

MENNONITE COALITION FOR REFUGEE
SUPPORT >

financial statements

>YEAR ENDED SEPTEMBER 30, 2017

MAC LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

MENNONITE COALITION FOR REFUGEE SUPPORT >

financial statements

>YEAR ENDED SEPTEMBER 30, 2017

index

Independent auditor's report.....	I - 2
Statement of financial position.....	3
Statement of changes in net assets.....	4
Statement of operations	5
Statement of cash flows.....	6
Notes to financial statements.....	7 - 9



INDEPENDENT AUDITOR'S REPORT

To the Members 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, 2017, and the statements of operations, changes in net assets and 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.

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 accounting standards for not-for-profit organizations. 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 for Qualified Opinion

In common with many similar charitable organizations, Mennonite Coalition for Refugee Support derives revenue from donations from interested persons, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of Mennonite Coalition for Refugee Support. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenues over expenses, and cash flows from operations for the years ended September 30, 2017 and September 30, 2016 and current assets and fund balances as at September 30, 2017 and September 30, 2016.

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 Mennonite Coalition for Refugee Support as at September 30, 2017 and September 30, 2016, and the results of its operations and its cash flows for the years ended September 30, 2017 and September 30, 2016 in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

The financial statements of Mennonite Coalition for Refugee Support for the year ended September 30, 2016 were audited by another auditor who expressed a qualified opinion on those financial statements on January 10, 2017 for the reasons described in the Basis for Qualified Opinion paragraph.

Waterloo, Ontario
January 18, 2018

MAC LLP.

LICENSED PUBLIC ACCOUNTANTS
CHARTERED PROFESSIONAL ACCOUNTANTS

MENNONITE COALITION FOR REFUGEE SUPPORT>

statement of financial position

>SEPTEMBER 30, 2017

	2017	2016
<i>assets</i>		
current		
Cash	\$ 29,950	\$ 107,399
Accounts receivable	1,902	-
Government remittances recoverable	3,074	937
Prepaid expenses	<u>2,245</u>	<u>-</u>
	<u>\$ 37,171</u>	<u>\$ 108,336</u>
<i>liabilities</i>		
current		
Accounts payable and accrued liabilities	\$ 14,126	\$ 2,399
Deferred revenue (Note 3)	<u>-</u>	<u>42,290</u>
	14,126	44,689
commitments (Note 5)		
<i>net assets</i>		
Unrestricted net assets	<u>23,045</u>	<u>63,647</u>
	<u>\$ 37,171</u>	<u>\$ 108,336</u>

Approved on behalf of the board:

Director

Director

MENNONITE COALITION FOR REFUGEE SUPPORT >

statement of changes in net assets

>YEAR ENDED SEPTEMBER 30, 2017

	2017	2016
balance, beginning of year	\$ 63,647	\$ 37,308
Deficiency of revenue over expense for year	<u>(40,602)</u>	<u>26,339</u>
balance, end of year	\$ <u>23,045</u>	\$ <u>63,647</u>

MENNONITE COALITION FOR REFUGEE SUPPORT >
statement of operations

>YEAR ENDED SEPTEMBER 30, 2017

	2017	2016
revenue		
Undesignated donations	\$ 203,006	\$ 179,925
Grants	67,761	77,447
Fundraising	53,327	13,996
Translation fees	13,570	13,289
Other income	<u>480</u>	<u>1,145</u>
	<u>338,144</u>	<u>285,802</u>
expenses		
Administration	78,928	116,336
Facilities	27,060	4,800
Fundraising	14,290	29,254
Professional fees	12,038	3,982
Programs	<u>246,430</u>	<u>105,091</u>
	<u>378,746</u>	<u>259,463</u>
deficiency of revenue over expenses for year	<u>\$ (40,602)</u>	<u>\$ 26,339</u>

MENNONITE COALITION FOR REFUGEE SUPPORT >
statement of cash flows

>YEAR ENDED SEPTEMBER 30, 2017

	2017	2016
operating activities		
Deficiency of revenue over expenses for year	\$ <u>(40,602)</u>	\$ <u>26,339</u>
Adjustments for:		
Changes in non-cash working capital:		
Increase in accounts receivable	(1,902)	-
Increase in prepaids	(2,245)	-
Increase in accounts payable and accrued liabilities	11,727	(1)
Decrease in deferred revenue	(42,290)	20,181
Increase in government remittances recoverable	<u>(2,137)</u>	<u>894</u>
	<u>(36,847)</u>	<u>21,074</u>
Net change in cash for the year	(77,449)	47,413
Cash balance, beginning of year	<u>107,399</u>	<u>59,986</u>
cash balance, end of year	<u>\$ 29,950</u>	<u>\$ 107,399</u>

MENNONITE COALITION FOR REFUGEE SUPPORT >

notes to financial statements

>SEPTEMBER 30, 2017

1. purpose of organization

The mission of Mennonite Coalition for Refugee Support, the "Charity", is to provide assistance with the refugee claim process, while accessing a network of settlement support, building communities of mutual support and advocating for a fair and just environment for refugees in Canada. The Charity operates in Kitchener, Ontario and it is incorporated under the Ontario Corporations Act as a not-for-profit organization and is a registered charity for Canadian Income Tax purposes.

2. significant accounting policies

Basis of Accounting - These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition - The Charity follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received. Restricted contributions are recognized as revenue when the expense is incurred.

Grants and subsidies are recognized when received. Fundraising revenue is recognized when related event takes place. Translation fees are recognized when service is provided.

Financial Instruments

Measurement - The Charity initially measures its financial assets and liabilities at fair value. The Charity subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include the accounts payable and accrued liabilities.

The Charity has not designated any financial asset or liability to be measured at fair value.

Impairment - Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized as operating cost. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized as income from operations.

Transaction costs - The Charity recognizes its transaction costs in excess of revenue over expenses 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.

MENNONITE COALITION FOR REFUGEE SUPPORT >

notes to financial statements

>SEPTEMBER 30, 2017

Contributed Materials and Services - The Charity is dependent upon many hours of service contributed by volunteers. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

Allocation of expenses - The Charity allocates the salaries and benefits expense based on time spent on each program.

Disclosure and Use of Estimates - The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Estimates are used when accounting for certain items such as revenues, useful lives of capital assets, asset impairments and evaluation of minimum lease terms for operating leases.

3. deferred revenue

Deferred revenue represents unspent resources restricted by the donor. Changes in the deferred revenue are as follows:

	2017	2016
Balance, beginning of year	\$ 42,290	\$ 22,109
Amounts received during the year	-	39,671
Amounts recognized as revenue in the year	<u>(42,290)</u>	<u>(19,490)</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 42,290</u>

4. allocation of personnel cost

	2017	2016
Administration	\$ 49,074	\$ 94,289
Fundraising	-	19,810
Programs	<u>243,137</u>	<u>102,689</u>
	<u>\$ 292,211</u>	<u>\$ 216,788</u>

5. commitments

The Charity is obligated under rental agreements for the premises from which it operates. This lease expires in 2018 and the future minimum lease payments under this contract are \$20,772.

MENNONITE COALITION FOR REFUGEE SUPPORT >
notes to financial statements

>SEPTEMBER 30, 2017

6. financial instruments

Risk Management - The significant risk to which the Charity is exposed is liquidity risk. There has been no change to the risk exposures from the prior year.

Liquidity Risk - Liquidity risk is the risk that the Charity will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Charity's cash requirements.

7. comparative figures

Certain of the comparative figures have been restated to conform to the presentation adopted for the current year.