

BLACK CANADIANS FOR CULTURAL,
EDUCATIONAL & ECONOMIC PROGRESS >

financial statements

>YEAR ENDED DECEMBER 31, 2021

MAC LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

financial statements

>YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Black Canadians for Cultural, Educational & Economic Progress:

We have reviewed the accompanying financial statements of Black Canadians for Cultural, Educational & Economic Progress that comprise the statement of financial position as at December 31, 2021, and the statements of loss, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Black Canadians for Cultural, Educational & Economic Progress 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 Organizations.

Other Matter

The financial statements of Black Canadians for Cultural, Educational & Economic Progress for the year ended December 31, 2020 have not been audited or reviewed. Therefore, we do not express any comment on these comparative figures.

MAC LLP.

Waterloo, Ontario
August 24, 2022

LICENSED PUBLIC ACCOUNTANTS
CHARTERED PROFESSIONAL ACCOUNTANTS

statement of financial position

>DECEMBER 31, 2021

	2021	2020
<i>assets</i>		
current		
Cash	\$ 98,885	\$ 74,168
Grants receivable	<u>46,360</u>	<u>27,652</u>
	<u>\$ 145,245</u>	<u>\$ 101,820</u>
<i>liabilities</i>		
current		
Accounts payable and accrued liabilities	\$ 31,999	\$ 4,766
Deferred revenue	<u>39,761</u>	<u>23,307</u>
	71,760	28,073
non-current		
Canada emergency business loan account	<u>40,000</u>	<u>40,000</u>
	111,760	68,073
<i>net assets</i>		
Unrestricted	<u>33,485</u>	<u>33,747</u>
	<u>\$ 145,245</u>	<u>\$ 101,820</u>

Approved on behalf of the board:

Director

Director

statement of changes in net assets

>YEAR ENDED DECEMBER 31, 2021

	2021	2020
balance, beginning of year	\$ 33,747	\$ (962)
Net loss for the year	<u>(262)</u>	<u>34,709</u>
balance, end of year	\$ <u>33,485</u>	\$ <u>33,747</u>

statement of operations

>YEAR ENDED DECEMBER 31, 2021

	2021	2020
revenue		
Other revenue	\$ 3,755	\$ 283
Grant revenue	196,876	213,353
Government subsidies	<u>-</u>	<u>20,109</u>
	<u>200,631</u>	<u>233,745</u>
expenses		
Advertising and promotion	950	-
Direct aid	7,635	55,167
Direct wages	48,995	51,324
Dues and fees	60	-
Interest and bank charges	410	364
Office supplies	246	55
Professional fees	1,000	452
Program expenses	43,264	84,710
Rental	12,130	5,000
Repairs and maintenance	77,236	-
Subsidy 10% expense	6,404	-
Telephone	2,240	1,242
Travel	<u>323</u>	<u>722</u>
	<u>200,893</u>	<u>199,036</u>
net loss for year	<u>\$ (262)</u>	<u>\$ 34,709</u>

statement of cash flows

>YEAR ENDED DECEMBER 31, 2021

	2021	2020
operating activities		
Net loss for year	\$ (262)	\$ 34,709
Adjustments for:		
Changes in non-cash working capital:		
Accounts receivable	(18,708)	(27,652)
Accounts payable and accrued liabilities	27,233	(11,274)
Deferred revenue	<u>16,454</u>	<u>23,307</u>
	<u>24,717</u>	<u>19,090</u>
financing activities		
Advance of long term debt	<u>-</u>	<u>40,000</u>
Increase in cash	24,717	59,090
Cash balance, beginning of year	<u>74,168</u>	<u>15,078</u>
cash balance, end of year	<u>\$ 98,885</u>	<u>\$ 74,168</u>

BLACK CANADIANS FOR CULTURAL, EDUCATIONAL & ECONOMIC PROGRESS > notes to financial statements

>DECEMBER 31, 2021

1. purpose of organization

Black Canadians for Cultural, Educational & Economic Progress is incorporated under the Canada Corporations Act as a not-for-profit organization, and is exempt under the Income Tax Act. Black Canadians for Cultural, Educational & Economic Progress is a non-profit organization. The organization's priority is to unite various organizations, establishments and individuals for the all around progress of the black community as well as the entire community as a whole..

2. impact of first-time adoption of Canadian accounting standards for not-for-profit organizations

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements for the year ended December 31, 2021 were prepared in accordance with the accounting principles described and provisions set out in the First-Time adoption, Section 1500 of the CPA Canada Accounting for first-time adopters of this basis of accounting. Furthermore, adopting Canadian accounting standards for not-for-profit organizations resulted in the addition of the statement of cash flows for the year ended December 31, 2020.

There has been no differences noted in the statement of financial position and statement operations as at the date of transition based on the previous financial statements and under the Canadian accounting standards for not-for-profit organizations.

3. significant accounting policies

Basis of Accounting - These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition - The Company follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received. Restricted contributions are recognized as revenue when the expense is incurred.

Revenue includes grant revenue, goods and services income, rental income, donations and other revenue. Grant revenue is recognized as earned. Goods and services income is recognized when the sales transaction is complete. Rental income is recognized when the space is occupied by the renter. Other revenue is recognized as earned.

Financial Instruments

Initial measurement - The Company initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Company in the transaction.

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Subsequent measurement - The Company subsequently measures all its financial assets and financial liabilities originated or exchanged in arm's length transactions at amortized cost. Financial assets and financial liabilities originated in related party transactions are subsequently measured at cost. Any reduction for impairment is recognized in net income, in the period incurred.

Financial assets measured at amortized cost include cash and accounts receivable

Impairment - Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs - The entity recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Contributed Materials and Services - The Company is dependent upon many hours of service contributed by volunteers. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

The Company receives contribution of materials, the fair value of which may or may not be reasonably determinable. Contributed materials are recognized as donations when fair values can be determined. No contributed materials were recognized as donation revenue during the year.

Disclosure and Use of Estimates - The preparation of financial statements in accordance 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, the 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. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Estimates are used when accounting for certain items such as revenues, useful lives of capital assets and evaluation of minimum lease terms for operating leases.

4. financial instruments

Risk Management - The significant risks to which the Company is exposed are credit risk and liquidity risk. There has been no change to the risk exposures from the prior year.

Credit Risk - The Company is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The maximum exposure to credit risk is the carrying value these items on the balance sheet.

Liquidity Risk - Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Company's cash requirements.