

Newmarket African Caribbean Canadian Association
Financial Statements
December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors of
Newmarket African Caribbean Canadian Association (“the Association”)

Qualified Opinion

I have audited the financial statements of the Association, which comprise the statement of financial position as at December 31, 2021, and the statement of operations and net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* paragraph, the accompanying financial statements present fairly, in all material respect, the financial position of the Association as at December 31, 2021, 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 organization.

Basis for Qualified Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Association in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

In common with many not-for-profit organizations, the Association derives revenue from donations 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, I was not able to determine whether any adjustments might be necessary to donations, excess of revenue over expenses, and cash flows from operations for the year ended December 31, 2021, current assets as at December 31, 2021, and net assets as at January 1 and December 31, 2021.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organization, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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 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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

The engagement principal on the audit resulting in this independent auditor's report is Michael Pinnock.



Michael G. G. Pinnock, FCPA
Fellow Chartered Professional Accountant
Licensed Public Accountant

Markham, Ontario

March 24, 2022

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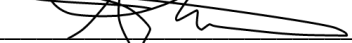
Statement of Financial Position

As at December 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
ASSETS:		
CURRENT:		
Cash	62,532	62,229
Accounts receivable	25,000	
Prepayments	1,229	
Total	<u>88,761</u>	<u>62,229</u>
NONCURRENT:		
Capital assets: net (<i>Note 7</i>)	80	178
Investment	5,000	5,000
Total	<u>5,080</u>	<u>5,178</u>
Total Assets	<u><u>93,841</u></u>	<u><u>67,407</u></u>
LIABILITIES:		
CURRENT:		
Accounts payable and accrued liabilities	10,187	3,390
Deferred revenue (<i>Note 6</i>)	63,260	53,451
Total Liabilities	<u>73,447</u>	<u>56,841</u>
NET ASSETS:		
Unrestricted	20,394	10,566
Total Net Assets	<u>20,394</u>	<u>10,566</u>
Total Liabilities and Net Assets	<u><u>93,841</u></u>	<u><u>67,407</u></u>

Approved by:  _____

Jerisha Grant-Hall - Chair

Approved by:  _____

Alicia Katsavos - Treasurer

The accompanying notes on pages 4 to 7 are an integral part of these financial statements

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Statement of Operations and Net Assets

For the year ended December 31, 2021

	<u>2021</u>	2020
	\$	\$
REVENUE		
Donations	101,240	19,604
Grants	8,561	7,453
Membership	574	275
Interest	25	
Others	3,315	3,258
	113,715	30,590
EXPENSES		
Amortization	98	839
Bank charges	194	137
Insurance	410	
Office	9,607	4,571
Programs	93,578	12,381
Salaries and related costs		3,870
	103,887	21,798
Surplus of revenue over expenses	9,828	8,792
Net Assets - Beginning of the year	10,566	1,774
Net Assets - End of the year	20,394	10,566

The accompanying notes on pages 4 to 7 are an integral part of these financial statements

Newmarket African Caribbean Canadian Association
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Statement of Cash Flows

For the year ended December 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
Operating		
Surplus of revenue over expenses	9,828	8,792
Changes in non-cash working capital components:		
Amortization of capital assets	98	839
Accounts receivable	(25,000)	
Prepayments	(1,229)	
Accounts payable and accrued liabilities	6,797	3,390
Deferred revenue	9,809	53,451
	<u>303</u>	<u>66,472</u>
Investing		
Purchase of GIC		<u>(5,000)</u>
		<u>(5,000)</u>
Increase in Cash	303	61,472
Cash, beginning of year	<u>62,229</u>	<u>757</u>
Cash, end of year	<u>62,532</u>	<u>62,229</u>
REPRESENTED BY:		
Cash at bank	<u>62,532</u>	<u>62,229</u>
	<u>62,532</u>	<u>62,229</u>

The accompanying notes on pages 4 to 7 are an integral part of these financial statements

Newmarket African Caribbean Canadian Association
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Notes to the Financial Statements

For the year ended December 31, 2021

1 Registration, Incorporation and Purpose of the Association

Newmarket African Caribbean Canadian Association was incorporated in the Province of Ontario, without share capital, on July 29, 2019, Business # 77822 9674 RC0001. As a Not-For-Profit, the Organization is tax exempted under section 149 of the *Income Tax Act*.

Its objects are:

1. Building community and uniting the residents of Ontario who are the people of african descent
2. Preserving and perpetuating the culture and tradition of people of african descent
3. Sponsoring literary, musical and other educational, and cultural events, festivals, and conventions for the promotion for people of african descent
4. Promoting interests of members and mutual aid and assistance whenever necessary and
5. Establishing and maintaining a centre for cultural activities for the people of african descent in the province of antario

2 Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organization. The financial statements reflect the following significant accounting policies:

a) Basis of Accounting

Except for revenue from donations, which are recorded on a cash basis, with no accrual being made for amounts pledged but not received, revenues and expenditures are recorded on the accrual basis, whereby transactions and events are recognized in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent.

Going Concern

Management has prepared the financial statements on the *Going Concern basis*. The Association is expected to operate for the foreseeable future. Neither the Management nor the Board of Directors of the Association has the intention or the need to close or curtail materially the operations of the Association.

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For the year ended December 31, 2021

2 Summary of Significant Accounting Policies (continued)

Use of estimates

In the process of applying the Association's accounting policies, management makes various judgements, estimates and assumptions that can significantly affect the amounts it recognises and the related disclosures reported in the financial statements. These estimates are based on historical experiences and management's best knowledge of current events and actions. Actual results may differ from those estimates and assumptions.

b) Revenue Recognition

The Association follows the deferral method of accounting for contributions and grants, whereby restricted contributions related to expenses of future periods are deferred and recognized as revenue in the related future period that the expenses are incurred. All other contributions are reported as revenue of the current period.

- a. Donations – *Funds received from individuals, organizations and other charities to assist with specific programs delivered by the Association. Recognized when received.*
- b. Grants – *Funds received from vary levels of government to assist with the delivery of programs, Recognized when received or receivable.*
- c. Membership fees – *Annual dues paid by members. Recognized when received.*
- d. Other – *Miscellaneous cash inflows and sale proceeds. Recognized when received.*

c) Capital Assets

Purchased capital assets are recorded at cost, contributed capital asset at *fair value*. Depreciation is provided on the reducing balance basis at rates estimated to write-off capital asset over the term of their estimated useful lives. The rates used are as follows:

Computer equipment	55%
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For the year ended December 31, 2021

2 Summary of Significant Accounting Policies (continued)

d) Donated Services and Goods

The Association benefits from volunteer services. Since these services are not normally purchased by the Association and because of the difficulties of determining their fair value, donated services are not recognized in these financial statements. Donated goods are not recorded in the books unless they would normally be purchased.

e) Financial Instruments

The Association's financial instruments are initially recognized at *fair value*, and subsequently carried at cost and amortized cost, net of impairment.

These financial instruments consist of cash, accounts receivable, investment and; accounts payable and accrued liabilities.

f) Allocated Expenses

There are no allocated expenses.

3 Financial Instruments and Risk Management

The Association's financial instruments consist of cash, accounts receivable, investment and; accounts payable and accrued liabilities. Except for the investment, the fair value of these financial instruments approximates their carrying values due to their short-term maturity.

The investment is held in a GIC, has a maturity date of December 26, 2022 and earns interest at 0.5% per annum.

4 Government Remittances

There were no Government remittances outstanding at the end of the fiscal period.

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For the year ended December 31, 2021

5 Critical Judgement and Sources of Estimation Uncertainty

There were no critical judgements, including estimations, which management has made in the process of applying the Association's accounting policies that may have a significant effect on the amounts recognized in the financial statements.

6 Deferred Revenue

Deferred revenue consist of unspent funds in the current year:

	<u>2021</u>	<u>2020</u>
Food Security Program	959.04	34,600.00
Mental Health	4,391.60	14,430.24
Scholarship donation	2,055.35	4,420.66
BHM donation	165.53	
ESDC grant	688.97	
Growth & Development grant	30,000.00	
Youth & Education	25,000.00	
	63,260.49	53,450.90

7 Capital Assets

	<u>2021</u>			<u>2020</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net Book value</u>	<u>Net Book value</u>
Computer equipment	1,017	937	80	178
	1,017	937	80	178