

COUNCIL FOR THE ADVANCEMENT OF AFRICAN CANADIANS IN ALBERTA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022
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, 2022, 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, 2022, 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.

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
September 23, 2022

 LLP
Chartered Professional Accountants


**COUNCIL FOR THE ADVANCEMENT OF AFRICAN CANADIANS IN
ALBERTA**
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

| | <u>2022</u> | <u>2021</u> |
|----------------------------|--------------------|--------------------|
| <u>ASSETS</u> | | |
| CURRENT ASSETS: | | |
| Cash | \$2,642,180 | \$1,113,643 |
| Accounts receivable | 262,903 | 170,484 |
| Prepaid expenses | <u>24,028</u> | <u>20,416</u> |
| Total current assets | 2,929,111 | 1,304,543 |
| EQUIPMENT (Note 3) | <u>7,189</u> | <u>9,407</u> |
| TOTAL | <u>\$2,936,300</u> | <u>\$1,313,950</u> |


LIABILITIES AND NET ASSETS

| | | |
|---|--------------------|--------------------|
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued liabilities - including government remittances of \$5,993; 2021 - \$4,568 | \$1,255,954 | \$ 55,234 |
| Deferred revenue (Note 5) | <u>1,362,977</u> | <u>1,038,328</u> |
| Total current liabilities | <u>2,618,931</u> | <u>1,093,562</u> |
| NET ASSETS: | | |
| Invested in equipment | 7,189 | 9,407 |
| Internally restricted (Note 6) | 250,000 | 180,000 |
| Unrestricted | <u>60,180</u> | <u>30,981</u> |
| Total net assets | <u>317,369</u> | <u>220,388</u> |
| TOTAL | <u>\$2,936,300</u> | <u>\$1,313,950</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, 2022**

| | <u>Invested in Equipment</u> | <u>Internally Restricted</u> | <u>Unrestricted</u> | <u>Total</u> | |
|--|----------------------------------|----------------------------------|-------------------------|-------------------------|-------------------------|
| | | | | <u>2022</u> | <u>2021</u> |
| Balance at beginning of the year | \$ 9,407 | \$180,000 | \$ 30,981 | \$220,388 | \$167,472 |
| Excess of revenue (expenses) for the year | (2,218) | - | 99,199 | 96,981 | 52,916 |
| Contribution to reserve | <u>-</u> | <u>70,000</u> | <u>(70,000)</u> | <u>-</u> | <u>-</u> |
| Balance at end of the year | <u>\$ 7,189</u> | <u>\$250,000</u> | <u>\$ 60,180</u> | <u>\$317,369</u> | <u>\$220,388</u> |

**COUNCIL FOR THE ADVANCEMENT OF AFRICAN CANADIANS IN
ALBERTA**
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2022

| | <u>2022</u> | <u>2021</u> |
|--|------------------|------------------|
| UNRESTRICTED REVENUE: | | |
| Rental | \$ 2,625 | \$ 6,300 |
| Fundraising and other | <u>162,779</u> | <u>71,148</u> |
| Total unrestricted revenue | <u>165,404</u> | <u>77,448</u> |
| RESTRICTED REVENUE: | | |
| Grants - Action for Healthy Communities | 105,963 | - |
| - Alberta Health Services | 9,298 | 701 |
| - Alberta Justice and Solicitor General | - | 9,880 |
| - Canadian Western Bank | 27,511 | 13,350 |
| - City of Edmonton | 349,506 | 223,246 |
| - Community Initiatives Program | 4,995 | - |
| - Edmonton Community Foundation | 250,794 | 244,766 |
| - Edmonton Mennonite Centre for Newcomers | 6,207 | - |
| - Family and Community Support Services | 276,444 | 261,220 |
| - Government of Alberta - Day Care | 164,073 | 80,741 |
| - Government of Canada | 2,028,684 | 74,772 |
| - Islamic Family and Social Services Association | 18,753 | 6,250 |
| - Minister of Children's Services | 135,389 | 67,731 |
| - Multicultural Family Resource Society | 3,000 | - |
| - Public Health Agency of Canada | 134,339 | 143,909 |
| - Reach Edmonton Council | 13,317 | 16,074 |
| - Royal Bank of Canada | 16,488 | - |
| - Seniors Association of Greater Edmonton | - | 20,776 |
| - Service Canada | 549,723 | 369,408 |
| - TAIBU Community Health | 10,000 | - |
| - Tropicana Community Services Foundation | 34,000 | - |
| - United Way | 8,022 | 10,656 |
| - Western Economic Diversification | 235,377 | - |
| - Other | 19,242 | 667 |
| Casino | <u>34,052</u> | <u>25,893</u> |
| Total restricted revenue | <u>4,435,177</u> | <u>1,570,040</u> |
| Total revenue | <u>4,600,581</u> | <u>1,647,488</u> |
| EXPENSES: | | |
| Advertising | 15,819 | 5,854 |
| Amortization | 2,218 | 3,206 |
| Bank charges and interest | 2,390 | 4,387 |
| Board | 10,006 | 5,872 |
| Insurance | 17,925 | 8,933 |
| Office | 50,972 | 45,049 |
| Professional fees | 21,012 | 18,962 |
| Program costs | 2,440,252 | 306,038 |
| Rent and security | 99,047 | 84,687 |
| Repairs and maintenance | 20,981 | 27,180 |
| Salaries and benefits - net of government assistance of \$19,379; 2021 - \$48,698 | 1,669,343 | 939,610 |
| Scholarships | 73,000 | 63,746 |
| Subcontract | 66,371 | 65,348 |
| Telephone | 11,237 | 13,629 |
| Travel | <u>3,027</u> | <u>2,071</u> |
| Total expenses | <u>4,503,600</u> | <u>1,594,572</u> |
| EXCESS OF REVENUE FOR THE YEAR | <u>\$ 96,981</u> | <u>\$ 52,916</u> |

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022**

| | <u>2022</u> | <u>2021</u> |
|--|---------------------------|---------------------------|
| OPERATING ACTIVITIES: | | |
| Cash from operations: | | |
| Excess of revenue for the year..... | \$ 96,981 | \$ 52,916 |
| Item not involving cash for operations - amortization | <u>2,218</u> | <u>3,206</u> |
| | 99,199 | 56,122 |
| Increase (decrease) in non-cash working capital balances related to operations: | | |
| Accounts receivable | (92,419) | (56,697) |
| Prepaid expenses | (3,612) | (7,948) |
| Accounts payable and accrued liabilities..... | 1,200,720 | (804) |
| Deferred revenue | <u>324,649</u> | <u>430,278</u> |
| INCREASE IN CASH FOR THE YEAR..... | 1,528,537 | 420,951 |
| CASH AT BEGINNING OF THE YEAR..... | <u>1,113,643</u> | <u>692,692</u> |
| CASH AT END OF THE YEAR | <u>\$2,642,180</u> | <u>\$1,113,643</u> |

COUNCIL FOR THE ADVANCEMENT OF AFRICAN CANADIANS IN ALBERTA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

2. ACCOUNTING POLICIES (continued):

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.

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>2022</u> | <u>2021</u> |
| Computer | \$16,126 | \$13,774 | \$2,352 | \$3,361 |
| Office and furniture | <u>26,979</u> | <u>22,142</u> | <u>4,837</u> | <u>6,046</u> |
| | <u>\$43,105</u> | <u>\$35,916</u> | <u>\$7,189</u> | <u>\$9,407</u> |

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

4. TRUSTEE FUNDS PAYABLE:

The Council is acting as a trustee for various organizations and has received funding on behalf of these organizations. The expenses and related revenue do not constitute the Council's operations. As such, no recognition has been given to these revenues or expenses in the Council's Statement of Operations and Changes in Net Assets. The balance of trustee funds payable as at March 31, 2022 is \$126,108 (2021 - NIL). No recognition has been given to this asset and liability in the Council's Statement of Financial Position.

Trustee funds payable consists of the following:

| | <u>2022</u> | <u>2021</u> |
|--|-------------------|-------------|
| Balance at beginning of the year | \$ - | \$ - |
| Funding received | 357,680 | - |
| Funding disbursed | <u>(231,572)</u> | <u>-</u> |
| Balance at end of the year | <u>\$ 126,108</u> | <u>\$ -</u> |

5. DEFERRED REVENUE:

Details of deferred revenue are as follows:

| | <u>2022</u> | <u>2021</u> |
|---|--------------------|--------------------|
| Alberta Health Services | \$ - | \$ 4,299 |
| Canadian Western Bank | 1,639 | 4,150 |
| Casino | 68,397 | 102,449 |
| City of Edmonton | 113,806 | 8,753 |
| Community Initiatives Program | - | 4,995 |
| Designated donations | 93,829 | 133,532 |
| Edmonton Community Foundation | 116,082 | 231,354 |
| Enterprise Holdings | 13,000 | - |
| Family and Community Support Services | 47,567 | - |
| Government of Canada | 599,357 | - |
| Minister of Children's Services | 62,080 | 197,469 |
| Multicultural Family Resource Society | 7,000 | - |
| Ontario Teachers Insurance Plans | 83,333 | 83,333 |
| Reach Edmonton Council | 3,904 | - |
| Royal Bank of Canada | 38,512 | - |
| Safe Restart Provincial Funding | 17,396 | 17,396 |
| Seniors Association of Greater Edmonton | 1,411 | 1,411 |
| Service Canada | 75,664 | 191,592 |
| Telus | 20,000 | - |
| Tropicana Community Services Foundation | - | 34,000 |
| United Way | - | 8,022 |
| Other | <u>-</u> | <u>15,573</u> |
| | <u>\$1,362,977</u> | <u>\$1,038,328</u> |

COUNCIL FOR THE ADVANCEMENT OF AFRICAN CANADIANS IN ALBERTA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

6. INTERNALLY RESTRICTED RESERVE FUND:

This fund was established to support the long-term financial stability of the Council, to help the Africa Centre respond to changes in its economic environment and to continually carry out its mandate. These restricted funds are not available for other purposes without the approval of the Board of Directors.

7. 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 August 2024. The minimum rent payable is \$1 per annum plus the Council's proportionate share of common area costs of \$1,610 per month.

8. 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.

9. 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.