

MULTICULTURAL COUNCIL OF SASKATCHEWAN INC.

Financial Statements

Year Ended March 31, 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Multicultural Council of Saskatchewan Inc. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Multicultural Council of Saskatchewan Inc.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Board of Directors approve the financial statements and considers the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by MWC Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.


Executive Director


Board Director

Regina, SK
May 28, 2023



Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Multicultural Council of Saskatchewan Inc.

Opinion

We have audited the financial statements of Multicultural Council of Saskatchewan Inc. (the Council), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, 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 Council as at March 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.

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

Those charged with governance are responsible for overseeing the Council's financial reporting process.

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An asset to our clients, not an expense

102 – 4701 Parliament Ave, Regina, SK S4W 0T9 ☎ 306-352-8621 📠 306-565-8476 🌐 mwc-cpa.ca

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 Council'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 Council'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 Council 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.

The logo for MWC LLP is written in a stylized, handwritten-style font. The letters 'MWC' are larger and more prominent, with 'LLP' in a smaller font size to the right.

Chartered Professional Accountants

Regina, Saskatchewan
May 28, 2023

MULTICULTURAL COUNCIL OF SASKATCHEWAN INC.

Statement of Financial Position

March 31, 2023

	General	Restricted	2023	2022
ASSETS				
CURRENT				
Cash	\$ 255,466	\$ 7,769	\$ 263,235	\$ 369,976
Investments (Note 4)	105,189	96,732	201,921	185,625
Accounts receivable	8,625	-	8,625	8,152
Goods and services tax recoverable	3,429	-	3,429	3,658
Prepaid expenses	13,723	-	13,723	14,397
Interfund balances (Note 5)	(9,827)	9,827	-	-
	\$ 376,605	\$ 114,328	\$ 490,933	\$ 581,808
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable	\$ 65,191	\$ -	\$ 65,191	\$ 134,693
Wages payable	8,612	-	8,612	9,161
Deferred revenue (Note 6)	285,443	-	285,443	288,088
	359,246	-	359,246	431,942
NET ASSETS	17,359	114,328	131,687	149,866
	\$ 376,605	\$ 114,328	\$ 490,933	\$ 581,808

LEASE COMMITMENTS (Note 8)

ON BEHALF OF THE BOARD

Margot Hurlbert

Director

[Signature]

Director

See accompanying notes to financial statements

MULTICULTURAL COUNCIL OF SASKATCHEWAN INC.

Statement of Operations Year Ended March 31, 2023

	General	Restricted	2023	2022
REVENUES				
Saskatchewan Lotteries Trust Fund	\$ 530,000	\$ -	\$ 530,000	\$ 520,000
Government of Canada - Canadian Heritage	105,382	-	105,382	50,000
Government of Saskatchewan	10,000	-	10,000	28,714
SaskCulture	3,000	-	3,000	-
Donations	300	1,418	1,718	675
Sponsorships	1,000	-	1,000	1,000
	649,682	1,418	651,100	600,389
SELF-GENERATED				
Partnership contributions	24,700	-	24,700	23,150
Education services	22,335	-	22,335	74,150
Sales	10,834	-	10,834	13,396
Interest income	5,158	1,782	6,940	804
Memberships	3,870	-	3,870	3,990
Other	306	-	306	20
	67,203	1,782	68,985	115,510
EXPENSES				
Administration (<i>Schedule 1</i>)	396,762	-	396,762	379,333
Corporate Business (<i>Schedule 2</i>)	10,247	-	10,247	12,376
Meetings (<i>Schedule 3</i>)	30,898	-	30,898	14,666
Programs and Services (<i>Schedule 4</i>)	261,984	-	261,984	231,313
Public Relations and Communication (<i>Schedule 5</i>)	38,373	-	38,373	44,388
	738,264	-	738,264	682,076
EXCESS OF REVENUES (EXPENSES)	\$ (21,379)	\$ 3,200	\$ (18,179)	\$ 33,823

See accompanying notes to financial statements

MULTICULTURAL COUNCIL OF SASKATCHEWAN INC.

Statement of Changes in Net Assets Year Ended March 31, 2023

	General	Restricted (Note 7)	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 48,738	\$ 101,128	\$ 149,866	\$ 116,043
EXCESS OF REVENUES (EXPENSES)	(21,379)	3,200	(18,179)	33,823
TRANSFER	(10,000)	10,000	-	-
NET ASSETS - END OF YEAR	\$ 17,359	\$ 114,328	\$ 131,687	\$ 149,866

See accompanying notes to financial statements

MULTICULTURAL COUNCIL OF SASKATCHEWAN INC.

Statement of Cash Flows Year Ended March 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ (18,179)	\$ 33,823
Item not affecting cash:		
Reinvested earnings of investments	<u>(4,300)</u>	<u>(804)</u>
	<u>(22,479)</u>	<u>33,019</u>
Changes in non-cash working capital:		
Accounts receivable	(473)	(6,882)
Accounts payable	(69,498)	87,424
Deferred revenue	(2,645)	17,828
Prepaid expenses	674	(13,557)
Goods and services tax payable	229	3,436
Wages payable	<u>(549)</u>	<u>1,383</u>
	<u>(72,262)</u>	<u>89,632</u>
Cash flow from (used by) operating activities	<u>(94,741)</u>	<u>122,651</u>
INVESTING ACTIVITY		
Purchase of investments	<u>(12,000)</u>	<u>(9,973)</u>
Cash flow used by investing activity	<u>(12,000)</u>	<u>(9,973)</u>
INCREASE (DECREASE) IN CASH FLOW	(106,741)	112,678
CASH - BEGINNING OF YEAR	<u>369,976</u>	<u>257,298</u>
CASH - END OF YEAR	<u>\$ 263,235</u>	<u>\$ 369,976</u>

See accompanying notes to financial statements

MULTICULTURAL COUNCIL OF SASKATCHEWAN INC.

Notes to Financial Statements

Year Ended March 31, 2023

1. PURPOSE OF THE COUNCIL

Multicultural Council of Saskatchewan Inc. (the "Council") is a not-for-profit organization incorporated provincially under the Non-profit Corporations Act of Saskatchewan. As a registered charity the Council is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Council serves Saskatchewan through various programs that raise awareness of the benefits of cultural diversity and the dangers of racism.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Revenue recognition

The Council follows the restricted method of accounting for contributions, which includes grants, sponsorships, and donations.

General fund 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. Other restricted contributions are recognized as revenue of the applicable restricted fund in the year they are received or receivable.

Donations in-kind are recognized when the fair value of the contribution can be determined.

Investment income is recognized as revenue in the year in which the revenue is earned.

Self-generated activities are recognized as revenue when the services are provided.

Net assets

- a) The General fund reports the day-to-day operations of the Council.
- b) The Internally Restricted fund is restricted by the Board of Directors to provide for the future sustainability of the Council in the event of changes in funding. These funds can only be used upon approval by the Board. The Board has set a policy that an annual transfer of \$12,000 will be done when there is a sufficient surplus earned by the General Fund in the year.
- c) The Sarkar Family Fund is externally restricted which allows the fund to be used for Community Reconciliation through Respect and Sharing programming.

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MULTICULTURAL COUNCIL OF SASKATCHEWAN INC.

Notes to Financial Statements

Year Ended March 31, 2023

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

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.

Financial assets including cash, investments, and accounts receivable are reported at amortized cost.

Financial liabilities including accounts payable and accrued liabilities are measured at amortized cost.

3. ECONOMIC DEPENDENCE

The Council is economically dependent on the grant revenue from the Saskatchewan Lotteries Trust Fund (Sask Lotteries) and should this funding substantially change, management is of the opinion that continuing operations would be significantly impacted.

4. INVESTMENTS

	<u>2023</u>	<u>2022</u>
<u>General Fund</u>		
Term deposit maturing June 2023 with interest at 4.00%	\$ 105,189	\$ -
Term deposit maturing May 2022 with interest at 0.25%	-	102,673
<u>Restricted Funds</u>		
Term deposit maturing January 2024 with interest at 4.55%	96,732	-
Term deposit maturing November 2022 with interest at 0.45%	-	82,950
	<u>\$ 201,921</u>	<u>\$ 185,623</u>

5. INTERFUND BALANCES

Interfund balances arises from temporary timing differences from the activities of the funds and for annual transfers. Interfund balances bear no interest and have no set repayment terms.

As at year end \$9,827 (2022 - \$11,957) is owed from the General Fund to the Restricted Fund.

MULTICULTURAL COUNCIL OF SASKATCHEWAN INC.

Notes to Financial Statements

Year Ended March 31, 2023

6. DEFERRED REVENUE

	2023	2022
Sask Lotteries - annual funding advance	\$ 260,000	\$ 260,000
Government of Canada - Grant	21,503	27,658
SaskCulture funding	3,000	-
Memberships	940	430
	\$ 285,443	\$ 288,088

7. RESTRICTED FUNDS

	Sarkar Family Fund	Internally Restricted Fund	2023	2022
Net assets - beginning of year	\$ 6,182	\$ 94,946	\$ 101,128	\$ 88,623
Excess of revenues (expenses)	1,782	1,418	3,200	505
Transfer	-	-	10,000	12,000
Net assets - end of year	\$ 7,964	\$ 96,364	\$ 114,328	\$ 101,128

8. LEASE COMMITMENTS

The Council has a eighteen month lease with respect to its premises at \$2,150 per month (excluding taxes) expiring March 31, 2024. The lease contain a renewal option at the close of the lease. The Council has prepaid 3 months of this commitment which is reflected in the statement of financial position. The future minimum lease payments as at March 31, 2023, are as follows:

2024	\$ 25,800
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9. FINANCIAL INSTRUMENTS

The Council is exposed to various risks through its financial instruments and management is responsible to monitor, evaluate and manage these risks. The following analysis provides information about the Council's risk exposure and concentration as of March 31, 2023.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Council is exposed to credit risk from members and customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Council has numerous customers and therefore there is no concentration of credit risk.

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MULTICULTURAL COUNCIL OF SASKATCHEWAN INC.

Notes to Financial Statements

Year Ended March 31, 2023

9. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Council is exposed to this risk mainly in respect of its receipt of funds from its funders, members, and customers, and for the settlement of accounts payable and commitments.

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

MULTICULTURAL COUNCIL OF SASKATCHEWAN INC.

Administration Expenses Year Ended March 31, 2023

(Schedule 1)

	General	Restricted	2023	2022
Office	\$ 47,366	\$ -	\$ 47,366	\$ 42,092
Staff salaries and benefits	349,396	-	349,396	337,241
	<u>\$ 396,762</u>	<u>\$ -</u>	<u>\$ 396,762</u>	<u>\$ 379,333</u>

Corporate Business Expenses Year Ended March 31, 2023

(Schedule 2)

	General	Restricted	General	2022
Audit and accounting services	\$ 9,458	\$ -	\$ 9,458	\$ 9,372
Resource development	-	-	-	1,594
Insurance	624	-	624	1,245
Memberships	150	-	150	150
Legal	15	-	15	15
	<u>\$ 10,247</u>	<u>\$ -</u>	<u>\$ 10,247</u>	<u>\$ 12,376</u>

Meetings Expenses Year Ended March 31, 2023

(Schedule 3)

	General	Restricted	2023	2022
Board and staff development	\$ 5,243	\$ -	\$ 5,243	\$ 9,482
Board meetings	10,920	-	10,920	2,512
Annual general meetings	7,002	-	7,002	1,639
Staff travel	7,410	-	7,410	1,033
Membership meetings	323	-	323	-
	<u>\$ 30,898</u>	<u>\$ -</u>	<u>\$ 30,898</u>	<u>\$ 14,666</u>

See accompanying notes to financial statements

MULTICULTURAL COUNCIL OF SASKATCHEWAN INC.

Programs and Services Expenses

(Schedule 4)

Year Ended March 31, 2023

	General	Restricted	2023	2022
Education	\$ 19,346	\$ -	\$ 19,346	\$ 67,312
Ethnocultural revitalization	10,000	-	10,000	-
March 21 activities	15,607	-	15,607	63,033
Strategic initiatives	47,082	-	47,082	41,770
Partnership projects	26,672	-	26,672	23,737
Sask multicultural week	19,248	-	19,248	12,273
Multicultural education initiatives	10,214	-	10,214	11,694
Regional multicultural councils	13,375	-	13,375	9,000
Multicultural events	195	-	195	2,262
Member development	150	-	150	190
Youth leadership activities	-	-	-	33
ICARE	93,152	-	93,152	9
Microgrants	6,943	-	6,943	-
	\$ 261,984	\$ -	\$ 261,984	\$ 231,313

Public Relations and Communication Expenses

(Schedule 5)

Year Ended March 31, 2023

	General	Restricted	2023	2022
Advertising and promotion	\$ 7,587	\$ -	\$ 7,587	\$ 18,581
Sponsorship	22,750	-	22,750	15,000
Multifaith calendar	6,448	-	6,448	7,238
Website and social media	1,588	-	1,588	3,569
	\$ 38,373	\$ -	\$ 38,373	\$ 44,388

See accompanying notes to financial statements