

**Navera Community  
Connections Inc. (formerly  
Catholic Family Services of  
Saskatoon)**

Financial Statements  
**March 31, 2023**



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## Independent Auditor's Report

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To the Board of Directors of Navera Community Connections Inc. (formerly CFS Saskatoon)

### Opinion

We have audited the financial statements of Navera Community Connections Inc. (formerly CFS Saskatoon) (the "Organization"), which comprise the Statement of Financial Position as at March 31, 2023, and the Statement of Changes in Net Assets, Operations, and Cash Flows for the year then ended, and notes to the 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 the Organization as at March 31, 2023, and its results of operations and its cash flows 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 financial statements of the Organization for the year ended March 31, 2022 were audited by another practitioner who expressed an unmodified opinion on those financial statements on June 7, 2022.

### 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 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 represent the underlying transactions and events in a manner that achieves 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.

Chartered Professional Accountants

Saskatoon, Saskatchewan  
June 21, 2023

# Navera Community Connections Inc. (formerly Catholic Family Services of Saskatoon)

## Statement of Financial Position

As at March 31, 2023

	2023 \$	2022 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 3)	1,244,274	1,188,698
Accounts receivable	64,004	74,451
Prepaid expenses	47,980	18,519
	<u>1,356,258</u>	<u>1,281,668</u>
<b>Deposits</b>	12,371	8,283
<b>Tangible capital assets</b> (note 4)	142,784	126,833
<b>Intangible assets</b> (note 5)	859	2,958
	<u>1,512,272</u>	<u>1,419,742</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	125,334	279,364
Deferred contributions (note 6)	478,919	299,701
	<u>604,253</u>	<u>579,065</u>
<b>Net assets</b>		
Unrestricted net assets	14,376	(14)
Internally restricted net assets (note 8)	750,000	710,900
Invested in tangible capital assets and intangible assets	143,643	129,791
	<u>908,019</u>	<u>840,677</u>
	<u>1,512,272</u>	<u>1,419,742</u>
<b>Commitments</b> (note 7)		

### Approved by the Board of Directors

\_\_\_\_\_ Director \_\_\_\_\_ Director

The accompanying notes are an integral part of these financial statements.

# Navera Community Connections Inc. (formerly Catholic Family Services of Saskatoon)

## Statement of Operations

For the year ended March 31, 2023

				2023	2022
	Counselling/ Family Life & Education \$ (schedule 1)	Community Programs \$ (schedule 2)	Early Learning & Family Centres \$ (schedule 3)	Total \$	Total \$
<b>Revenue</b>					
Government of Saskatchewan (note 9)	526,727	149,439	1,563,799	2,239,965	1,583,629
Program user fees (note 6)	174,337	-	810,976	985,313	1,278,571
Grants (note 6)	529,121	422	-	529,543	458,758
Family Service Saskatchewan Employee and Family Assistance Program fees	103,907	-	-	103,907	97,407
United Way of Saskatchewan and Area Greater Saskatoon Catholic Schools	94,253	-	-	94,253	47,005
City of Saskatoon	60,850	-	-	60,850	61,057
Donations (note 6)	39,222	-	-	39,222	38,680
Interest income	29,873	-	-	29,873	30,361
	14,487	280	770	15,537	39,492
	5,373	-	-	5,373	690
	<b>1,578,150</b>	<b>150,141</b>	<b>2,375,545</b>	<b>4,103,836</b>	<b>3,635,650</b>
<b>Expenses</b>					
Employee compensation					
Salaries	1,357,901	100,563	1,540,439	2,998,903	2,616,702
Benefits	194,753	11,477	224,432	430,662	375,972
Office	123,847	2,371	44,854	171,072	142,201
Program materials and supplies	18,174	4,313	128,079	150,566	115,101
Rent and commercial insurance (notes 7 and 10)	113,447	12,882	3,431	129,760	105,304
Professional services	44,616	-	1,409	46,025	48,626
Amortization of tangible capital assets	15,639	-	10,702	26,341	24,082
Recruitment and education	13,618	405	9,455	23,478	22,467
Promotion and publicity	17,709	-	-	17,709	34,885
Miscellaneous including bad debt	4,484	362	9,091	13,937	15,486
Memberships, dues and fees	12,079	700	221	13,000	12,146
Travel	10,828	964	1,151	12,943	6,317
Amortization of intangible assets	2,098	-	-	2,098	5,997
Administrative costs (recovery)	(340,539)	21,794	318,745	-	-
	<b>1,588,654</b>	<b>155,831</b>	<b>2,292,009</b>	<b>4,036,494</b>	<b>3,525,286</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(10,504)</b>	<b>(5,690)</b>	<b>83,536</b>	<b>67,342</b>	<b>110,364</b>

The accompanying notes are an integral part of these financial statements.

# Navera Community Connections Inc. (formerly Catholic Family Services of Saskatoon)

Statement of Changes in Net Assets

For the year ended March 31, 2023

				2023	2022
	Unrestricted net assets \$	Internally restricted net assets \$ (note 8)	Invested in tangible capital assets and intangible assets \$	Total \$	Total \$
<b>Balance – Beginning of year</b>	(14)	710,900	129,791	840,677	730,313
Excess (deficiency) of revenue over expenses	95,781	-	(28,439)	67,342	110,364
Purchase of tangible capital assets	-	(42,291)	42,291	-	-
Allocation to internally restricted net assets (note 8)	(81,391)	81,391	-	-	-
<b>Balance – End of year</b>	14,376	750,000	143,643	908,019	840,677

The accompanying notes are an integral part of these financial statements.

# **Navera Community Connections Inc. (formerly Catholic Family Services of Saskatoon)**

## Statement of Cash Flows

For the year ended March 31, 2023

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	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	67,342	110,364
Items not involving cash		
Amortization of tangible capital assets	26,341	24,082
Amortization of intangible assets	2,098	5,997
Net change in non-cash working capital items		
Accounts receivable	10,447	(32,041)
Prepaid expenses	(29,461)	18,749
Accounts payable and accrued liabilities	(4,088)	130,816
Deferred contributions	179,218	104,521
	<hr/>	<hr/>
	97,867	362,488
<b>Investing activities</b>		
Purchase of tangible capital assets	(42,291)	(105,644)
Redemption of guaranteed investment certificates	-	150,000
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	(42,291)	44,356
<b>Change in cash and cash equivalents during the year</b>	55,576	406,844
<b>Cash and cash equivalents – Beginning of year</b>	1,188,698	781,854
	<hr/>	<hr/>
<b>Cash and cash equivalents – End of year</b>	1,244,274	1,188,698
	<hr/>	<hr/>
<b>Cash and cash equivalents consist of the following:</b>		
Cash	294,274	688,698
Cashable guaranteed investment certificates (note 3)	950,000	500,000
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	1,244,274	1,188,698
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The accompanying notes are an integral part of these financial statements

# Navera Community Connections Inc. (formerly Catholic Family Services of Saskatoon)

Notes to Financial Statements

March 31, 2023

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## 1 Nature of operations

Navera Community Connections Inc. (formerly Catholic Family Services of Saskatoon) (the Organization) is a non-profit organization that promotes quality of life by developing and supporting the inherent strengths of individuals, families and the community. The Organization's services are offered to the people of Saskatoon and area. The Organization, which is incorporated under the laws of Saskatchewan, is a charitable organization under the Income Tax Act (Canada) and as such is exempt from taxes and is able to issue donation receipts for income tax purposes as long as it maintains this status.

## 2 Significant accounting policies

These financial statements are prepared in accordance with Part III – Accounting Standards for Not-for-Profit Organizations of the Chartered Professional Accountants of Canada (CPA Canada) Handbook – Accounting, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

### Tangible capital assets

Tangible capital assets are recorded at cost, less accumulated amortization. The Organization provides for amortization using the straight-line method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. In the year of acquisition, amortization is calculated at one-half the annual rate. The annual amortization rates are as follows:

Leasehold improvements	10 years
Office equipment and furniture	5 years

### Intangible assets

Intangible assets are recorded at cost, less accumulated amortization. The Organization provides for amortization using the straight-line method at rates designed to amortize the cost of the intangible assets over their estimated useful lives. In the year of acquisition, amortization is calculated at one-half the annual rate. The annual amortization rates are as follows:

Website, branding and strategy	5 years
Software	5 years

### Financial instruments

Financial instruments, including cash, accounts receivable, deposits and accounts payable and accrued liabilities, are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment. The Organization does not consider itself to have significant exposure to credit risk, currency risk, interest rate risk, liquidity risk, market risk or other price risk.



# **Navera Community Connections Inc. (formerly Catholic Family Services of Saskatoon)**

Notes to Financial Statements

**March 31, 2023**

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## **Revenue recognition**

The Organization follows the deferral method of accounting for contributions, which include grants and donations. Contributions are recognized as revenue when received or receivable if the amounts to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions and donations are recognized as revenue when received. Externally restricted contributions and donations are recorded as deferred contributions when initially received and recognized as revenue in the year in which the related expenses are recognized.

Fees are recognized when the related services have been provided. Interest income is recorded when earned.

## **Allocation of expenses**

The Organization engages in the delivery of a number of programs. The costs of each program include the costs of personnel, supplies and other expenses that are directly related to providing the program. The Organization also incurs a number of general support expenses that are common to the administration of the Organization and each of its programs.

The Organization allocates a portion of its general support expenses by identifying the appropriate basis of allocating each component expense and applies that basis consistently each year. Administrative costs are allocated based on revenues as an approximation of the amounts required by each program.

## **Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. Future events could alter such estimates in the near term.

## **3 Cash and cash equivalents**

Cash and cash equivalents include cashable guaranteed investment certificates of \$950,000 (2022 - \$500,000) bearing interest at rates ranging from 4.25% to 4.45% and maturing between March 22, 2024 and March 27, 2024. Cashable guaranteed investment certificates, guaranteed investment certificates maturing within three months of March 31, 2023 and investment savings accounts are included in cash and cash equivalents.

# Navera Community Connections Inc. (formerly Catholic Family Services of Saskatoon)

Notes to Financial Statements

March 31, 2023

## 4 Tangible capital assets

	<b>2023</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net book</b>
	\$	amortization	value
	\$	\$	\$
Office equipment and furniture	248,721	214,069	34,652
Leasehold improvements	134,133	26,001	108,132
	<b>382,854</b>	<b>240,070</b>	<b>142,784</b>

  

	<b>2022</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net book</b>
	\$	amortization	value
	\$	\$	\$
Office equipment and furniture	241,636	195,188	46,448
Leasehold improvements	98,926	18,541	80,385
	<b>340,562</b>	<b>213,729</b>	<b>126,833</b>

## 5 Intangible assets

	<b>2023</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net book</b>
	\$	amortization	value
	\$	\$	\$
Website, branding and strategy	40,628	39,769	859
Software	26,710	26,710	-
	<b>67,338</b>	<b>66,479</b>	<b>859</b>

  

	<b>2022</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net book</b>
	\$	amortization	value
	\$	\$	\$
Website, branding and strategy	40,628	38,050	2,578
Software	26,710	26,330	380
	<b>67,338</b>	<b>64,380</b>	<b>2,958</b>

# Navera Community Connections Inc. (formerly Catholic Family Services of Saskatoon)

Notes to Financial Statements

March 31, 2023

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## 6 Deferred contributions

Deferred contributions represent unspent resources externally restricted for program expenses in future years. Changes in the deferred contributions balance are as follows:

	2023 \$	2022 \$
Balance – Beginning of year	299,701	195,180
Amounts received during the year	411,404	583,106
Amounts recognized as revenue during the year	(232,186)	(478,585)
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Balance – End of year	478,919	299,701

Amounts recognized in revenue during the year are included in program user fees, grants and donations.

## 7 Commitments

On November 1, 2022, the Organization extended its lease agreement with Saskatoon Community Service Village Inc. (note 10) for office space. The term of the lease agreement was from November 1, 2022 to April 30, 2023 and future minimum monthly lease payments range from \$9,991 per month to \$10,352 per month to the end of the term of the lease. Rent continued on a month-to-month basis subsequent to April 30, 2023 and the Organization has not yet formally entered into a new lease agreement.

## 8 Internally restricted net assets

The Organization has internally restricted net assets to offset future costs and to provide resources for future capital asset purchases as follows:

	2023 \$	2022 \$
Contingencies	400,000	210,000
Tangible capital assets and intangible assets	300,000	135,900
Strategic planning	30,000	30,000
Strategic learning	20,000	10,000
Programs and services	-	225,000
Human resources	-	90,000
Formal education support	-	10,000
	<hr/>	<hr/>
	750,000	710,900

During the year ended March 31, 2023, purchases of tangible capital assets of \$42,291 (2022 – \$88,370) were charged to internally restricted net assets.

# Navera Community Connections Inc. (formerly Catholic Family Services of Saskatoon)

Notes to Financial Statements

March 31, 2023

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## 9 Government of Saskatchewan

	2023 \$	2022 \$
Ministry of Education – Early Learning	891,456	271,975
Ministry of Social Services – Agreement for Services	609,902	478,979
Ministry of Education – Early Childhood Services	578,427	578,772
Ministry of Justice – Victims Services	96,135	84,761
Ministry of Social Services – Child Care Subsidy	33,505	124,342
Ministry of Education – Teen Student Support	30,540	44,800
	<hr/> 2,239,965	<hr/> 1,583,629

## 10 Related party transactions

The Organization is a member of Saskatoon Community Service Village Inc. (the Village). The Village was incorporated pursuant to the Non-Profit Corporations Act of Saskatchewan and owns a building which, together with leased premises, houses community service agencies. Rent charged to the Organization by the Village during the year ended March 31, 2023 was \$118,460 (2022 – \$94,850).

# **Navera Community Connections Inc. (formerly Catholic Family Services of Saskatoon)**

Schedule 1 – Counselling/Family Life & Education

For the year ended March 31, 2023

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	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Revenue</b>		
Grants	529,121	458,758
Ministry of Social Services	430,592	303,191
Program user fees	174,337	159,067
Family Service Saskatchewan	103,907	97,407
Ministry of Justice	96,135	84,761
Employee and Family Assistance Program fees	94,253	47,005
United Way of Saskatoon and Area	60,850	61,057
Greater Saskatoon Catholic Schools	39,222	38,680
City of Saskatoon	29,873	30,361
Donations	14,487	20,120
Interest	5,373	690
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	1,578,150	1,301,097
<b>Expenses</b>		
Employee compensation		
Salaries	1,357,901	1,129,218
Benefits	194,753	148,389
Office	123,847	91,329
Rent and commercial insurance (notes 7 and 10)	113,447	89,727
Professional services	44,616	46,932
Program materials and supplies	18,174	15,068
Promotion and publicity	17,709	34,885
Amortization of tangible capital assets	15,639	11,693
Recruitment and education	13,618	13,526
Memberships, dues and fees	12,079	11,094
Travel	10,828	4,495
Miscellaneous including bad debt	4,484	5,152
Amortization of intangible assets	2,098	5,997
Recovery of administrative costs	(340,539)	(340,539)
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	1,588,654	1,266,966
<b>Excess (deficiency) of revenue over expenses</b>	<hr/>	<hr/>
	(10,504)	34,131

# Navera Community Connections Inc. (formerly Catholic Family Services of Saskatoon)

## Schedule 2 – Community Programs

For the year ended March 31, 2023

	Family Ties		Reaching Out		Total Community Programs	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
Ministry of Social Services	55,748	54,573	93,691	91,849	149,439	146,422
Grants	-	-	422	-	422	-
Donations	280	100	-	-	280	100
	<u>56,028</u>	<u>54,673</u>	<u>94,113</u>	<u>91,849</u>	<u>150,141</u>	<u>146,522</u>
<b>Expenses</b>						
Employee compensation						
Salaries	48,765	40,641	51,798	47,619	100,563	88,260
Benefits	5,289	5,383	6,188	6,523	11,477	11,906
Administrative costs	8,407	8,407	13,387	13,387	21,794	21,794
Rent and commercial insurance (notes 7 and 10)	6,441	6,198	6,441	6,198	12,882	12,396
Program materials and supplies	1,257	1,271	3,056	550	4,313	1,821
Office	1,265	1,133	1,106	1,133	2,371	2,266
Travel	399	186	565	291	964	477
Memberships, dues and fees	300	413	400	161	700	574
Recruitment and education	105	43	300	43	405	86
Miscellaneous including bad debt	181	156	181	156	362	312
	<u>72,409</u>	<u>63,831</u>	<u>83,422</u>	<u>76,061</u>	<u>155,831</u>	<u>139,892</u>
<b>Excess (deficiency) of revenue over expenses</b>	<u>(16,381)</u>	<u>(9,158)</u>	<u>10,691</u>	<u>15,788</u>	<u>(5,690)</u>	<u>6,630</u>

# Navera Community Connections Inc. (formerly Catholic Family Services of Saskatoon)

## Schedule 3 – Early Learning & Family Centres

For the year ended March 31, 2023

	ED Feehan		Rosewood		Total Early Learning & Family Centres	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
Ministry of Education	539,648	352,641	960,775	542,906	1,500,423	895,547
Program user fees	137,366	194,785	673,610	924,719	810,976	1,119,504
Ministry of Social Services	63,376	152,613	-	1,095	63,376	153,708
Donations	770	2,000	-	17,272	770	19,272
	741,160	702,039	1,634,385	1,485,992	2,375,545	2,188,031
<b>Expenses</b>						
Employee compensation						
Salaries	518,355	471,359	1,022,084	927,865	1,540,439	1,399,224
Benefits	79,045	73,607	145,387	142,070	224,432	215,677
Administrative costs	127,077	127,077	191,668	191,668	318,745	318,745
Program materials and supplies	47,372	32,906	80,707	65,306	128,079	98,212
Office	5,545	4,602	39,309	44,004	44,854	48,606
Amortization of tangible capital assets	1,372	2,025	9,330	10,364	10,702	12,389
Recruitment and education	5,316	8,431	4,139	424	9,455	8,855
Miscellaneous including bad debt	6,134	7,341	2,957	2,681	9,091	10,022
Rent and commercial insurance (notes 7 and 10)	1,481	1,373	1,950	1,808	3,431	3,181
Professional services	131	-	1,278	1,694	1,409	1,694
Travel	476	479	675	866	1,151	1,345
Memberships, dues and fees	90	239	131	239	221	478
	792,394	729,439	1,499,615	1,388,989	2,292,009	2,118,428
<b>Excess (deficiency) of revenue over expenses</b>	<b>(51,234)</b>	<b>(27,400)</b>	<b>134,770</b>	<b>97,003</b>	<b>83,536</b>	<b>69,603</b>