

FOUNDATION FOR OROMIAN CULTURE, EDUCATION AND ART SERVICES (FOCAS)
Financial Statements
Year Ended December 31, 2022

FOUNDATION FOR OROMIAN CULTURE, EDUCATION AND ART SERVICES (FOCAS)

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Year Ended December 31, 2022

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FOUNDATION FOR OROMIAN CULTURE, EDUCATION AND ART SERVICES (FOCAS)**Statement of Financial Position****December 31, 2022**

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 37,427	\$ 53,998
Gift certificates	1,675	-
Restricted cash (Note 8)	139,192	167,119
Term deposits (Note 7)	10,095	10,000
Grants receivable	19,620	-
Goods and services tax recoverable	3,150	-
Prepaid expenses	3,087	5,100
	214,246	236,217
CAPITAL ASSETS (Note 6)	91,432	56,341
	\$ 305,678	\$ 292,558
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 10,865	\$ 9,268
Employee government deductions payable	4,355	3,721
Deferred income (Note 8)	208,100	218,551
	223,320	231,540
NET ASSETS		
General fund	40,204	56,107
Capital asset fund	42,154	4,911
	82,358	61,018
	\$ 305,678	\$ 292,558

LEASE COMMITMENTS (Note 9)

FUNDS HELD IN TRUST (Note 5)

ON BEHALF OF THE BOARD_____
Director_____
Director

The accompanying notes form an integral part of these financial statements

FOUNDATION FOR OROMIAN CULTURE, EDUCATION AND ART SERVICES (FOCAS)**Statement of Revenues and Expenditures****Year Ended December 31, 2022**

	2022	2021
REVENUES		
Grant revenue	\$ 186,129	\$ 100,738
Donations	73,854	59,717
Membership	57,128	52,992
Miscellaneous	997	140
	318,108	213,587
EXPENSES		
Advertising and promotion	2,304	4,213
Amortization	21,349	9,022
Business taxes, licences and memberships	1,312	348
Direct program expenses	39,831	9,677
Insurance	2,648	375
Interest and bank charges	2,032	1,386
Office	11,477	2,646
Professional fees	6,783	7,521
Rental	22,657	22,377
Repairs and maintenance	526	-
Salaries and wages	177,888	114,969
Telephone	1,073	445
Training	488	1,645
Travel	6,812	633
	297,180	175,257
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	20,928	38,330
OTHER INCOME (EXPENSES)		
Loss on disposal of assets	-	(12,175)
Interest income	412	-
	412	(12,175)
EXCESS OF REVENUES OVER EXPENSES	\$ 21,340	\$ 26,155

The accompanying notes form an integral part of these financial statements

FOUNDATION FOR OROMIAN CULTURE, EDUCATION AND ART SERVICES (FOCAS)**Statement of Changes in Net Assets****Year Ended December 31, 2022**

	General Fund	Capital Asset Fund	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 56,107	\$ 4,911	\$ 61,018	\$ 34,863
EXCESS OF REVENUES OVER EXPENSES	26,820	(5,480)	21,340	26,155
GRANT FUNDS USED FOR CAPITAL ADDITIONS	(13,717)	13,717	-	-
OPERATING FUNDS USED FOR CAPITAL ADDITIONS	(29,006)	29,006	-	-
NET ASSETS - END OF YEAR	\$ 40,204	\$ 42,154	\$ 82,358	\$ 61,018

The accompanying notes form an integral part of these financial statements

FOUNDATION FOR OROMIAN CULTURE, EDUCATION AND ART SERVICES (FOCAS)**Statement of Cash Flows****Year Ended December 31, 2022**

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 21,340	\$ 26,155
Items not affecting cash:		
Amortization of capital assets	21,349	9,022
Loss on disposal of assets	-	12,175
	42,689	47,352
Changes in non-cash working capital:		
Accounts receivable	(19,620)	-
Accounts payable	1,597	9,270
Goods and services tax payable (recoverable)	(3,150)	-
Deferred income	(10,451)	218,551
Prepaid expenses	2,013	(4,459)
Employee deductions payable	634	(3,379)
	(28,977)	219,983
Cash flow from operating activities	13,712	267,335
INVESTING ACTIVITIES		
Additions to capital assets	(56,440)	(65,364)
Changes in term deposits	(95)	(10,000)
Restricted cash	27,927	(167,119)
Gift certificates	(1,675)	-
Cash flow used by investing activities	(30,283)	(242,483)
INCREASE (DECREASE) IN CASH FLOW	(16,571)	24,852
Cash - beginning of year	53,998	29,146
CASH - END OF YEAR	\$ 37,427	\$ 53,998

CASH FLOWS SUPPLEMENTARY INFORMATION

The accompanying notes form an integral part of these financial statements

FOUNDATION FOR OROMIAN CULTURE, EDUCATION AND ART SERVICES (FOCAS)

Notes to Financial Statements

Year Ended December 31, 2022

1. PURPOSE OF THE ORGANIZATION

Foundation for Oromian Culture, Education and Art Services (FOCAS) (the "organization") is a not-for-profit organization incorporated federally under the Canada Not-for-profit Corporations Act. As a registered charity the organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The organization operates to provide and assist refugees and new immigrants living in Edmonton through partnerships, services and programs that are timely, culturally appropriate and address their concerns.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Significant estimates include:

- Estimated accrued receivables.
- Useful lives for amortization of capital assets.
- Assessment of impairment of long term assets.
- Estimated accrued payables.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

Cash equivalents

Highly liquid investments with maturities of one year or less at date of purchase are classified as cash equivalents.

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FOUNDATION FOR OROMIAN CULTURE, EDUCATION AND ART SERVICES (FOCAS)

Notes to Financial Statements

Year Ended December 31, 2022

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

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates:

Computer equipment	55%
Furniture and fixtures	20%

The organization regularly reviews its capital assets to eliminate obsolete items. Government grants utilized to purchase are included in deferred contributions.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Impairment of long lived assets

The organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Fund accounting

Foundation for Oromian Culture, Education and Art Services (FOCAS) follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the Operating fund.

The Capital fund reports the assets, liabilities, revenues and expenses related to Foundation for Oromian Culture, Education and Art Services (FOCAS)'s capital assets. Grants contributed to the purchase of capital assets are included as part of deferred contributions and are included as grant revenue as the associated assets are amortized.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are; therefore, not reflected in these financial statements.

Government grants

Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with all the necessary conditions to obtain the grants.

4. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2022.

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FOUNDATION FOR OROMIAN CULTURE, EDUCATION AND ART SERVICES (FOCAS)

Notes to Financial Statements

Year Ended December 31, 2022

4. FINANCIAL INSTRUMENTS *(continued)*

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its grantors and other related sources, and accounts payable.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other risks arising from these financial instruments.

5. FUNDS HELD IN TRUST

The organization in conjunction with Immigration, Refugees and Citizenship Canada (IRCC) administers the Sponsorship and Settlement Program on behalf of contributing partners. Related trust funds are not owned by the organization have been excluded from the reporting entity. The funds are reconciled as follows:

	Annual changes
Opening balance 2022	\$ 786,072
Add: Sponsorship deposits	565,239
Less: Sponsorship returns	(25,000)
Add: Interest earned on deposits	17,209
Less: Bank charges incurred	(713)
Net annual changes	- 556,735
Ending balance 2022	\$ 1,342,807

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 18,962	\$ 10,879	\$ 8,083	\$ 10,298
Furniture and fixtures	95,116	18,720	76,396	46,043
Leasehold improvements	7,726	773	6,953	-
	\$ 121,804	\$ 30,372	\$ 91,432	\$ 56,341

FOUNDATION FOR OROMIAN CULTURE, EDUCATION AND ART SERVICES (FOCAS)**Notes to Financial Statements****Year Ended December 31, 2022****7. TERM DEPOSITS**

	2022	2021
1 Year non-redeemable GIC maturing on February 24, 2023 at 0.61% per annum	\$ 10,095	\$ 10,000
	\$ 10,095	\$ 10,000
Cost	\$ 10,095	\$ 10,000

8. DEFERRED REVENUE

Deferred revenue represents unspent resources externally restricted for future operating purposes received in the current period that are related to the subsequent period. Deferred revenue is comprised of:

	2022	2021
Deferred grant revenues - see note below	\$ 158,812	\$ 167,119
Deferred capital asset grant contributions	49,288	51,431
	\$ 208,100	\$ 218,550

Note, unexpended funds related to the deferred grant revenue are supported by restricted cash held exclusively for future expenses related to these grants.

9. LEASE COMMITMENTSOffice rent

The organization has a long term lease with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at year end are as follows:

2023	\$ 27,225
2024	27,225
2025	27,225
2026	27,225
2027	27,225
	<u>\$ 136,125</u>

10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

11. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.