

**MENNONITE COALITION FOR
REFUGEE SUPPORT
FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**



INDEPENDENT AUDITORS' REPORT

To the Directors of Mennonite Coalition for Refugee Support

Report on the Financial Statements

We have audited the accompanying financial statements of Mennonite Coalition for Refugee Support, which comprise the statement of financial position as at September 30, 2016, the statement of operations and change in net assets, and the statement of cash flows, 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.

Auditors' 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.

Basis of Qualified Opinion

In common with many not-for-profit organizations, Mennonite Coalition for Refugee Support derives a portion of its revenues from the general public in the form of donations and fundraising the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenues from these sources was limited to accounting for the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to income, excess of income over expenses and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Mennonite Coalition for Refugee Support as at September 30, 2016, and its results of operations, change in net assets and cash flows, for the year then ended, in accordance with Canadian Accounting Standards for Not-for-profit Organizations.

Chartered Professional Accountants

Licensed Public Accountants

January 10, 2017

Kitchener, ON

***Charly Winters & Simon* LLP**

Chartered Professional Accountants

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MENNONITE COALITION FOR REFUGEE SUPPORT
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2016

(with comparative figures as at September 30, 2015)

(the accompanying notes are an integral part of these financial statements)

| | <u>2016</u> | <u>2015</u> |
|---------------------------|-----------------|----------------|
| ASSETS | | |
| CURRENT | | |
| Cash | 107,400 | 59,986 |
| HST receivable | 937 | 1,831 |
| | <hr/> \$108,337 | <hr/> \$61,817 |
| | | |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable | 2,400 | 2,400 |
| Deferred revenue (note 3) | 42,290 | 22,109 |
| | <hr/> 44,690 | <hr/> 24,509 |
| | | |
| NET ASSETS | | |
| Unrestricted | 63,647 | 37,308 |
| | <hr/> \$108,337 | <hr/> \$61,817 |

**MENNONITE COALITION FOR REFUGEE SUPPORT
STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

(with comparative figures for the year ended September 30, 2015)

(the accompanying notes are an integral part of these financial statements)

| | <u>2016</u> | <u>2015</u> |
|---|----------------|----------------|
| REVENUES | | |
| Donations | 179,925 | 136,402 |
| Grants | 77,447 | 84,923 |
| Fundraising | 13,996 | 13,738 |
| Translation fees | 13,289 | 6,306 |
| Honoraria and miscellaneous | 1,145 | 1,332 |
| | <hr/> 285,802 | <hr/> 242,701 |
| EXPENSES | | |
| Salaries, wages and benefits | 217,740 | 180,833 |
| Administration | 28,405 | 30,632 |
| Fundraising | 6,911 | 10,740 |
| Programs | 6,407 | 5,455 |
| | <hr/> 259,463 | <hr/> 227,660 |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENSES | 26,339 | 15,041 |
| NET ASSETS - beginning of the year | 37,308 | 22,267 |
| NET ASSETS - end of the year | <hr/> \$63,647 | <hr/> \$37,308 |

MENNONITE COALITION FOR REFUGEE SUPPORT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(with comparative figures for the year ended September 30, 2015)
(the accompanying notes are an integral part of these financial statements)

| | <u>2016</u> | <u>2015</u> |
|--|------------------|-----------------|
| Sources (uses) of funds: | | |
| OPERATING ACTIVITIES | | |
| Excess (deficit) of revenue over expenses | 26,339 | 15,041 |
| Change in non-cash current assets and liabilities: | | |
| HST receivable | 894 | 25,200 |
| Deferred revenue (note 3) | 20,181 | (43,225) |
| | <u>47,414</u> | <u>(2,984)</u> |
| INVESTING ACTIVITIES | 0 | 0 |
| FINANCING ACTIVITIES | <u>0</u> | <u>0</u> |
| CHANGE IN CASH FOR THE YEAR | 47,414 | (2,984) |
| CASH ON HAND - beginning of the year | 59,986 | 62,970 |
| CASH ON HAND - end of the year | <u>\$107,400</u> | <u>\$59,986</u> |

MENNONITE COALITION FOR REFUGEE SUPPORT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NATURE OF THE ORGANIZATION

Mennonite Coalition for Refugee Support (MCRS) was incorporated under the Ontario Business Corporations Act and is a charity registered with Canada Revenue Agency, and as such does not pay income tax. Its purpose is to provide assistance to refugees and refugee claimants without regard for their faith, ethnic origin, social class or world view. Mennonite Coalition for Refugee Support also has the mandate to provide education, counseling and other support services to refugees and refugee claimants, as well as to educate and increase public awareness of the issues facing refugees and refugee claimants.

1. ACCOUNTING POLICIES

BASIS OF PRESENTATION

These financial statements have been prepared using Canadian Accounting Standards for Not-for-profit Organizations.

REVENUE RECOGNITION

MCRS uses the deferral method for recognizing revenues, whereby revenue which is received or receivable for a restricted purpose is reflected as deferred revenue (see note 3 below) until expended as designated, whereupon both the revenue and the expenses are reflected on the statement of operations and change in net assets. Unrestricted revenue is recognized as revenue on the statement of operations and change in net assets when received or receivable provided amounts can be reasonably determined and collection is reasonably assured.

MCRS receives significant donations of time from volunteers. Because valuation of such contributions is impractical, no monetary value has been reflected in these financial statements.

FINANCIAL INSTRUMENTS

A financial instrument is a contract that creates a financial asset for one entity and a financial liability or equity instrument of another. MCRS initially measures its financial assets and liabilities at fair value, except for non-arm's length transactions, if any. Subsequently all financial assets and financial liabilities are measured at amortized cost, except for investments in equity instruments with quoted fair values in an active market, if any, which are measured at fair value. Changes in fair value are recognized in net income. Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized on the statement of operations and change in net assets. Any previously recognized impairment losses may be reversed and reflected in income to the extent of improvement, provided they are no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. MCRS recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption. Unless indicated otherwise in these financial statements, management believes it does not face any significant credit, currency, interest rate, liquidity or market risk with respect to any of its financial instruments.

2. FINANCIAL INSTRUMENTS

| | <u>2016</u> | <u>2015</u> |
|---|-------------|-------------|
| Financial assets measured at amortized cost | 107,400 | 59,986 |

There are no financial assets which are equity instruments and which would be adjusted to fair value annually, nor any equity instruments measured at cost less a reduction for impairment.

MENNONITE COALITION FOR REFUGEE SUPPORT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

3. DEFERRED REVENUE

| | <u>2016</u> | <u>2015</u> |
|--|-----------------------|-----------------------|
| Grants: | | |
| KW Community Foundation | 35,000 | 0 |
| Ontario Trillium Foundation | 2,184 | 7,716 |
| Ontario Library Association | 2,013 | 0 |
| Kindred Credit Union | 436 | 2,344 |
| Industry Canada Youth Internship Program | 1,216 | 0 |
| Ministry of Citizenship, Immigration and International Trade - Summer Jobs | 1,441 | 0 |
| Laidlaw Foundation | 0 | 4,549 |
| Law Foundation of Ontario | 0 | 7,500 |
| | <hr/> \$42,290 | <hr/> \$22,109 |