076
Insurance	11,786	11,591
Interest and bank charges	11,282	11,355
Office	15,167	20,096
Operating wages and benefits	2,214,161	2,287,831
Professional development	62,374	31,787
Professional fees	17,626	99,626
Program expenses	79,087	85,491
Repairs and maintenance	66,021	66,757
Supplies	43,667	54,130
Travel	17,401	1,885
	2,584,428	2,707,095
EXCESS (DEFICIENCY) OF REVENUES OVER OPERATING EXPENSES	\$ (55,323)	\$ 66,717

**COMOX MILITARY FAMILY RESOURCE CENTRE
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2022**

	Invested in Tangible Capital Assets	Internally Restricted	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 201,209	\$ 895,884	\$ 1,097,093	\$ 1,030,376
Excess (shortfall) of revenues over expenses	(24,555)	(30,768)	(55,323)	66,717
Interfund transfers	10,931	(10,931)	-	-
NET ASSETS - END OF YEAR	\$ 187,585	\$ 854,185	\$ 1,041,770	\$ 1,097,093

The accompanying notes are an integral part of these financial statements

COMOX MILITARY FAMILY RESOURCE CENTRE
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over operating expenses	\$ (55,323)	\$ 66,717
Item not affecting cash:		
Amortization of tangible capital assets	24,557	23,076
	(30,766)	89,793
Changes in non-cash working capital:		
Accounts receivable	4,701	(4,109)
Goods and services tax recoverable	2,803	(2,919)
Accounts payable and accrued liabilities	(15,564)	35,688
Wages payable	(70,858)	26,391
Due to government agencies	11,754	4,088
Deferred contributions	26,726	37,764
Prepaid expenses	3,815	(7,429)
	(36,623)	89,474
Cash flow from (used by) operating activities	(67,389)	179,267
INVESTING ACTIVITY		
Purchase of tangible capital assets	(10,932)	(22,161)
Cash flow used by investing activity	(10,932)	(22,161)
INCREASE (DECREASE) IN CASH FLOW	(78,321)	157,106
Cash - beginning of year	1,114,344	957,238
CASH - END OF YEAR	\$ 1,036,023	\$ 1,114,344

COMOX MILITARY FAMILY RESOURCE CENTRE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022

1. THE ORGANIZATION

The Comox Military Family Resource Centre (the "Society") supports serving and retired military members and their families in the 19 Wing geographical area. The Society operates a child care centre, provides adult and youth programs, co-ordinates volunteer activities, provides information referrals for families and provides outreach programs and family counselling.

The Society is registered under the Societies Act of the Province of British Columbia and is a registered charity under the Income Tax Act. Accordingly, the Society is exempt from income taxes provided certain requirements of the Income Tax Act are met.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

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

(b) Revenue recognition

The Society 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.

Child care revenue consists of direct payments from parents and fees subsidized by the Government of British Columbia. Fee revenue is recognized in the period the child care services are provided.

Fundraising and donation revenue is recorded when the funds are received, unless specified for a specific purpose at the time of donation in which case the revenue is deferred until spent for the specified purpose. Donated materials and services which are normally purchased by the organization are not recorded in the accounts.

Program and other revenue are recorded when the programs have occurred.

Interest income is accrued and recorded as earned.

(c) Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they become known.

Estimates included in these financial statements consist of amortization rates for tangible capital assets and certain accrued liabilities.

(continues)

**COMOX MILITARY FAMILY RESOURCE CENTRE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial instruments

Financial instruments are recorded at fair value on initial recognition, and are subsequently measured at their amortized cost.

Financial instruments consists of cash, investments, accounts receivable, accounts payable, and wages payable.

It is management's opinion that the Society is not exposed to significant currency or credit risks.

(e) Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Computer equipment	5 years
Equipment and furniture	10 years
Leasehold improvements	15 years
Playground equipment	15 years

Contributed tangible capital assets are recorded at fair market value at the date of contribution.

The Society regularly reviews its tangible capital assets to eliminate obsolete items.

(f) Contributed services

Volunteers contribute to the Society in carrying out its service delivery activities. Volunteers contributed 258 hours for the current year (2021 - 820). Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

3. ACCOUNTS RECEIVABLE

	2022	2021
Subsidies receivable	\$ 55,012	\$ 50,805
Trade receivable	18,506	28,314
Interest receivable	14,425	9,535
Veteran Family Program receivable	-	3,990
	\$ 87,943	\$ 92,644

COMOX MILITARY FAMILY RESOURCE CENTRE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 11,690	\$ 8,481	\$ 3,209	\$ 2,080
Equipment and furniture	55,336	22,490	32,846	31,130
Leasehold improvements	209,522	95,216	114,306	125,763
Playground equipment	96,678	59,454	37,224	42,236
	\$ 373,226	\$ 185,641	\$ 187,585	\$ 201,209

5. DEFERRED CONTRIBUTIONS

	2022	2021
Balance at the beginning of the year	\$ 306,718	\$ 268,954
Less amount recognized as revenue in the year	(300,989)	(256,108)
Plus contributions received but related to the following year	327,715	293,872
	\$ 333,444	\$ 306,718

The composition of the deferred contributions balance is as follows:

	2022	2021
DMFS funding	\$ 241,010	\$ 205,817
Advertising deposits	30,424	51,442
Grant revenue	29,504	20,664
Deferred contributions for capital assets	15,017	13,141
Care package funds	8,238	8,238
Youth program revenue	4,325	4,325
Summer camp deposits	3,220	-
Unearned KCC Revenues	1,009	2,394
Board of Directors fundraising	697	697
	\$ 333,444	\$ 306,718

6. RESTRICTED NET ASSETS

Internal restrictions have been placed on the Society's accumulated operating surpluses as follows:

	2022	2021
Restricted as Resource Centre reserve	\$ 743,539	\$ 625,355
Restricted as Kinnikinnik reserve	107,046	266,929
Bursary fund	3,600	3,600
	\$ 854,185	\$ 895,884

COMOX MILITARY FAMILY RESOURCE CENTRE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022

7. FINANCIAL INSTRUMENTS

The Society is exposed to risks through its financial instruments. The following analysis presents information about the Society's exposure to significant risks as of March 31, 2022.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate by a changes in the market interest rates. The Society is exposed to interest rate risk primarily through its term deposits. The Society mitigates this risk by entering into fixed interest rates for the life of the term.

8. REMUNERATION OF DIRECTORS, EMPLOYEES, AND CONTRACTORS

In order to comply with BC Societies Act requirements, the Society must disclose the amount of remuneration paid to directors and the amount paid to individual employees and contractors whose remuneration exceeds \$75,000.

During the fiscal year ended March 31, 2022, two employee were paid gross wages of \$223,134. No remuneration was paid to any director and no contractor was paid \$75,000 or more.

9. ECONOMIC DEPENDENCE

A significant amount of the Society's expenses are funded by Military Family Services. The continued operations of the Society are dependent on the continued funding by Military Family Services.

COMOX MILITARY FAMILY RESOURCE CENTRE
SCHEDULE OF OPERATIONS
YEAR ENDED MARCH 31, 2022

(Schedule 1)

	RESOURCE CENTRE	KINNIKINNIK CHILD CARE	2022	2021
Child care centre fees	\$ -	\$ 1,177,556	\$ 1,177,556	\$ 889,780
Federal government funding	886,450	-	886,450	899,324
Provincial government funding	-	287,158	287,158	819,473
Programs and other revenue	169,102	-	169,102	151,376
Interest	7,235	-	7,235	7,397
Donations	1,604	-	1,604	6,462
	1,064,391	1,464,714	2,529,105	2,773,812
Operating wages and benefits	(491,813)	(1,319,001)	(1,810,814)	(1,947,421)
Administrative wages and benefits	(227,082)	(176,265)	(403,347)	(340,410)
Operating expenses	(146,833)	(121,544)	(268,377)	(316,675)
Program expenses	(77,333)	-	(77,333)	(79,511)
	(943,061)	(1,616,810)	(2,559,871)	(2,684,017)
Amortization	(3,045)	(21,512)	(24,557)	(23,076)
	\$ 118,285	\$ (173,608)	\$ (55,323)	\$ 66,719

The accompanying notes are an integral part of these financial statements