

MANITOBA NON-PROFIT HOUSING ASSOCIATION
INDEPENDENT AUDITORS' REPORT
FINANCIAL STATEMENTS
MARCH 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Manitoba Non-Profit Housing Association:

Opinion

We have audited the accompanying financial statements of Manitoba Non-Profit Housing Association, which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net assets and cash flow for the year then ended, and the notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Manitoba Non-Profit Housing Association as at March 31, 2020, 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.

Basis for Opinion

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 organization in accordance with the 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 opinion.

Other Matter

The prior year financial statements were audited by another auditor who expressed an unqualified opinion on those financial statements on June 14, 2019.

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 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 to 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.

Auditor's Responsibilities for the Audit of the Financial Statements

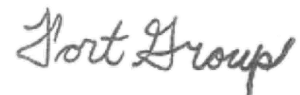
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee 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 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 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 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 representing the underlying transactions and events in a manner that achieved 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.

**Winnipeg, Manitoba
June 26, 2020**



**CHARTERED PROFESSIONAL
ACCOUNTANTS INC.**

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2020**

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 82,793	157,341
Accounts receivable	39,966	30,138
GST receivable	2,162	-
Prepaid expenses	<u>1,465</u>	<u>1,886</u>
	126,386	189,365
TANGIBLE CAPITAL ASSETS (Notes 3)	<u>2,330</u>	<u>3,697</u>
	<u>\$ 128,716</u>	<u>193,062</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable & accrued liabilities	\$ 6,023	9,015
GST payable	-	4,898
Deferred contribution (Note 7)	<u>25,551</u>	<u>109,613</u>
	<u>31,574</u>	<u>123,526</u>
NET ASSETS		
Unrestricted	42,142	39,536
Internally restricted (Note 4)	<u>55,000</u>	<u>30,000</u>
	<u>97,142</u>	<u>69,536</u>
	<u>\$ 128,716</u>	<u>193,062</u>

APPROVED BY THE BOARD:

_____ **DIRECTOR**

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2020**

	<u>Unrestricted</u>	Internally Restricted		<u>Total 2020</u>	<u>Total 2019</u>
		<u>Stabilization Fund</u>	<u>Sector Transformation Fund</u>		
NET ASSETS, BEGINNING OF YEAR	\$ 39,536	30,000	-	69,536	23,964
Excess of revenue over expenses	27,606	-	-	27,606	45,572
Transfer (Note 4)	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
NET ASSETS, END OF YEAR	<u>\$ 42,142</u>	<u>30,000</u>	<u>25,000</u>	<u>97,142</u>	<u>69,536</u>

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2020**

	<u>2020</u>	<u>2019</u>
REVENUE		
Assisting renters research funding	\$ 60,598	-
Building boards project facilitator grant	3,549	-
City of Winnipeg - Indigenous housing provider support grant	14,000	16,000
Conference and sponsorships	87,736	80,740
Co-op Housing Federation Canada	343	-
EOA project	1,419	3,838
Election forum	1,300	-
Interest	1,754	1,525
Manitoba Housing and Renewal Corporation	70,000	70,000
Membership dues	54,423	45,545
Workshops and education	9,448	1,548
	<u>304,570</u>	<u>219,196</u>
EXPENSES		
Advertising and promotion	971	1,196
Amortization of intangible capital assets	1,367	892
Bad debts	134	525
Assisting renters research	49,235	-
Building boards expense	4,472	-
Canadian Rental Housing Index	2,500	-
Conference	48,290	47,100
Election forum	925	-
EOA project	1,419	3,838
Indigenous housing support project	8,000	16,000
Insurance	1,828	1,339
Meetings	5,897	4,336
Co-op Housing Development	343	-
Office and administration	7,700	8,662
Professional fees	7,477	15,448
Rent, parking and utilities	4,015	1,180
Salaries and related benefits	120,006	68,207
Workshops	9,964	1,482
Telephone and telecommunications	1,117	1,163
Travel	529	821
Website	775	1,435
	<u>276,964</u>	<u>173,624</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 27,606</u>	<u>45,572</u>

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
STATEMENT OF CASH FLOW
YEAR ENDED MARCH 31, 2020**

	<u>2020</u>	<u>2019</u>
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 27,606	45,572
Add back non-cash item:		
Amortization of tangible capital assets	<u>1,367</u>	<u>892</u>
	28,973	46,464
Changes in non-cash working capital:		
Accounts receivable	(9,828)	(28,803)
Prepaid expenses	421	(1,484)
Accounts payable and accrued liabilities	(2,992)	(1,809)
Good and service taxes payable	(7,060)	1,547
Government remittances payable	-	4,898
Deferred contributions	<u>(84,062)</u>	<u>23,852</u>
	<u>(74,548)</u>	<u>44,665</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	<u>-</u>	<u>(4,588)</u>
INCREASE (DECREASE) IN CASH	(74,548)	40,077
CASH, BEGINNING OF YEAR	<u>157,341</u>	<u>117,264</u>
CASH, END OF YEAR	<u>\$ 82,793</u>	<u>157,341</u>

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020**

1. ACCOUNTING ENTITY

Manitoba Non-Profit Housing Association Inc. is a not-for profit organization incorporated, without share capital, under the Corporations Act of Manitoba on June 10, 2011. The organization was established to build, support and strengthen its members, who are diverse non-profit housing providers in Manitoba, through services, educational opportunities and advocacy. As a non-for-profit organization, the organization is not subject to income taxes under the Income Tax Act of Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

An underlying assumption of the preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations is that the entity will continue for the foreseeable future and will be able to realize its assets and discharge liabilities in the normal course of operations.

The financial statements include the following significant accounting policies:

(a) Tangible Capital Assets

Tangible capital assets are recorded at cost. Amortization is provided using the following rates and methods:

Furniture and equipment	20%
Computer equipment	55%

Additions during year are amortized at one half the normal annual rate.

(b) Revenue Recognition

The organization follows the deferral method in 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 they are received or receivable, and when collectibility is reasonably assured.

Conference registration fees and sponsorships are recognized as revenue when the conference occurs.

Annual membership dues are recognized as revenue when earned.

Interest income is recognized as revenue when earned.

(c) Contributed services

Volunteers contribute a significant amount of time to the organization, the value of which is not readily determinable. As a result, contributed services are not recognized in the financial statements.

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments

The organization's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it management's opinion that the organization is not exposed to significant interest, currency, or credit risks.

(e) Management uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for non-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual result could differ from those estimates.

3. TANGIBLE CAPITAL ASSETS

	2020		2019	
Furniture and equipment	\$ 2,116	592	2,472	679
Computer equipment	2,472	1,666	2,116	212
	\$ 4,588	2,258	4,588	891
 Net book value	 \$ 2,330		 3,697	

4. INTERNALLY RESTRICTED NET ASSETS

During previous fiscal year, the Board of Directors approved the establishment of a Stabilization Fund in the amount of \$30,000.

During the current fiscal year, the Board of Directors approved the establishment of a Sector Transformation Fund in the amount of \$25,000.

5. ECONOMIC DEPENDENCE

Manitoba Non-Profit Housing Association Inc. is economically dependent upon its funding provided by Manitoba Housing and Renewal Corporation.

6. LEASE COMMITMENT

The organization leases its premises on a month-to-month basis. Based on current terms, total estimated lease payments for next year would be \$5,985 (2019 - \$3,717).

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020**

7. DEFERRED CONTRIBUTIONS

	<u>2020</u>	<u>2019</u>
Contributions		
City of Winnipeg Indigenous Housing Project	\$ -	12,000
Ready, Set (Re)Build	-	6,086
CMHC	-	24,520
Canadian Centre for Policy Alternatives/ Manitoba Research Alliance	17,856	-
Co-op Housing Development	4,000	-
Memberships	-	1,084
	<u>21,856</u>	<u>43,690</u>
Recognized as revenue		
Manitoba Housing and Renewal Corporation	58,643	-
EOA project	1,419	3,838
CHMC	28,520	-
Canadian Centre for Policy Alternatives/ Manitoba Research Alliance	3,558	-
Co-op Housing Development	343	-
City of Winnipeg Indigenous Housing Project	11,000	16,000
Conference and memberships	2,435	-
	<u>105,918</u>	<u>19,838</u>
Increase (decrease) during the year	(84,062)	23,852
Deferred contributions, beginning of year	<u>109,613</u>	<u>85,761</u>
Deferred contributions, end of year	<u>\$ 25,551</u>	<u>109,613</u>

8. PENSION PLAN

The organization has a defined contribution pension plan, whereby it matches employee contributions to a maximum of 5% employee earnings. As a defined contribution pension plan, the organization has no further liability or obligation for future contributions to fund future benefits to plan members. The organization's pension expense for the year is \$3,766 (2019 - \$1,083).