

MULTICULTURAL ASSOCIATION OF WOOD BUFFALO

Financial Statements

Year Ended March 31, 2025

MULTICULTURAL ASSOCIATION OF WOOD BUFFALO

Index to Financial Statements

Year Ended March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

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, 2025, 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 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 Association as at March 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from fundraising activities the completeness of which is not susceptible to 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2025, current assets and net assets as at March 31, 2025. Our audit opinion on the financial statements for the year ended March 31, 2024 was modified accordingly because of the possible effects of this limitation of scope.

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 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 audit opinion.

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Independent Auditor's Report to the Members of Multicultural Association of Wood Buffalo *(continued)*

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 ASNPO, 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.

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Independent Auditor's Report to the Members of Multicultural Association of Wood Buffalo *(continued)*

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.

Baker Tilly RSG LLP

Edmonton, Alberta
July 31, 2025

Chartered Professional Accountants

MULTICULTURAL ASSOCIATION OF WOOD BUFFALO**Statement of Financial Position****March 31, 2025**

| | 2025 | 2024 |
|--|-------------------|-------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 665,846 | \$ 618,023 |
| Restricted cash (Note 3) | - | 36,399 |
| Accounts receivable | 32,100 | 106,877 |
| Goods and services tax recoverable | 12,523 | 6,459 |
| | 710,469 | 767,758 |
| PROPERTY AND EQUIPMENT (Note 4) | 34,517 | 19,944 |
| | \$ 744,986 | \$ 787,702 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | \$ 42,243 | \$ 32,030 |
| Wages payable | 31,531 | 41,557 |
| Deferred contributions (Note 5) | 439,391 | 462,911 |
| | 513,165 | 536,498 |
| NET ASSETS | | |
| GENERAL FUND | 172,006 | 133,329 |
| CAPITAL FUND | 34,517 | 19,944 |
| INTERNALLY RESTRICTED FUND (Note 8) | 25,298 | 97,931 |
| | 231,821 | 251,204 |
| | \$ 744,986 | \$ 787,702 |

ON BEHALF OF THE BOARD_____
*President*_____
Treasurer

The accompanying notes are an integral part of these financial statements

MULTICULTURAL ASSOCIATION OF WOOD BUFFALO**Statement of Revenue and Expenses****Year Ended March 31, 2025**

| | 2025 | 2024 |
|---|--------------------|------------------|
| REVENUE | | |
| Municipal grant funding | \$ 539,910 | \$ 539,910 |
| Sponsorships and fundraising | 103,148 | 105,753 |
| United Way funding | 79,089 | 117,230 |
| Casino revenue | 67,713 | 45,398 |
| Cultural performance, training, and translation | 44,140 | 216,313 |
| Provincial, federal, and other grant funding | 28,482 | 5,150 |
| Program revenue | 11,557 | 16,332 |
| Donations | 3,295 | 8,734 |
| Memberships | 1,721 | 110 |
| | 879,055 | 1,054,930 |
| EXPENSES | | |
| Salaries and benefits | 565,821 | 649,204 |
| Events expense | 76,509 | 79,587 |
| Professional fees | 73,099 | 132,790 |
| Office supplies | 49,641 | 39,234 |
| Rent | 34,651 | 29,733 |
| Advertising and promotion | 29,750 | 41,284 |
| Programming costs | 20,221 | 26,349 |
| Travel and accommodations | 16,386 | 17,135 |
| Amortization | 7,803 | 7,261 |
| Training | 5,711 | 5,926 |
| Insurance and licenses | 4,573 | 4,603 |
| Meals and entertainment | 4,319 | 1,402 |
| Telephone and utilities | 3,544 | 5,235 |
| Equipment rental | 3,187 | 2,858 |
| Bank charges and interest | 2,223 | 1,242 |
| Donations | 1,000 | 1,000 |
| Bad debts | - | 3,175 |
| | 898,438 | 1,048,018 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES | \$ (19,383) | \$ 6,912 |

The accompanying notes are an integral part of these financial statements

MULTICULTURAL ASSOCIATION OF WOOD BUFFALO

Statement of Changes in Net Assets

Year Ended March 31, 2025

| | General Fund | Capital Fund | Internally Restricted Fund | 2025 | 2024 |
|--|-----------------|-----------------|----------------------------------|-----------------|---------|
| NET ASSETS - BEGINNING OF YEAR | 133,329 | 19,944 | 97,931 | 251,204 | 244,292 |
| (Deficiency) excess of revenue over expenses | (19,383) | - | - | (19,383) | 6,912 |
| Additions to property and equipment | (22,376) | 22,376 | - | - | - |
| Amortization of property and equipment | 7,803 | (7,803) | - | - | - |
| Interfund transfers <i>(Note 8)</i> | 72,633 | - | (72,633) | - | - |
| NET ASSETS - END OF YEAR | 172,006 | 34,517 | 25,298 | 231,821 | 251,204 |

The accompanying notes are an integral part of these financial statements

MULTICULTURAL ASSOCIATION OF WOOD BUFFALO**Statement of Cash Flows****Year Ended March 31, 2025**

| | 2025 | 2024 |
|--|------------|--------------|
| OPERATING ACTIVITIES | | |
| Cash receipts from customers | \$ 930,312 | \$ 1,268,417 |
| Cash paid for program service expenses | (330,691) | (375,861) |
| Cash paid for salaries and benefits | (565,821) | (649,204) |
| Cash flow from operating activities | 33,800 | 243,352 |
| INVESTING ACTIVITY | | |
| Purchase of property and equipment | (22,376) | (3,041) |
| INCREASE IN CASH FLOW | 11,424 | 240,311 |
| Cash - beginning of year | 654,422 | 414,111 |
| CASH - END OF YEAR | \$ 665,846 | \$ 654,422 |
| CASH CONSISTS OF: | | |
| Cash | \$ 665,846 | \$ 618,023 |
| Restricted cash (Note 3) | - | 36,399 |
| | \$ 665,846 | \$ 654,422 |

The accompanying notes are an integral part of these financial statements

MULTICULTURAL ASSOCIATION OF WOOD BUFFALO

Notes to Financial Statements

Year Ended March 31, 2025

1. PURPOSE OF THE ASSOCIATION

Multicultural Association of Wood Buffalo (the "Association") is a not-for-profit organization in the province of Alberta. The Association has a mandate to foster and promote equality, social justice, and institutional change. The Association encourages communities to share their cultures and grow together in Canadian life.

The Association was incorporated on July 19, 1985 under the Societies Act of Alberta. The Association funds its operations through government grants, contracts, and fundraising events.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are the representations of management, prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The significant aspects of the accounting policies adopted by the Association are as follows:

Revenue recognition

The Association 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.

Sponsorship revenue is recognized based on the term of the sponsorship contract. Program and service revenue is recognized when services are delivered to the customer.

Cash and cash equivalents

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

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

| | | |
|--------------------------------|---------|--------------------------|
| Computer equipment | 30% | declining balance method |
| Office furniture and equipment | 20% | declining balance method |
| Leasehold improvements | 5 years | straight-line method |

The Association regularly reviews its property and equipment to eliminate obsolete items. The Association's policy is to capitalize assets when the useful life of the asset is greater than one year and the acquisition cost is greater than \$500. Contributed property and equipment are recorded at their fair value at the date of the contribution if the fair value can be reasonably determined.

Contributed materials and services

The operations of the Association depend on both the contribution of time by volunteers and donated materials from various sources. Contributed materials and services are recognized in the statement of operations when the fair value of donated materials and services can be reasonably determined and when materials are used in the normal course of the Association's operations and would have otherwise been purchased.

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

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MULTICULTURAL ASSOCIATION OF WOOD BUFFALO

Notes to Financial Statements

Year Ended March 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

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.

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association reduced the carrying value of any impaired financial assets to the highest of: the present value of the 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 the organization.

Any impairment, which is not considered temporary, is included in the 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.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of capital assets;
- the estimated useful lives of assets;
- the recoverability of capital assets; and,
- the recognition of deferred revenues.

3. RESTRICTED CASH

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

MULTICULTURAL ASSOCIATION OF WOOD BUFFALO

Notes to Financial Statements

Year Ended March 31, 2025

4. PROPERTY AND EQUIPMENT

| | Cost | Accumulated amortization | 2025 Net book value | 2024 Net book value |
|--------------------------------|-----------|-----------------------------|---------------------------|---------------------------|
| Computer equipment | \$ 52,770 | \$ 41,884 | \$ 10,886 | \$ 15,596 |
| Office furniture and equipment | 30,370 | 18,454 | 11,916 | 4,348 |
| Leasehold improvements | 13,017 | 1,302 | 11,715 | - |
| | \$ 96,157 | \$ 61,640 | \$ 34,517 | \$ 19,944 |

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 contributions balance are as follows:

| | Balance, beginning of year | Funds received or receivable during the year | Revenue recognized during the year | 2025 | 2024 |
|-------------------------------------|----------------------------------|--|---|------------|------------|
| Municipal grant | \$ 269,955 | \$ 539,910 | \$ 539,910 | \$ 269,955 | \$ 269,955 |
| Casino | 36,210 | 28,969 | 65,179 | - | 36,210 |
| United Way | 16,622 | 96,661 | 94,249 | 19,034 | 16,622 |
| Other funds | 140,124 | 79,432 | 107,845 | 111,711 | 140,124 |
| Provincial and federal grants | - | 38,691 | - | 38,691 | - |
| | \$ 462,911 | \$ 783,663 | \$ 807,183 | \$ 439,391 | \$ 462,911 |

6. ECONOMIC DEPENDENCE

The ongoing operations of the Association depend primarily on the continuation of funding from the Regional Municipality of Wood Buffalo. Approximately \$61% (2024: 51%) of all recognized revenues are funded by the Regional Municipality of Wood Buffalo and as such, any contract changes with the Regional Municipality of Wood Buffalo could have a significant impact on the Association's financial position.

MULTICULTURAL ASSOCIATION OF WOOD BUFFALO

Notes to Financial Statements

Year Ended March 31, 2025

7. COMMITMENTS

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

| | |
|------|------------|
| 2026 | \$ 29,956 |
| 2027 | 29,956 |
| 2028 | 29,956 |
| 2029 | 29,956 |
| 2030 | 2,492 |
| | <hr/> |
| | \$ 122,316 |

During the year the Association entered into a memorandum of understanding with the Arts Council of Wood Buffalo for office space in a new facility currently being built. The lease will commence when the building is ready for occupancy and replace the current lease agreement. As of the reporting date, no estimated completion date has been provided and no lease terms have been set. Consequently, the annual lease payments of \$40,000 have not been included in the commitments disclosed above.

8. INTERNALLY RESTRICTED FUND

During the year, the Board of Directors approved the usage of internally restricted funds of:

- a) \$20,000 (2024: \$15,975) for the Expo event;
- b) \$19,653 (2024: \$1,000) for Multiculturalism Day;
- c) \$580 (2024: Nil) for I&T Community Initiative; and,
- d) \$50,000 (2024: \$94,992) for operational expenses.

In addition, the Board of Directors approved the transfer of \$17,600 (2024: \$86,464) from the general fund to the internally restricted fund. This amount includes:

- e) \$17,000 (2024: \$20,000) for the Expo event; and,
- f) \$600 (2024: \$10,100) for Multiculturalism Day.

9. 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 or liquidity risk arising from these financial instruments.