Multicultural Association of Wood Buffalo
Financial Statements
For the year ended March 31, 2022

Management's Responsibility

To the Members of Multicultural Association of Wood Buffalo:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

September 13, 2022

signed by "Muna Ali"

Executive Director

To the Members of Multicultural Association of Wood Buffalo:

Qualified Opinion

We have audited the financial statements of Multicultural Association of Wood Buffalo (the "Association"), which comprise the statement of financial position as at March 31, 2022, and the statements of revenue and expenses, changes in net assets and 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 effect 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 Association 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

As is common with many charitable organizations, Multicultural Association of Wood Buffalo derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenses, and cash flows from operations for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1 and March 31 for both the 2022 and 2021 years.

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 Association 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 Association’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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association’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 Association’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 Association’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 Association 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.

Fort McMurray, Alberta

MNP LLP

September 13, 2022

Chartered Professional Accountants

Multicultural Association of Wood Buffalo
Statement of Financial Position
As at March 31, 2022

	2022	*2021*
Assets		
Current		
Cash	**466,697**	477,751
Restricted cash *(Note 3)*	**32,874**	12,220
Accounts receivable	**14,504**	3,072
Goods and services tax receivable	**7,383**	3,184
	521,458	496,227
Capital assets *(Note 4)*	**29,477**	25,761
	550,935	521,988
Liabilities		
Current		
Accounts payable and accruals	**66,971**	81,406
Deferred contributions *(Note 5)*	**335,407**	237,588
	402,378	318,994
Commitments *(Note 6)*		
Significant event *(Note 9)*		
Net Assets		
General fund	**72,443**	88,915
Capital fund	**29,477**	25,761
Internally restricted fund *(Note 7)*	**46,637**	88,318
	148,557	202,994
	550,935	521,988

Approved on behalf of the Board

signed by "Dango Gogo"
Director

signed by "Brian Fung"
Director

The accompanying notes are an integral part of these financial statements

	2022	*2021*
Revenue		
Municipal grant funding *(Note 5)*	**539,910**	539,910
Provincial, federal, and other grant funding *(Note 5)*	**167,481**	31,552
United Way funding *(Note 5)*	**75,000**	138,901
Sponsorship and fundraising *(Note 5)*	**14,598**	29,770
Cultural performance, translation and interpretation services revenue	**12,523**	2,008
Casino revenue *(Note 5)*	**6,028**	-
Program revenue	**4,600**	5,570
Memberships	**351**	380
Donations	**95**	4,587
Government subsidy *(Note 9)*	**-**	13,997
Total revenue	**820,586**	766,675
Expenses		
Salaries and benefits	**586,554**	565,818
Professional fees	**66,711**	71,647
Events expense	**56,456**	8,007
Advertising	**36,864**	7,656
Programming costs	**32,763**	26,803
Office supplies	**28,826**	39,815
Rent *(Note 9)*	**24,262**	16,684
Training	**15,507**	12,779
Amortization	**9,487**	5,839
Telephone	**5,285**	4,227
Insurance	**3,975**	3,925
Equipment rental	**3,073**	2,322
Meals and refreshments	**2,282**	542
Bank charges and interest	**1,978**	40
Donations	**1,000**	-
Total expenses	**875,023**	766,104
Excess (deficiency) of revenue over expenses	**(54,437)**	571

Multicultural Association of Wood Buffalo
Statement of Changes in Net Assets
For the year ended March 31, 2022

	General fund	*Capital fund*	*Internally restricted fund*	***2022***	*2021*
Net assets, beginning of year	88,915	25,761	88,318	**202,994**	202,423
Excess (deficiency) of revenue over expenses	(54,437)	-	-	**(54,437)**	571
Capital asset purchases	(13,203)	13,203	-	**-**	-
Interfund transfers *(Note 7)*	41,681	-	(41,681)	**-**	-
Amortization of capital assets	9,487	(9,487)	-	**-**	-
Net assets, end of year	**72,443**	**29,477**	**46,637**	**148,557**	202,994

The accompanying notes are an integral part of these financial statements

Multicultural Association of Wood Buffalo
Statement of Cash Flows
For the year ended March 31, 2022

	2022	*2021*
Cash provided by (used for) the following activities		
Operating		
Cash receipts from operations	**906,973**	843,307
Cash paid for program service expenses	**(288,541)**	(136,481)
Cash paid for salaries and benefits	**(595,629)**	(587,492)
	22,803	119,334
Investing		
Purchase of capital assets	**(13,203)**	(24,144)
Increase in cash resources	**9,600**	95,190
Cash resources, beginning of year	**489,971**	394,781
Cash resources, end of year	**499,571**	489,971
Cash resources are composed of:		
Cash	**466,697**	477,751
Restricted cash	**32,874**	12,220
	499,571	489,971

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the association

Multicultural Association of Wood Buffalo (the "Association") was incorporated under the authority of the Societies Act of Alberta. The Association has a mandate to foster and promote equality, social justice and institutional change. It encourages communities to share their cultures and grow together in Canadian life.

The Association is a registered charity and thus is exempt from income taxes under the Income Tax Act (the "Act"). In order to maintain its status as a registered not-for-profit organization under the Act, the Association must meet certain requirements within the Act. In the opinion of management these requirements have been met.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

Revenue recognition

The Association follows the deferral method of accounting for contributions paid. 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. Sponsorship revenue is recognized based on the term of the sponsorship contract. Program and services revenue is recognized when services are delivered to the customer.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and cash on hand. Cash subject to restrictions that prevents its use for current purposes is included in restricted cash.

Capital assets

Purchased capital assets are recorded at cost. The policy of the Association is to capitalize assets when the useful life is greater than one year and the acquisition cost meets the capitalization threshold of $500. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Computer equipment	declining balance	30 %
Office equipment	declining balance	20 %

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Association writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Association's ability to provide goods and services. The assets are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Association determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

2. Significant accounting policies *(Continued from previous page)*

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Association's operations and would otherwise have been purchased.

Volunteers have made significant contributions of their time to the Association's program and supporting services. Because of the difficulty in determining and supporting their fair value, services provided by volunteers are not recognized in the financial statements.

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm’s length transaction (“arm’s length financial instruments”) are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm’s length financial instrument at fair value. The Association has made such an election during the year.

The Association subsequently measures all of its financial assets and liabilities at cost or amortized cost, except for equity instruments that are quoted in an active market which are measured at fair value. Fair value is determined by published price quotations. Changes in fair value of these financial instruments are recognized in excess of revenue over expenses

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Association initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction (“related party financial instruments”) at fair value:

All other related party financial instruments are measured at cost on initial recognition.

At initial recognition, the Association may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value. The Association has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, at fair value.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess (deficiency) of revenue over expenses.

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses in the year the reversal occurs.

2. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty (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 revenues and expenses during the reporting period.

Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the periods in which they become known.

3. Restricted cash

Restricted cash may not be used for purposes other than those approved by Alberta Gaming, Liquor, and Cannabis.

4. Capital assets

	Cost	***Accumulated amortization***	***2022 Net book value***	*2021 Net book value*
Computer equipment	**47,771**	**22,821**	**24,950**	25,608
Office equipment	**19,304**	**14,777**	**4,527**	153
	67,075	**37,598**	**29,477**	25,761

5. Deferred contributions

Deferred contributions consist of unspent contributions which are externally restricted. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	Municipal grant	***Casino***	***Provincial and federal grants***	***United Way***	***Other funds***	***2022***	*2021*
Balance, beginning of year	**-**	**12,220**	**18,807**	**20,275**	**186,286**	**237,588**	158,878
Funds received or receivable during the year	**539,910**	**26,682**	**99,600**	**75,000**	**164,690**	**905,882**	823,810
Revenue recognized during the year	**(539,910)**	**(6,028)**	**(20,407)**	**(75,000)**	**(166,718)**	**(808,063)**	(745,100)
Balance, end of year	**-**	**32,874**	**98,000**	**20,275**	**184,258**	**335,407**	237,588

6. Commitments

The Association has entered into premises and equipment lease agreements with estimated minimum annual payments as follows:

2023	9,002
2024	9,002
2025	9,002
2026	6,001
	33,007

7. Internally restricted fund

During the year, the Board of Directors approved the use of internally restricted funds of $21,030 (2021 - $14,753) for the Expo event, $11,915 (2021 - $nil) for the Financial Literacy Program, $nil (2021 - $8,334) for flexible funds, $nil (2021 - $3,359) for interpretation and translation services, and $55,374 (2021 - $41,552) for operational expenses.

In addition, the Board of Directors approved the transfer of $41,297 (2021 - $85,202) from the general fund to the internally restricted fund. This amount includes $12,034 (2021 - $21,030) for the Expo event, $1,915 (2021 - $8,799) for the Financial Literacy Program, and $27,349 (2021 - $55,373) for operational expenses.

8. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

9. Significant event

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian federal, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. The Organization has continued to provide services in accordance with provincial and federal restrictions and regulations.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

COVID-19 Related Rent Concessions

During the 2021 year, the Association received rent concessions which were directly related to the COVID-19 pandemic. The Association received a reduction in rent for 6 months totaling $nil (2021 - $13,291) which has been recorded as a direct reduction to expenses.