

**MANITOBA FOSTER FAMILY NETWORK INC.**

**Financial Statements**

**Year Ended March 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

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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, 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.



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, 2018, as well as current assets and net assets as at March 31, 2018.

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, 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.

Winnipeg, Manitoba  
May 30, 2018

  
Chartered Professional Accountants Inc.


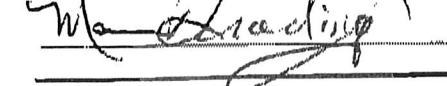
**MANITOBA FOSTER FAMILY NETWORK INC.**

**Statement of Financial Position**

**March 31, 2018**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 86,336	\$ 30,653
Accounts receivable	38,515	65,988
Prepaid expenses	7,589	13,089
	<b>132,440</b>	<b>109,730</b>
FIXED ASSETS <i>(Note 3)</i>	7,972	10,419
TERM DEPOSITS <i>(Note 4)</i>	54,970	54,970
	<b>\$ 195,382</b>	<b>\$ 175,119</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 36,651	\$ 30,904
<b>NET ASSETS</b>		
Program fund	82,258	82,258
Invested in fixed assets	7,972	10,420
Unrestricted	68,501	51,537
	<b>158,731</b>	<b>144,215</b>
	<b>\$ 195,382</b>	<b>\$ 175,119</b>

**ON BEHALF OF THE BOARD**

 Director  
 Director



**MANITOBA FOSTER FAMILY NETWORK INC.**

**Statement of Revenues and Expenditures**

**Year Ended March 31, 2018**

	2018	2017
<b>REVENUES</b>		
Province of Manitoba - core funding	\$ 558,500	\$ 558,500
Province of Manitoba - other funding	60,435	58,142
Grants and donations	4,312	3,066
Interest income	-	3,933
Other	-	2,232
Fundraising	-	161
	<b>623,247</b>	<b>626,034</b>
<b>EXPENSES</b>		
Accommodations	13,532	14,504
Administration	3,955	5,287
Advertising and promotion	11,479	10,055
Amortization	2,448	3,309
Donations	100	306
Education and courses	475	475
Equipment rentals	250	1,400
Facility rental	3,503	3,736
Honorarium	520	1,839
Insurance	4,195	2,096
Interest and bank charges	1,627	2,127
Meals and entertainment	15,286	10,587
Meeting	1,000	839
Memberships	2,119	585
Office	40,363	46,566
Printing	9,218	2,480
Professional fees	21,422	24,711
Rent	60,560	50,225
Respite	13,742	17,491
Salaries and wages	377,709	385,204
Staff and volunteer appreciation	858	-
Travel	24,370	28,299
	<b>608,731</b>	<b>612,121</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 14,516</b>	<b>\$ 13,913</b>

**MANITOBA FOSTER FAMILY NETWORK INC.**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2018**

	Program Fund	Invested in Fixed Assets	Unrestricted	2018	2017
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 82,258	\$ 10,420	\$ 51,537	\$ <b>144,215</b>	\$ 130,302
Excess of expenses over revenue	-	(2,448)	16,964	<b>14,516</b>	13,913
<b>NET ASSETS - END OF YEAR</b>	\$ 82,258	\$ 7,972	\$ 68,501	\$ <b>158,731</b>	\$ 144,215

**MANITOBA FOSTER FAMILY NETWORK INC.**

**Statement of Cash Flow**

**Year Ended March 31, 2018**

	<b>2018</b>	<b>2017</b>
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 14,516	\$ 13,913
Item not affecting cash:		
Amortization of fixed assets	2,448	3,309
	<b>16,964</b>	<b>17,222</b>
Changes in non-cash working capital:		
Accounts receivable	27,473	(44,124)
Prepaid expenses	5,500	(1,371)
Term deposits	-	(3,933)
Accounts payable and accrued liabilities	5,746	318
Deferred revenue	-	(150)
	<b>38,719</b>	<b>(49,260)</b>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>55,683</b>	<b>(32,038)</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>30,653</b>	<b>62,691</b>
<b>CASH - END OF YEAR</b>	<b>\$ 86,336</b>	<b>\$ 30,653</b>

# MANITOBA FOSTER FAMILY NETWORK INC.

## Notes to Financial Statements

Year Ended March 31, 2018

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### 1. PURPOSE OF THE ORGANIZATION

The objective of Manitoba Foster Family Network Inc. (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, 2018

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### 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.

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

Interest and other income is recognized when earned.

**MANITOBA FOSTER FAMILY NETWORK INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2018**

3. FIXED ASSETS

	Cost	Accumulated amortization	2018 Net book value
Computer equipment	\$ 21,013	\$ 20,232	\$ 781
Furniture and equipment	23,040	17,650	5,390
Leasehold improvements	4,674	2,873	1,801
	\$ 48,727	\$ 40,755	\$ 7,972

	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

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 (2017 - \$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 (2017 - 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, 2018**

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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 2022. In addition, the Network leases a copier under a long term operating lease expiring March 1, 2020.

Minimum lease payments to the end of the lease terms (exclusive of occupancy charges) are as follows:

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

8. COMPARATIVE FIGURES

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