

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

**Financial Statements**

**Year Ended December 31, 2023**

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

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**Year Ended December 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Foundation for Oromian Culture, Education and Art Services (FOCAS)

### *Opinion*

We have audited the financial statements of Foundation for Oromian Culture, Education and Art Services (FOCAS) (the "organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenditures, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2023, 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 Opinion*

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 organization 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 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 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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.

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Independent Auditor's Report to the Members of Foundation for Oromian Culture, Education and Art Services (FOCAS) (*continued*)

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 organization'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 organization'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 organization 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.

Edmonton, Alberta  
July 6, 2024

*Seniuk & Company*  
**Seniuk and Company,  
Chartered Professional Accountants**

**FOUNDATION FOR OROMIAN CULTURE, EDUCATION AND ART SERVICES (FOCAS)****Statement of Financial Position****December 31, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 43,934	\$ 37,427
Gift certificates	1,475	1,725
Restricted cash (Note 8)	259,091	139,192
Term deposits (Note 7)	10,430	10,095
Accounts receivable	2,280	19,620
Goods and services tax recoverable	3,087	3,150
Prepaid expenses	4,465	3,087
	<b>324,762</b>	214,296
<b>CAPITAL ASSETS (Note 6)</b>	<b>80,244</b>	91,432
	<b>\$ 405,006</b>	<b>\$ 305,728</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 7,799	\$ 10,866
Employee government deductions payable	5,551	4,355
Deferred income (Note 8)	305,280	208,100
	<b>318,630</b>	223,321
<b>NET ASSETS</b>		
General fund	52,320	40,263
Capital asset fund	34,056	42,144
	<b>86,376</b>	82,407
	<b>\$ 405,006</b>	<b>\$ 305,728</b>

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, 2023**

	2023	2022
<b>REVENUES</b>		
Grant revenue	\$ 212,728	\$ 186,129
Donations	66,966	73,854
Membership	77,622	57,128
Miscellaneous	1,694	997
	<b>359,010</b>	<b>318,108</b>
<b>EXPENSES</b>		
Advertising and promotion	8,264	2,304
Amortization	24,962	21,349
Business taxes, licences and memberships	1,227	1,312
Direct program expenses	27,152	39,781
Insurance	2,561	2,648
Interest and bank charges	2,731	2,032
Office	12,017	11,477
Professional fees	13,831	6,783
Rental	28,792	22,657
Repairs and maintenance	12,369	526
Salaries and wages	208,173	177,888
Telephone	3,786	1,073
Training	146	488
Travel	10,270	6,812
	<b>356,281</b>	<b>297,130</b>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>2,729</b>	<b>20,978</b>
<b>OTHER INCOME (EXPENSES)</b>		
Interest income	1,240	412
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 3,969</b>	<b>\$ 21,390</b>

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, 2023**

	General Fund	Capital Asset Fund	<b>2023</b>	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 40,263	\$ 42,144	<b>\$ 82,407</b>	\$ 61,017
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	14,925	(10,956)	<b>3,969</b>	21,390
OPERATING FUNDS USED FOR CAPITAL ADDITIONS	(2,868)	2,868	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 52,320</b>	<b>\$ 34,056</b>	<b>\$ 86,376</b>	<b>\$ 82,407</b>

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, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 3,969	\$ 21,390
Item not affecting cash:		
Amortization of capital assets	24,962	21,349
	<b>28,931</b>	42,739
Changes in non-cash working capital:		
Accounts receivable	17,340	(19,620)
Accounts payable	(3,067)	1,597
Goods and services tax payable (recoverable)	63	(3,150)
Deferred income	97,180	(10,451)
Prepaid expenses	(1,378)	2,013
Employee deductions payable	1,196	634
	<b>111,334</b>	(28,977)
Cash flow from operating activities	<b>140,265</b>	13,762
<b>INVESTING ACTIVITIES</b>		
Additions to capital assets	(13,774)	(56,440)
Changes in term deposits	(335)	(95)
Restricted cash	(119,899)	27,927
Gift certificates	250	(1,725)
Cash flow used by investing activities	<b>(133,758)</b>	(30,333)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>6,507</b>	(16,571)
Cash - beginning of year	37,427	53,998
<b>CASH - END OF YEAR</b>	<b>\$ 43,934</b>	\$ 37,427
<b>CASH FLOWS SUPPLEMENTARY INFORMATION</b>		
Interest received	\$ (1,240)	\$ (412)
Interest paid	\$ 2,730	\$ 2,031
<b>CASH CONSISTS OF:</b>		
Cash	\$ 43,934	\$ 37,427

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, 2023

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### 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

#### 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 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 included in amortized cost.

#### 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, 2023

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### 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%
Leasehold improvements	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

The organization follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the Operating fund. Members' fees are recognized as revenue in the fiscal year to which they relate. Members' fees received in advance of the fiscal year to which they relate are recorded as deferred revenue. Unrestricted donations are recognized as revenue in the fiscal year to which they relate. Restricted donations are recognized as revenue in the fiscal year in which the restrictions are met.

The capital asset fund reports the assets, liabilities, revenues and expenses related to the organization'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.

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

## Notes to Financial Statements

Year Ended December 31, 2023

### 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, 2023.

#### *(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
<b>Opening balance 2023</b>	<b>\$ 1,342,808</b>
Add: Sponsorship deposits	419,000
Less: Sponsorship returns	(276,388)
Add: Interest earned on deposits	52,042
Less: Bank charges incurred	(444)
Less: Donated interest on sponsorship returns	(12,568)
Net annual changes	- 181,642
<b>Ending balance 2023</b>	<b>\$ 1,524,450</b>

### 6. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 32,185	\$ 18,961	\$ 13,224	\$ 8,083
Furniture and fixtures	95,667	34,055	61,612	76,396
Leasehold improvements	7,726	2,318	5,408	6,953
	\$ 135,578	\$ 55,334	\$ 80,244	\$ 91,432

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

**Notes to Financial Statements**

**Year Ended December 31, 2023**

7. TERM DEPOSITS

	2023	2022
1 Year non-redeemable GIC maturing on February 24, 2024 at 0.61% per annum	\$ 10,430	\$ 10,095
	<b>\$ 10,430</b>	<b>\$ 10,095</b>
Cost	<b>\$ 10,430</b>	<b>\$ 10,095</b>

8. DEFERRED REVENUE

Deferred revenue is related to grant funding restricted for future purposes. Deferred revenue is comprised of:

	2023	2022
Deferred revenue opening balance related to capital assets	\$ 49,288	\$ 51,431
Additions - capital assets purchased with grant funds	10,907	13,717
Less - depreciation on associated assets	(14,006)	(15,860)
Deferred revenue ending balance related to capital assets	<b>46,189</b>	49,288
	-	-
Deferred revenue opening balance related to operating grants	158,812	167,119
Additions - new operating grants allocated	309,908	175,677
Less - operating grants funds spent on operations	(209,629)	(183,984)
Deferred revenue ending balance related to operating grants	<b>259,091</b>	158,812
<b>Total deferred revenue</b>	<b>\$ 305,280</b>	<b>\$ 208,100</b>

Note, unexpended funds related to unspent operating grants is supported by restricted cash held exclusively for future expenses related to these grants.

9. LEASE COMMITMENTS

Office 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:

2024	\$ 27,225
2025	27,225
2026	27,225
2027	27,225
	<u>27,225</u>
	<b>\$ 108,900</b>

10. COMPARATIVE FIGURES

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