

Treasurer's Report

18 September, 2022

This report will be an account of the financial situation of MJP in as detailed a fashion as the Board of Directors has been able to compile. The majority of the liabilities to MJP were only discovered by the Board in Aug 2022, and consequently the Board has taken action to address significant issues. Many of the details of these balances are still being investigated by members of the Board.

At the 2021 AGM, members of Moose Jaw Pride did not receive an adequate financial report from our executive director. No balance sheet displaying the details of MJP finances was presented. As a result, the members tabled the motion to waive or require an audit of MJP's finances.

The Board of directors now has financial reports prepared for 2021 and 2022. Although these were not prepared by a professional accountant, they were prepared by a Board review of our financial records and are as accurate as we can make them.

Please refer to the 2021 and 2022 financial statements alongside this report. Not every line of each financial statement is specifically addressed in this report; only those lines that require a more in depth explanation are addressed.

2021 Report

The 2021 report is as follows:

Balance Sheet

2021 Assets

At the end of December 2021, total cash assets were \$5 875.43. Accounts receivable were \$31 649.14 for two grants completed in 2020 (the Peer Navigator project and Canada Summer Jobs program).

2021 Liabilities

A Canada Emergency Business Account loan of \$40 000 was taken out in Dec 2020 to maintain operation of Rainbow Retro and the Warming Center during a period of social distancing and lockdown. This loan was approved by the Board with the understanding that MJP would use these funds for programming and projects for which we had incoming grant funding sufficient to repay the loan. According to the terms of the CEBA loan program, only 75% of the principal for the loan had to be repaid. If this was paid by 31 Dec 2023, the remaining 25% would be forgiven. In Feb 2021, MJP applied for and received a further \$20 000 CEBA loan extension

without the approval of the Board of directors. This brings the total CEBA loan balance to \$60,000, with the amount required to be repaid totalling \$45 000 by 31 Dec 2023 in order to receive loan forgiveness.

The Conexus Quickloan was available to be drawn on for MJP's short term operational financial requirements. The ordinary process of using this loan would be to draw on the Quickloan to pay expenses covered by anticipated incoming funding, then repay the loan within the next few months with expected incoming funding. Over the course of 2020, MJP borrowed \$25 000 on the Quickloan. The Board is not aware of any grants in progress or completed whose outstanding funds were intended to repay this loan.

\$3 777 in grant money is to be returned to the Canada Summer Jobs program. For this project we received advance payment of \$13 763. Only \$9 986 of what we claimed was eligible for reimbursement. As a result, \$3 777 is considered an overpayment on the project and was required to be returned to the Receiver General of Canada as of 25 June 2021. This account has now been transferred to the CRA for funds recovery as no response or repayment was received.

As of 31 Dec 2021 we owed \$1 112.59 to Success Office Systems for the rental of the office photocopier. This balance carries forward into FY 2022.

2021 Credit Card Payable

The Board became aware of the existence of this credit card in Aug 2022. The Board is investigating and categorizing the various transactions charged to this card.

2021 PST / GST Payable

The Board does not yet have access to our CRA account, nor have we yet had time to submit a reliable calculation of Rainbow Retro's revenue to either the Sask Ministry of Finance or the CRA. We do not yet know how much GST and PST we will be required to submit for 2021. We have yet to find records of what year Rainbow Retro last submitted revenue taxes.

2021 Workers' Compensation

The balance for WCB as of 31 Dec 2021 was \$1 294.08. This balance consists of unpaid amounts dating back to early 2020 and interest charges on unpaid amounts. The last payment was made 17 May 2021, and MJP has not filed an Employee Payroll Statement with WCB for 2020 or 2021, or an estimate for 2022. We are in contact with the collections specialist assigned to our account and will submit all required information to WCB as soon as the payroll review is complete.

Statement of Retained Earnings

The balance in MJP's bank account was \$35 992.60 at the beginning of the 2021 year. The majority of this balance was as a result of our initial CEBA loan, withdrawn in Dec 2020.

The net income of 2021 was a loss of \$30 317.17. This resulted in a balance of \$5675.43 at the end of 2021.

Income Statement

2021 Income

Event sales - No record of income due to no pride fundraising events in FY 2021

Merch sales – Sales of new merchandise, mostly Pride-related merch, in Rainbow Retro.

Grants – We received a total of \$149 768.08 in grant funding for Canada Summer Jobs positions and the Peer Navigator Program.

Canada Emergency Rent Subsidy – Received \$3 747.16 in funds from CERS for COVID-related rent relief.

Loans - over the course of 2021 MJP took out a total of \$45 000 in loans comprising a \$20,000 extension on the CEBA loan and \$25 000 on the Conexus Quickloan

Fundraisers – In October, MJP ran a Spooky Cookie Fundraiser and raised \$830.

SLGA funds - Volunteers working twice monthly bingos raised a total of \$1 478.05.

Memberships – 8 memberships were sold in 2021.

Diversity Training – We received a total of \$2 700 for delivered Diversity Training sessions.

Miscellaneous revenue - Miscellaneous revenues total \$3 370.69. \$81 is from MJ Chamber of Commerce, and the remainder is from a cheque of unknown origin.

Total Income: \$295 543.51, less the cost of goods sold, for net income of \$292 395.66.

Schedule of Expenses

2021 Expenses

Cost of goods sold - We have not found receipts indicating that RR purchased any new merchandise or supplies for upcycling or creating merchandise.

Consignee payments - totaled \$2 748.25 as of 31 Dec 2021.

Wages and honoraria - Total wages for 2021 total approximately \$154 659.39. This number is approximate because payroll records for 2021 were incomplete and a final review is ongoing. Most employees were paid by Customer Automated Funds Transfers, which appear in our bank statements as a lump sum withdrawal, and CAFT records indicating details of payouts to individuals are only retained in the CAFT system for 120 days. We have been unable to locate downloaded CAFT records for payments prior to 26 Apr 2022, and unless downloads are discovered these records will not be recoverable. Therefore, we do not know if CAFT payments prior to 26 April are dedicated solely to payroll or if these transactions include other expense payments. This results in difficulty matching payroll and CAFT transactions precisely, so our classification of CAFT transactions as payroll, rent, or other expenses is an estimate.

Program expenses - These are programming costs not related to Pride Week, totalling \$28,913.83. Primarily these were expenses related to fulfilling grant requirements, including a Canadian Experience Fund grant and a Canada-Saskatchewan Job Grant.

Insurance - \$1 447.00 for commercial insurance on Rainbow Retro, \$1 425.94 for the insurance policy on Moose Jaw Pride, coming to a total of \$2872.94.

Accounting and legal - \$1 040.00 for accountant bookkeeping services covering records from Jan - Sept 2020. This was the final period for which MJP has records of retaining bookkeeping services.

Events and fundraisers - These are expenses related to Pride Week 2021.

Uncategorized expenses – Uncategorized expenses total \$80 402.61. The ongoing accounting of expenses will include reviewing receipts that were found uncategorized in offices of MJP, and which may account for some or all of these unknown expenses. There are unaccounted cash expenses which total \$29 142.74. This cash was recorded as revenue from Rainbow Retro, but was never deposited in MJP bank accounts. An additional \$12 267.64 comprises transactions on the corporate credit card which are still being reviewed and categorized. The remaining balance of \$30 992.23 comprises CAFT transactions for which we do not have records. These likely include payroll, rent, and other operational expenses.

Total Expenses 2021: \$322 712.83

2022 Report

The 2022 report is as follows:

Balance Sheet

This report is current to 31 Aug 2022. Some of these numbers have changed due to operating expenses in the two weeks preceding this AGM, but there have been no substantial deviations from this report.

Assets

As of 31 Aug, MJP had \$6 793 in cash assets. Accounts receivable include an expected refund of approximately \$1 300 from equalized payments made on our SaskEnergy bill. Capital assets include the estimated cost of office furniture and equipment currently in the process of being sold, a PA speaker system to be reappraised and sold, and a van whose condition and value requires appraisal before sale. Total assets are approximately \$15 093.95.

Liabilities

The CEBA loan balance carries forward from 2021. After a final loan of \$5 000 taken out in January 2022, the Conexus Quickloan account was maxed out at \$30 000.

The outstanding water bill of \$5 609.92 to the city of Moose Jaw stems from a water leak in the adjacent portion of Rainbow Retro's commercial property in May of 2022. Although MJP does not have access to or operate out of this space, our lease includes a provision that MJP is responsible for utilities of the entire building, with a limited cost sharing clause with the other tenants who occupy other spaces.

As of 31 Aug 2022, MJP owes \$1 918.32 to Success Office Systems for the rental of the office photocopier. This balance has been accumulating unpaid for over a year.

Credit Card Payable

The balance of the corporate credit card is \$2 591.48. As with the 2021 transactions, the Board is still investigating and categorizing the various transactions charged to this card.

PST / GST Payable

The Board does not yet have access to our CRA account nor have we yet had time to submit a reliable calculation of Rainbow Retro's revenue to either the Sask Ministry of Finance or the CRA. We do not yet know how much GST and PST we will be required to submit for 2022.

Workers' Compensation

The balance for WCB as of Aug 2022 is \$3 106.61 in unpaid balance and interest, not including anticipated payments on wages from 2020, 2021, and 2022.

Source Deductions

MJP owes an unknown amount in deductions remitted from employees' payroll, namely CPP and EI. We will be able to calculate these amounts when we have finalized a review of 2022 payroll records to ensure that they are complete and accurate.

Total Liabilities

As of 31 Aug 2022, the total known liabilities of MJP are \$107 003.33. Retained earnings were \$6 793.95, which brings the net known liabilities to \$100 209.38. As we do not yet know the full balance of all our liabilities, the total will be higher than our estimate.

Statement of Retained Earnings

MJP began the year with \$5 675.43 in cash assets and made a net profit of \$1 118.52. This "profit" does not account for unpaid taxes, bills, loans, and other expenses incurred in 2022. A final calculation of 2022 finances will result in net losses. This brings us to our total account balance of \$6 793.95.

Income Statement

2022 Income

Event sales - Sales during Pride Week events.

RR income - \$57 586.62

Merchandise sales - Sales of Pride merch and other new merchandise in Rainbow Retro.

Grant income - This funding comprises final payments on two grants completed in 2021, the Peer Navigator project and Canada Summer Jobs program.

Loans - Final \$5 000 withdrawn on the Conexus Quickloan.

Fundraisers - In Feb 2022 MJP ran a "Spread the Love" Candygram fundraiser that raised \$375.

SLGA funds - Volunteers working twice monthly bingos raised a total of \$1 595.19.

Memberships - As of 31 Aug, 3 memberships were sold.

Diversity Training - We did not run any Diversity Training sessions for which funds were invoiced in 2022.

Interest revenue - A small balance in our savings account accumulated \$0.09 in interest.

Miscellaneous - Board members found \$484.22 in loose change and bills around MJP premises that had not yet been deposited in our accounts and could not be linked to RR sales. We do not definitively know the source of this cash.

This brings the total income for 2022 to \$116 158.54. The cost of goods sold includes payouts to consignees totalling \$471.55. Net income is \$115 686.99.

Schedule of Expenses

2022 Expenses

Cost of goods sold - We have not found receipts indicating that RR purchased any new merchandise or supplies for upcycling or creating merchandise. Ordinarily this would include projects such as "Gay bar soap", upcycled tshirts, and other product developed in-store.

Consignee payments - Totaled \$471.55 as of 31 Aug.

Wages and honoraria - Approximately \$50 237.21. As with 2021, this is an estimate due to incomplete payroll records and the lack of downloaded CAFT records.

Program expenses - Programming costs not related to Pride Week total \$487.15.

Insurance - \$1 447 for commercial insurance on RR. The insurance policy for MJP was not paid.

Events and fundraisers - Expenses related to Pride Week 2022 total \$3 694.43.

Loan interest - \$1 264 in interest on our loans.

Uncategorized expenses – Total uncategorized expenses total \$16 113.11. The ongoing accounting of expenses will include reviewing receipts that were found uncategorized in offices of MJP, and which may account for some or all of these unknown expenses. There are unaccounted cash expenses which total \$12,023.88. This cash was recorded as revenue from Rainbow Retro, but was never deposited in MJP bank accounts. An additional \$2 740.28 in transactions were made on the corporate credit card which are still being reviewed and categorized. The remaining balance is CAFT transactions for which we do not have records.

Total Expenses 2022: \$114 568.47.

A note on grant funding:

Prior to 2021, Moose Jaw Pride applied and was approved for several grants, including projects through the Canadian Experiences Fund and the Canada-Saskatchewan Jobs Grant. These grants worked on a reimbursement basis, and the cost of programming and projects carried out for these grants was covered in part through the withdrawal of loans. Due to incomplete grant reporting, much of the grant funding that the Board anticipated receiving throughout 2021 and 2022 was not delivered, resulting in outstanding loan balances. When these granting institutions were contacted by the Board of Directors in 2022, they stated that funding has been decommitted, and thus cannot be claimed by Moose Jaw Pride even if we file late reports on completed grant work.