

COUNCIL FOR THE ADVANCEMENT OF AFRICAN CANADIANS IN ALBERTA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

AND

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Members of **Council for the Advancement of African Canadians in Alberta**:

Qualified Opinion

We have audited the financial statements of **Council for the Advancement of African Canadians in Alberta** (the Entity), which consist of the statement of financial position at March 31, 2019, and statements of changes in net assets, operations and of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Entity derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Entity and we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of expenses for the year and net assets.

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 Entity 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 qualified opinion.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

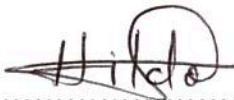
Edmonton, Alberta
June 21, 2019


Chartered Professional Accountants

**COUNCIL FOR THE ADVANCEMENT OF AFRICAN CANADIANS IN
ALBERTA**
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$601,745	\$672,223
Accounts receivable	84,600	109,386
Prepaid expenses	<u>12,124</u>	<u>11,825</u>
Total current assets	698,469	793,434
EQUIPMENT (Note 3)	<u>15,321</u>	<u>12,563</u>
TOTAL	<u>\$713,790</u>	<u>\$805,997</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities - including government remittances of \$19,655; 2018 - \$24,717	\$ 53,574	\$ 54,249
Deferred revenue (Note 4)	<u>558,300</u>	<u>709,089</u>
Total current liabilities	<u>611,874</u>	<u>763,338</u>
NET ASSETS:		
Invested in equipment	15,321	12,563
Unrestricted	<u>86,595</u>	<u>30,096</u>
Total net assets	<u>101,916</u>	<u>42,659</u>
TOTAL	<u>\$713,790</u>	<u>\$805,997</u>

Approved by the Board:



..... Director



..... Director

**COUNCIL FOR THE ADVANCEMENT OF AFRICAN CANADIANS IN
ALBERTA**

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2019**

	Invested in Equipment	Unrestricted	Total	
			<u>2019</u>	<u>2018</u>
Balance at beginning of the year	\$12,563	\$30,096	\$ 42,659	\$23,218
Excess of revenue (expenses) for the year	(3,295)	62,552	59,257	19,441
Purchase of equipment	<u>6,053</u>	<u>(6,053)</u>	<u>-</u>	<u>-</u>
Balance at end of the year	<u>\$15,321</u>	<u>\$86,595</u>	<u>\$101,916</u>	<u>\$42,659</u>

COUNCIL FOR THE ADVANCEMENT OF AFRICAN CANADIANS IN ALBERTA

STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
UNRESTRICTED REVENUE:		
Rental	\$ 6,300	\$ 6,300
Fundraising and other	<u>112,375</u>	<u>24,196</u>
Total unrestricted revenue.....	<u>118,675</u>	<u>30,496</u>
RESTRICTED REVENUE:		
Grants- Alberta Justice and Solicitor General.....	126,451	41,637
- City of Edmonton.....	231,997	252,000
- East Kootenay	-	3,143
- Edmonton Arts Council	-	10,000
- Edmonton Community Foundation	56,773	66,000
- Edmonton Oilers Community Foundation.....	28,550	21,451
- Employment and Social Development Canada	22,333	-
- Family and Community Support Services.....	200,000	181,685
- Ghana Friendship Association of Edmonton	-	18,338
- Government of Alberta - Day Care	92,312	15,870
- Government of Canada.....	70,682	60,091
- Kalham	-	1,500
- Makadiff Sports	-	30,000
- Minister of Children's Services.....	379,836	235,184
- National Black Coalition	-	2,002
- Reach Edmonton Council	45,999	191,584
- Region 6	45,856	22,928
- Seniors Association of Greater Edmonton.....	16,917	16,281
- Service Canada.....	538,233	398,674
- Stollery Foundation	-	14,222
- Other.....	150	-
Casino	<u>26,127</u>	<u>33,706</u>
Total restricted revenue.....	<u>1,882,216</u>	<u>1,616,296</u>
Total revenue.....	<u>2,000,891</u>	<u>1,646,792</u>
EXPENSES:		
Advertising.....	4,741	7,555
Amortization.....	3,295	3,578
Bad debts	-	1,800
Bank charges and interest	6,676	1,778
Board.....	9,469	8,897
Insurance.....	5,627	5,526
Office	40,187	26,774
Professional fees.....	29,070	29,180
Program costs	568,048	448,336
Rent and security	142,221	149,625
Repairs and maintenance	26,212	23,434
Salaries and benefits.....	952,992	856,095
Scholarships.....	43,000	20,000
Subcontract	83,340	11,402
Telephone.....	10,172	14,011
Travel.....	<u>16,584</u>	<u>19,360</u>
Total expenses	<u>1,941,634</u>	<u>1,627,351</u>
EXCESS OF REVENUE FOR THE YEAR	<u>\$ 59,257</u>	<u>\$ 19,441</u>

**COUNCIL FOR THE ADVANCEMENT OF AFRICAN CANADIANS IN
ALBERTA**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
OPERATING ACTIVITIES:		
Cash from operations:		
Excess of revenue for the year.....	\$ 59,257	\$ 19,441
Item not involving cash for operations - amortization	<u>3,295</u>	<u>3,578</u>
	62,552	23,019
Increase (decrease) in non-cash working capital balances related to operations:		
Accounts receivable	24,786	(75,927)
Prepaid expenses	(299)	7,925
Accounts payable and accrued liabilities.....	(675)	24,062
Deferred revenue	<u>(150,789)</u>	<u>460,649</u>
Net cash (used in) from operating activities	(64,425)	439,728
INVESTING ACTIVITY - purchase of equipment	<u>(6,053)</u>	<u>-</u>
(DECREASE) INCREASE IN CASH FOR THE YEAR.....	(70,478)	439,728
CASH AT BEGINNING OF THE YEAR.....	<u>672,223</u>	<u>232,495</u>
CASH AT END OF THE YEAR	<u>\$ 601,745</u>	<u>\$672,223</u>

**COUNCIL FOR THE ADVANCEMENT OF AFRICAN CANADIANS IN
ALBERTA**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

1. PURPOSE OF COUNCIL:

The Council's primary purpose is to provide opportunities and enrichment programs for members of the African community. The Council is incorporated under the Societies Act of Alberta as a registered charity and is exempt from income taxes.

2. ACCOUNTING POLICIES:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies are as follows:

Revenue recognition:

The Council follows the deferral method of 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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations are recorded as revenue when received. Amounts received from grants and donations which must be expended for specific purposes are recognized as revenue to the extent of the related expenses incurred. Fundraising and other revenue are recognized when received.

Equipment:

Equipment is stated at cost. Amortization is provided using the declining balance method at the following annual rates:

Computer	30%
Office and furniture.....	20%

Donation of services:

The work of the Council is dependent on the voluntary service of many individuals. Since these services are not normally purchased by the Council and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

Financial instruments:

The Council initially measures its financial assets and liabilities at fair value.

The Council subsequently measures all its financial assets and financial liabilities at amortized cost.

**COUNCIL FOR THE ADVANCEMENT OF AFRICAN CANADIANS IN
ALBERTA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

2. ACCOUNTING POLICIES (continued):

Financial instruments (continued):

The Council's financial instruments measured at amortized cost consists of cash, accounts receivable and accounts payable and accrued liabilities.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount of impairment recognized previously. The amount of the reversal is recognized in the excess of revenue over expenses.

Cash and cash equivalents:

Cash and cash equivalents consist of balances with banks and short-term investments that can be converted readily to cash.

Use of estimates:

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed annually and adjustments are made to excess of revenue as appropriate in the year they become known.

3. EQUIPMENT:

The major categories of equipment and related accumulated amortization are as follows:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2019</u>	<u>2018</u>
Computer	\$16,126	\$ 8,898	\$ 7,228	\$ 2,447
Office and furniture	<u>25,769</u>	<u>17,676</u>	<u>8,093</u>	<u>10,116</u>
	<u>\$41,895</u>	<u>\$26,574</u>	<u>\$15,321</u>	<u>\$12,563</u>

**COUNCIL FOR THE ADVANCEMENT OF AFRICAN CANADIANS IN
ALBERTA**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

4. DEFERRED REVENUE:

Details of deferred revenue are as follows:

	<u>2019</u>	<u>2018</u>
Alberta Justice and Solicitor General.....	\$ 81,612	\$115,313
Casino.....	55,645	60,111
Edmonton Community Foundation	100,783	20,684
Edmonton Oilers Community Foundation	-	28,549
Employment and Social Development Canada.....	-	22,333
Family and Community Support Services	57,713	57,713
Ghana Friendship Association of Edmonton.....	-	21,662
MacEwan University	3,000	3,000
Minister of Children's Services.....	174,480	243,471
Reach Edmonton Council	-	51,971
Region 6	32,100	32,100
Seniors Association of Greater Edmonton.....	22,578	16,737
Stollery Foundation.....	28,081	28,081
Other.....	<u>2,308</u>	<u>7,364</u>
	<u>\$558,300</u>	<u>\$709,089</u>

5. LEASE COMMITMENTS:

- a) The Council is committed to the rental of office premises under a lease agreement which expires December 2022. The minimum rent payable is \$6,137 per month.
- b) The Council is committed to the rental of office premises under a lease agreement which expires April 2019. The minimum rent payable is \$2,000 per month.
- c) The Council is committed to the rental of office premises under a lease agreement which expires August 2019. The minimum rent payable is \$1 per annum plus the Council's proportionate share of common area costs of \$1,835 per month.
- d) The Council is committed to the rental of office premises under a lease agreement which expires March 2020. The minimum rent payable is \$100 per week.

**COUNCIL FOR THE ADVANCEMENT OF AFRICAN CANADIANS IN
ALBERTA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

6. CONTINGENT LIABILITY:

The Council is a defendant in a wrongful dismissal lawsuit in the amount of \$366,000. It is the opinion of the Board of Directors that the Council will either be successful in defending this action or any damages will be paid by the insurance company.

7. FINANCIAL INSTRUMENTS:

The Council is exposed to risk on certain financial instruments as follows:

Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Council is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.