

**SOUTH WINNIPEG FAMILY
INFORMATION CENTRE, INC.**

FINANCIAL STATEMENTS

DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Directors of:
South Winnipeg Family Information Centre, Inc.

Opinion

I have audited the accompanying financial statements of South Winnipeg Family Information Centre, Inc., which comprise the statement of financial position as at December 31, 2021 and the statements of operations and net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements present fairly, in all material respects, the financial position of South Winnipeg Family Information Centre, Inc. as at December 31, 2021 and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

INDEPENDENT AUDITOR'S REPORT, CONT'D

Auditor's Responsibilities for the Audit of the Financial Statements

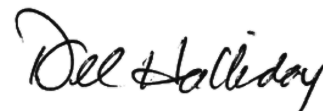
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that included my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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, I exercise professional judgment and maintain professional skepticism throughout the audit.

I also:

- Identify and assess the risk 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 Organization'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 Organization'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 Organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization 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.

I 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 I identify during my audit.



Chartered Professional Accountant



Winnipeg, Manitoba
June 21, 2022

DEL HALLIDAY
CHARTERED PROFESSIONAL ACCOUNTANT INC.

SOUTH WINNIPEG FAMILY INFORMATION CENTRE, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

	<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current assets			
Cash		\$ 288,696	\$ 128,853
Guaranteed investment certificates (note 4)		25,000	65,000
Accounts and funding receivable (note 5)		18,904	24,073
GST receivable		360	1,089
Prepaid expense		<u>1,926</u>	<u>477</u>
		<u>\$ 334,886</u>	<u>\$ 219,492</u>
 <u>Liabilities and Net Assets</u> 			
Current liabilities			
Accounts payable and accrued liabilities		\$ 3,721	\$ 6,998
Due to Families Forward		17,666	-
Due to Healthy Child Coalition		21,430	-
Deferred revenue (note 6)		<u>123,209</u>	<u>67,520</u>
		<u>166,026</u>	<u>74,518</u>
Canada Emergency Business Account (note 7)		<u>40,000</u>	<u>40,000</u>
Unrestricted net assets		<u>128,860</u>	<u>104,974</u>
		<u>\$ 334,886</u>	<u>\$ 219,492</u>

Approved on behalf of the Board

_____ Director

_____ Director

SOUTH WINNIPEG FAMILY INFORMATION CENTRE, INC.

STATEMENT OF OPERATIONS AND NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
Revenue		
Grants		
United Way of Winnipeg	\$ 148,118	\$ 132,109
The Winnipeg Foundation	16,595	48,180
Dress for Success Canada Foundation	63,350	43,812
Actions Interculturelles Canada	-	6,228
CEWS/CERB Subsidy	23,239	45,938
Province of Manitoba Bridge Grant	15,000	5,000
Other	12,522	-
Programs (Schedule 1)	43,997	20,957
Administration fee	12,960	14,149
Donations	4,446	4,002
Interest income	<u>150</u>	<u>461</u>
	<u>340,377</u>	<u>320,836</u>
Expense		
Bookkeeping fees	5,869	5,212
Community development and promotion	4,281	16,811
Consulting fees	359	4,613
Equipment	6,697	10,183
Facilitators	14,871	6,986
Insurance	1,980	1,864
Memberships and dues	1,785	1,728
Office and general	10,927	5,090
Postage and courier	691	320
Printing	9,885	8,469
Professional development	2,068	1,835
Professional fees	2,518	2,409
Rent	16,800	12,375
Salaries and benefits	221,983	194,294
Telephone and internet	4,995	5,093
Workshop supplies	<u>10,782</u>	<u>12,812</u>
	<u>316,491</u>	<u>290,094</u>
Excess of revenue over expense	23,886	30,742
Unrestricted net assets, beginning of year	<u>104,974</u>	<u>74,232</u>
Unrestricted net assets, end of year	\$ <u>128,860</u>	\$ <u>104,974</u>

SOUTH WINNIPEG FAMILY INFORMATION CENTRE, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Cash received from grants, programs and other sources	\$ 401,235	\$ 255,698
Cash paid to suppliers and employees	<u>(281,392)</u>	<u>(322,526)</u>
	119,843	<u>(66,828)</u>
Cash flows used in investing activities		
Redemption of GIC's, net of purchase	40,000	-
Canada Emergency Business Account proceeds	<u>-</u>	<u>40,000</u>
	<u>40,000</u>	<u>40,000</u>
Increase (decrease) in cash	159,843	(26,828)
Cash, beginning of year	<u>128,853</u>	<u>155,681</u>
Cash, end of year	\$ <u>288,696</u>	\$ <u>128,853</u>

SOUTH WINNIPEG FAMILY INFORMATION CENTRE, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

1. Business organization

South Winnipeg Family Information Centre, Inc. is incorporated without share capital under the laws of the Province of Manitoba and is registered as a charity under the Income Tax Act, Canada.

The organization is a community based resource centre delivering programs and services which are designed to empower individuals to enhance relationships within their families and communities.

2. Basis of presentation

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and include the following significant accounting policies:

(a) Revenue recognition

The organization follows the deferral method of accounting for grants and donations funding. Restricted grants and donations are recognized as revenue in the year in which the related expenses are incurred. Unrestricted grants and donations are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Program revenue is recognized when the activity or event is presented.

Facility rent revenue is recognized at the time the space is rented.

Administration fee revenue is recognized on a quarterly basis to administer the Healthy Child Coalition and Families Forward programs.

Investment income on guaranteed investment certificates consists of interest income received plus accrued interest earned from the anniversary date to the period end.

Pledges are not recognized as revenue until they are received.

(b) Guaranteed investment certificates

Guaranteed investment certificates are initially recognized at fair value and subsequently measured at amortized cost.

SOUTH WINNIPEG FAMILY INFORMATION CENTRE, INC.**NOTES TO FINANCIAL STATEMENTS, CONT'D****DECEMBER 31, 2021**

2. Summary of significant accounting policies, cont'd

(c) Equipment and furniture

In accordance with Part III, Section 4433 of the Accounting Standards for Not-for-Profit Organizations handbook, equipment and furniture that would typically be capitalized are expensed at the time of purchase. Donated equipment and furniture is recorded at its estimated fair market value at the date of receipt.

(d) Management estimates

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. Actual results may differ from the estimates, the impact of which would be recorded in future periods.

(e) Donated services

Volunteers donate significant amounts of their time to the organization of activities and administration of the Centre. No amount has been reflected in the financial statements for donated services since no objective basis is available to measure the value of such services.

3. Financial instruments

The Centre's financial instruments consist of cash, accounts and funding receivable, and accounts payable. The Centre initially measures its financial assets and liabilities at fair value and subsequently carries all financial assets and liabilities at amortized cost.

The Centre manages its exposure to the risks associated with financial instruments that have the potential to affect its operating and financial performance in accordance with its Governance Policies. The objective of this policy is to reduce volatility in cash flow and earnings. The Centre monitors compliance with risk management policies and reviews risk management policies on an annual basis.

The Centre's investment policy is to invest funds not currently needed for operating purposes in Guaranteed Investment Certificates that maximize returns in a manner that does not jeopardize the safety and preservation of the capital and will maintain liquidity necessary to meet the Centre's cash requirements.

SOUTH WINNIPEG FAMILY INFORMATION CENTRE, INC.

NOTES TO FINANCIAL STATEMENTS, CONT'D

DECEMBER 31, 2021

3. Financial instruments, cont'd

Liquidity risk

Liquidity risk is the risk that the Centre will not be able to meet its obligations associated with its financial liabilities. The Centre actively manages its cash, adjusts spending as needed and maintains an appropriate level of cash to meet its current obligations, and therefore mitigating liquidity risk.

Credit risk

Credit risk is the risk that a third party to a financial instrument fails to meet its obligations under terms of the financial instrument. The Centre's financial assets consist primarily of cash and accounts and funding receivable. The Centre's cash is held with a large, provincially and federally regulated financial institution in Canada, therefore mitigating credit risk. Credit risk associated with accounts receivable is minimized by the Centre's large client base and no concentration of large balances by a client. The Centre maintains allowances for potential credit losses, and any such losses to date have been within management's expectations.

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

4. Guaranteed investment certificates

	<u>2021</u>	<u>2020</u>
Royal Bank GIC, earning interest at 0.65% per annum, matured on January 9, 2021.	\$ -	\$ 25,000
Royal Bank GIC, earning interest at 1.25% per annum, matured on May 16, 2021.	-	15,000
Royal Bank GIC, earning interest at 0.1% per annum, matured on October 29, 2021.	-	25,000
Royal Bank GIC, earning interest at 0.1% per annum, maturing March 29, 2022.	<u>25,000</u>	<u>-</u>
	<u>\$ 25,000</u>	<u>\$ 65,000</u>

SOUTH WINNIPEG FAMILY INFORMATION CENTRE, INC.

NOTES TO FINANCIAL STATEMENTS, CONT'D

DECEMBER 31, 2021

5. Accounts and funding receivable

	<u>2021</u>	<u>2020</u>
CEWS/CERB Subsidy	\$ 18,898	\$ -
United Way of Winnipeg	-	4,565
Action Interculturelles Canada	-	6,228
Healthy Child Coalition	-	8,004
Families Forward	-	3,131
Other	-	1,865
Accrued interest	<u>6</u>	<u>280</u>
	<u>\$ 18,904</u>	<u>\$ 24,073</u>

6. Deferred revenue

Deferred contributions represent cash received in the current year that will fund program activities in the subsequent year. Deferred contributions consist of the following:

	<u>2021</u>	<u>2020</u>
United Way of Winnipeg		
United Way Covid Support	\$ -	\$ 1,832
For Every Family Initiative	1,198	6,522
Evaluation Project	-	3,655
The Winnipeg Foundation		
Teaching Responsibility	6,012	6,534
Read Every Day in Every Way	52,074	12,272
Literacy for Life	1,469	-
CN Foundation Grant	2,301	8,500
Darwin Pre-kindergarten fees donated	1,200	1,200
Dress for Success Canada Foundation	52,485	23,117
HTN Food Handlers Course	2,888	2,888
Other	<u>3,582</u>	<u>1,000</u>
	<u>\$ 123,209</u>	<u>\$ 67,520</u>

SOUTH WINNIPEG FAMILY INFORMATION CENTRE, INC.

NOTES TO FINANCIAL STATEMENTS, CONT'D

DECEMBER 31, 2021

7. Canada Emergency Business Account

Canada Emergency Business Account (CEBA) loan provided by the Government of Canada. The loan is unsecured and non-interest bearing during the initial term. The terms of the loan stipulate that repaying the balance of the loan on or before December 31, 2023 will result in loan forgiveness of 25 percent to a maximum of \$10,000. If the loan is not repaid, the loan term will be extended beyond January 1, 2024 and will be converted to a 3 year term loan. The loan will bear interest at 5% per annum, repayable in monthly interest only payments, due December 31, 2025.

8. Economic dependence

The Centre receives a substantial amount of its revenue from the United Way of Winnipeg and is financially dependent on them for funding. During the year, the Centre received approximately \$148,118 (2020 - \$132,109) in operating funding for its programs.

9. Lease commitment

The Centre has entered into a three year lease commencing January 1, 2021 and continuing to December 31, 2023. This lease may be terminated for any reason, by either the Church or the Centre within such term. Future annual lease payments as agreed to in the lease agreement are summarized as follows:

January to December 2022	17,527
January to December 2023	17,835

Membership and License Agreement

The Centre entered into membership and license agreements with Dress for Success Worldwide on May 1, 2019. These agreements are in effect for a period of four years plus a renewal option of another four years, unless terminated early by Dress for Success Worldwide for breach of the provisions of the agreements. Under the terms of the license agreement, the Centre is required to pay an annual license fee of \$500 US dollars.

SOUTH WINNIPEG FAMILY INFORMATION CENTRE, INC.

NOTES TO FINANCIAL STATEMENTS, CONT'D

DECEMBER 31, 2021

10. Healthy Child Coalition Initiative

The Centre assists with the administration of the Healthy Child Coalition Initiative for residents in the Fort Garry and St. Norbert communities on behalf of the Fort Garry/St. Norbert Healthy Child Coalition, and for residents in the River Heights and Fort Rouge communities on behalf of the Families Forward Coalition.

The Healthy Child Coalition Initiative is not the responsibility of the Centre and its financial statements have not been included in these statements. The auditor does not express an opinion on its financial position nor the results of its operations.

11. COVID-19

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on organizations through the restrictions put in place by Canadian, provincial, and municipal governments regarding travel, business operations and isolation/quarantine orders. As a result of the pandemic, the staff performed their duties both at the office and from home in respect of isolation measures. Certain programs and events were held virtually, postponed or cancelled. In addition, the Centre invested in equipment and technology as well as personal protective equipment. Finally, in response to needs of the community, the Centre provided food hampers and has become a partner with Winnipeg Harvest. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Centre as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

SOUTH WINNIPEG FAMILY INFORMATION CENTRE, INC.

SCHEDULE 1 - PROGRAM REVENUE AND EXPENSE

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
Program revenue		
Basics for Babysitters	\$ 24,825	\$ 14,040
Parenting	4,285	1,860
Youth	2,049	1,815
Miscellaneous	150	-
Off-site	4,016	1,802
Clothes Closet sales	3,772	40
Grants		
FGSN Coalition	<u>4,900</u>	<u>1,400</u>
	<u>43,997</u>	<u>20,957</u>
Expense		
Equipment	116	295
Facilitators	11,437	5,797
Printing	8,197	5,890
Supplies	1,044	369
Wages and benefits	<u>22,245</u>	<u>17,380</u>
	<u>43,039</u>	<u>29,731</u>
Net program income	\$ <u>958</u>	\$ <u>(8,774)</u>