

MANITOBA FOSTER FAMILY NETWORK INC.

Financial Statements

Year Ended March 31, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Manitoba Foster Family Network Inc.

We have audited the accompanying financial statements of Manitoba Foster Family Network Inc., which comprise the statement of financial position as at March 31, 2017 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

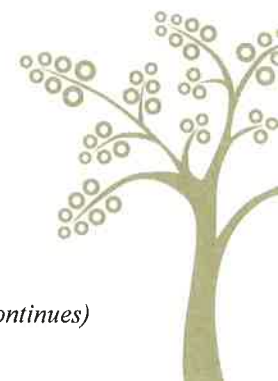
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that 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.



Independent Auditor's Report to the Members of Manitoba Foster Family Network Inc. *(continued)*

Basis for Qualified Opinion

In common with many not-for-profit organizations, Manitoba Foster Family Network Inc. derives revenue from fundraising activities and donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Manitoba Foster Family Network Inc. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and donation revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2017, current assets and net assets as at March 31, 2017.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Manitoba Foster Family Network Inc. as at March 31, 2017 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.

Winnipeg, Manitoba
May 24, 2017



Chartered Professional Accountants Inc.

MANITOBA FOSTER FAMILY NETWORK INC.


Statement of Financial Position

March 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 30,653	\$ 62,691
Accounts receivable	65,988	21,864
Prepaid expenses	13,089	11,718
	109,730	96,273
FIXED ASSETS (Note 3)	10,419	13,728
TERM DEPOSITS (Note 4)	54,970	51,037
	\$ 175,119	\$ 161,038
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 30,904	\$ 30,586
Deferred revenue	-	150
	30,904	30,736
NET ASSETS		
Program fund	82,258	82,258
Invested in fixed assets	10,419	13,728
Unrestricted	51,538	34,316
	144,215	130,302
	\$ 175,119	\$ 161,038

ON BEHALF OF THE BOARD

 Director

 Director

See Accompanying Notes



MANITOBA FOSTER FAMILY NETWORK INC.

Statement of Revenues and Expenditures

Year Ended March 31, 2017

	2017	2016
REVENUES		
Province of Manitoba - core funding	\$ 558,500	\$ 558,500
Province of Manitoba - other funding	58,142	30,550
Interest income	3,933	379
Grants and donations	3,066	5,468
Other	2,232	2,011
Fundraising	161	1,145
Conference and workshop fees	-	8,375
	626,034	606,428
EXPENSES		
Administration committees	13,507	6,880
Amortization	3,309	4,140
Board of directors	30,498	36,257
Direct service programming	59,843	88,394
Office	60,880	44,428
Provincial conference	5,554	13,997
Rent and building maintenance	53,326	53,693
Wages	385,204	373,199
	612,121	620,988
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 13,913	\$ (14,560)

MANITOBA FOSTER FAMILY NETWORK INC.

Statement of Changes in Net Assets

Year Ended March 31, 2017

	Program Fund	Invested in Fixed Assets	Unrestricted	2017	2016
NET ASSETS -					
BEGINNING OF					
YEAR	\$ 82,258	\$ 13,728	\$ 34,316	\$ 130,302	\$ 144,862
Excess of revenues over expenses	-	(3,309)	17,222	13,913	(14,560)
NET ASSETS - END OF					
YEAR	\$ 82,258	\$ 10,419	\$ 51,538	\$ 144,215	\$ 130,302

MANITOBA FOSTER FAMILY NETWORK INC.**Statement of Cash Flow****Year Ended March 31, 2017**

	2017	2016
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 13,913	\$ (14,560)
Items not affecting cash:		
Amortization	3,309	4,140
Amortization of deferred contributions related to fixed assets	-	(47)
	17,222	(10,467)
Changes in non-cash working capital:		
Accounts receivable	(44,124)	(14,684)
Prepaid expenses	(1,371)	3,235
Term deposits	(3,933)	(379)
Accounts payable and accrued liabilities	318	9,772
Deferred revenue	(150)	(2,850)
	(49,260)	(4,906)
Cash flow used by operating activities	(32,038)	(15,373)
INVESTING ACTIVITY		
Purchase of fixed assets	-	(1,325)
DECREASE IN CASH FLOW	(32,038)	(16,698)
CASH - BEGINNING OF YEAR	62,691	79,389
CASH - END OF YEAR	\$ 30,653	\$ 62,691

MANITOBA FOSTER FAMILY NETWORK INC.

Notes to Financial Statements

Year Ended March 31, 2017

1. PURPOSE OF THE ORGANIZATION

The objective of the Network is to provide support to Manitoba foster families. The Network is a registered charity and is incorporated under the laws of Manitoba as a not-for-profit organization and is therefore not subject to income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements include the following significant accounting policies:

Financial instruments policy

Measurement of 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.

Financial instruments measured at amortized cost include term deposits, accounts receivable, accounts payable and accrued liabilities.

It is management's opinion that the Network is not exposed to significant liquidity risks, credit risks or market risks arising from the financial instruments noted.

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 include providing for amortization of fixed assets. 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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MANITOBA FOSTER FAMILY NETWORK INC.

Notes to Financial Statements

Year Ended March 31, 2017

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

Fixed assets

Fixed assets are stated at cost or deemed cost less accumulated amortization. The estimated useful lives, residual values and amortization methods are reviewed if events or changes in circumstances indicate the carrying amount may not be recoverable. Fixed assets are amortized over their estimated useful lives on a declining balance basis at the following rates:

Computer equipment	45%
Furniture and equipment	20%

Fixed assets acquired during the year are not amortized until they are placed into use. Fixed assets are amortized at one-half of the normal rate in the year of acquisition.

Leasehold improvements are amortized on a straight line basis over the remaining term of the applicable lease.

Fund accounting

The Program fund reports the income allocated to the continued operations of the Network should there be a change in funding.

The Invested in Fixed Assets fund reports the assets, liabilities, revenues, and expenses related to Manitoba Foster Family Network Inc.'s fixed assets.

Revenues and expenses related to program delivery and administrative activities are reported in the Unrestricted fund.

Revenue recognition

Manitoba Foster Family Network 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.

Province of Manitoba funding and grants are recognized as revenue in the period specified by the grant terms.

Conference and workshop fees, interest income and other income are recognized as revenue when earned.

Donations are recognized into revenue when received. Fundraising income is recognized as revenue when the fundraising activities are held.

Reimbursements are recognized in the same period that the related expense is incurred.

MANITOBA FOSTER FAMILY NETWORK INC.

Notes to Financial Statements

Year Ended March 31, 2017

3. FIXED ASSETS

	Cost	Accumulated amortization	2017 Net book value
Computer equipment	\$ 21,013	\$ 19,591	\$ 1,422
Furniture and equipment	23,040	16,303	6,737
Leasehold improvements	4,674	2,414	2,260
	\$ 48,727	\$ 38,308	\$ 10,419

	Cost	Accumulated amortization	2016 Net book value
Computer equipment	\$ 21,013	\$ 18,427	\$ 2,586
Furniture and equipment	23,040	14,618	8,422
Leasehold improvements	4,674	1,954	2,720
	\$ 48,727	\$ 34,999	\$ 13,728

4. TERM DEPOSITS

Term deposits consist of two deposits, earning interest at 0.25%, maturing in March 2020.

5. OPERATING LINE OF CREDIT

The Network has an operating line of credit available to them of \$10,000 (2016 - \$10,000). The operating line of credit is due on demand and bears interest at the bank prime rate plus 1% and is secured by a \$10,000 term deposit. At the balance sheet date, the amount outstanding was nil (2016 - nil).

6. ECONOMIC DEPENDENCE

The Network is dependent on the Province of Manitoba for funding which is essential to its continuing operations.

MANITOBA FOSTER FAMILY NETWORK INC.

Notes to Financial Statements

Year Ended March 31, 2017

7. LEASE COMMITMENT

The Network leases its office premises under a long term operating lease with the current lease term ending February 2022 and includes an option to renew for an additional five years. A second location is currently leased in Swan River with a term ending February 2018. In addition, the Network leases a copier under a long term operating lease expiring March 1, 2020.

Minimum lease payments (exclusive of occupancy charges) are as follows:

2018	\$	42,816
2019		37,179
2020		36,374
2021		27,521
2022		27,521