

**Action Dignity Society**  
**Financial Statements**  
*March 31, 2024*

To the Members of Action Dignity Society:

## Opinion

We have audited the financial statements of Action Dignity Society (the "Society"), which comprise the statement of financial position as at March 31, 2024, 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 Society as at March 31, 2024, 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.

## 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 Society in accordance with the 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 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.

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

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 Society'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 Society'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 Society 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.

Calgary, Alberta

June 7, 2024

*MNP LLP*

Chartered Professional Accountants

**Action Dignity Society**  
**Statement of Financial Position**  
*As at March 31, 2024*

	<b>2024</b>	2023
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (Note 3)	596,559	524,134
Restricted cash (Note 5)	1,878,601	848,980
Investment (Note 4)	49,896	-
Accounts receivable	181,501	140,369
Goods and Services Tax recoverable	14,056	7,515
Prepaid expenses and deposits	4,018	3,728
	<b>2,724,631</b>	1,524,726
<b>Capital assets (Note 6)</b>	<b>23,729</b>	33,357
	<b>2,748,360</b>	1,558,083
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (Note 7)	72,384	86,810
Wages and vacation payable	81,375	57,685
Deferred contributions (Note 5)	1,878,601	848,980
	<b>2,032,360</b>	993,475
<b>Deferred contributions related to capital assets (Note 8)</b>	<b>8,020</b>	11,458
	<b>2,040,380</b>	1,004,933
<b>Commitments (Note 10)</b>		
<b>Net Assets</b>		
Invested in capital assets	15,709	21,899
Unrestricted	605,276	520,063
Internally restricted	86,995	11,188
	<b>707,980</b>	553,150
	<b>2,748,360</b>	1,558,083

Approved on behalf of the Board

  
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 Director

  
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 Director

The accompanying notes are an integral part of these financial statements

**Action Dignity Society**  
**Statement of Operations**  
*For the year ended March 31, 2024*

	2024	2023
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<b>Revenue</b>		
Grants	2,398,044	1,764,390
Donations	106,189	40,236
Interest	22,371	1,506
Sub-rental income	4,620	8,590
Memberships	1,995	975
Casino	-	13,285
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	<b>2,533,219</b>	1,828,982
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<b>Expenses</b>		
Salaries and benefits	1,387,808	1,295,001
Program	240,565	88,106
Grants charitable partner	171,913	-
Special events and community forum	124,251	103,359
Consulting	63,714	88,125
Meetings and workshops	54,651	45,219
Rent	53,380	53,400
Training	48,363	25,196
Program supplies	39,660	20,039
Honorarium and community volunteer support	39,137	18,422
Professional fees	33,740	26,461
Postage, printing and office supplies	24,433	13,496
Professional development	17,743	2,504
Communication	14,793	6,617
Travel	12,397	14,910
Insurance	11,429	11,166
Telephone and internet services	8,303	3,875
Advertising and publicity	7,561	4,129
Board development and annual general meeting	7,282	7,023
Other operating	3,970	1,905
Bank charges and interest	2,933	1,633
Repairs and maintenance	2,354	6,787
Memberships and licenses	1,819	1,700
Bad debts	-	1,612
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<b>Total expenses</b>	<b>2,372,199</b>	1,840,685
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<b>Excess (deficiency) of revenue over expenses before other income (expense)</b>	<b>161,020</b>	(11,703)
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<b>Other income (expense)</b>		
Amortization of deferred contributions related to capital assets	3,438	4,911
Amortization expense	(9,628)	(12,867)
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	<b>(6,190)</b>	(7,956)
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<b>Excess (deficiency) of revenue over expenses</b>	<b>154,830</b>	(19,659)
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*The accompanying notes are an integral part of these financial statements*

**Action Dignity Society**  
**Statement of Changes in Net Assets**  
*For the year ended March 31, 2024*

	<i>Invested in Capital assets</i>	<i>Unrestricted</i>	<i>Internally restricted</i>	<b>2024</b>	<b>2023</b>
<b>Net assets, beginning of year</b>	21,899	520,063	11,188	<b>553,150</b>	572,809
<b>Excess (deficiency) of revenue over expenses</b>	(6,190)	85,213	75,807	<b>154,830</b>	(19,659)
<b>Net assets, end of year</b>	<b>15,709</b>	<b>605,276</b>	<b>86,995</b>	<b>707,980</b>	553,150

*The accompanying notes are an integral part of these financial statements*

**Action Dignity Society**  
**Statement of Cash Flows**  
*For the year ended March 31, 2024*

	<b>2024</b>	<b>2023</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	154,830	(19,659)
Amortization	9,628	12,867
Amortization of deferred capital contributions related to capital assets	(3,438)	(4,911)
Interest earned and reinvested in short-term investments	(9,896)	-
	<b>151,124</b>	<b>(11,703)</b>
Changes in working capital accounts		
Accounts receivable	(41,132)	(73,646)
Goods and Services Tax recoverable	(6,541)	(2,967)
Prepaid expenses and deposits	(290)	(428)
Accounts payable and accruals	(14,426)	(10,031)
Wages and vacation payable	23,690	4,767
Deferred contributions	1,029,621	346,482
	<b>1,142,046</b>	<b>252,474</b>
<b>Investing</b>		
Purchase of investments	(40,000)	-
Proceeds on disposal of investments	-	340,000
	<b>(40,000)</b>	<b>340,000</b>
<b>Increase in cash resources</b>	<b>1,102,046</b>	<b>592,474</b>
<b>Cash resources, beginning of year</b>	<b>1,373,114</b>	<b>780,640</b>
<b>Cash resources, end of year</b>	<b>2,475,160</b>	<b>1,373,114</b>
<b>Cash resources are composed of:</b>		
Cash	596,559	524,134
Restricted cash (Note 5)	1,878,601	848,980
	<b>2,475,160</b>	<b>1,373,114</b>

The accompanying notes are an integral part of these financial statements

**1. Incorporation and nature of the organization**

Action Dignity Society (the "Charity") is a not-for-profit entity incorporated under the Societies Act on December 16, 2002 and became a registered charity in October 2012. The Society is a community-based organization that facilitates the collective voice of Calgary's visible minority communities, in order to influence social, economic, and political change through collaborative action. The activity of the Society is carried out chiefly, but not exclusively, in Calgary and vicinity, in the Province of Alberta. As a registered charity, the Society is exempt from income taxes under section 149(1) of the *Income Tax Act* (the "Act"). To maintain its status as a tax exempt entity under the act, the Society must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

**2. Significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

***Cash and cash equivalents***

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less from the date of acquisition. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

***Investments***

Investments consist of short-term and long-term guaranteed investment certificates ("GICs") recorded at amortized cost.

***Goods and services tax recoverable***

Goods and services tax paid is recoverable at 50% as a rebate. The unrecoverable amount is recorded as expenses with the rebate recorded as a receivable.

***Capital assets***

Capital assets are recorded at cost less accumulated amortization. Assets acquired over \$3,000 are capitalized to the appropriate accounts.

Amortization is provided using the following methods at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Method</b>	<b>Rate</b>
Computer equipment	declining balance	30 %
Furniture and fixtures	declining balance	20 %
Leasehold improvements	straight-line	term of lease 5 years

***Revenue recognition***

The Society follows the deferral method of accounting for contributions. 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. Sub-rental income is recognized as earned. Endowment contributions are recognized as direct increases in net assets.

Collected fees, donations and fundraising revenues are recognized as revenue when received or receivable.

2. **Significant accounting policies** *(Continued from previous page)*

**Contributed services**

Volunteers contribute many hours per year to assist the Society in carrying out its services and programs. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

**Financial instruments**

The Charity recognizes financial instruments when the Charity becomes party to the contractual provisions of the financial instrument.

**Arm's length financial instruments**

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Charity may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Charity has not made such an election during the year. The Charity subsequently measures all arm's length transactions at cost or amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**Financial asset impairment**

The Charity assesses impairment of all its financial assets measured at cost or amortized cost. The Charity groups assets for impairment testing when there are numerous assets affected by the same factors. When there is an indication of impairment, the Charity determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Charity reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

The Charity reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses in the year the reversal occurs.

**Measurement uncertainty (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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenue over expenses in the year in which they become known.

**Action Dignity Society**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2024*

**3. Cash and cash equivalents**

Cash and cash equivalents consists of the following:

	<b>2024</b>	<b>2023</b>
Cash	2,175,160	1,373,114
Redeemable GIC with a maturity date of April 13, 2024 generating interest at a rate of 3.00% per annum	300,000	-
Amounts reported as restricted cash (Note 5)	(1,878,601)	(848,980)
	<b>596,559</b>	<b>524,134</b>

**4. Investment**

Investment consists of one non-redeemable GIC with a maturity date of April 13, 2024, generating interest at a rate of 3.45% per annum.

**5. Restricted cash and deferred contributions**

Restricted cash and deferred contributions consist of unspent contributions externally restricted for eligible expenses as disclosed in the contribution agreements. Recognition of these amounts as revenue is deferred to periods when the eligible expenditures are made.

Changes in restricted cash and deferred contributions are as follows:

	<i>Beginning</i>	<i>Received during the year</i>	<i>Recognized in revenue</i>	<i>Ending</i>
United Way	189,269	669,022	(575,669)	282,622
City of Calgary - Family and Community Support Services	51	404,972	(335,318)	69,705
City of Calgary - Other	8,929	585,848	(284,333)	310,444
Casino	80,307	-	-	80,307
Calgary Foundation	160,962	909,286	(650,850)	419,398
Calgary Women's Foundation	44,952	-	(44,952)	-
WES Mariam Assefa fund	8,937	270,060	(50,343)	228,654
Other	355,573	380,149	(248,266)	487,456
Government Contributions	-	203,719	(203,704)	15
	<b>848,980</b>	<b>3,423,056</b>	<b>(2,393,435)</b>	<b>1,878,601</b>

**6. Capital assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2024 Net book value</i>	<i>2023 Net book value</i>
Computer equipment	77,409	66,539	10,870	15,528
Furniture and fixtures	31,919	23,758	8,161	10,201
Leasehold improvements	74,340	69,642	4,698	7,628
	<b>183,668</b>	<b>159,939</b>	<b>23,729</b>	<b>33,357</b>

**Action Dignity Society**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2024*

**7. Accounts payable and accruals**

The Society has a limit on a corporate credit card from a Canadian bank for \$40,000 (2023 - \$40,000). The credit card is secured by a non-redeemable GIC with a carrying value of \$49,896 (note 4). At March 31, 2024, \$24,805 (2023 - \$18,415) was outstanding on the credit card and is included in accounts payable and accruals.

**8. Deferred contributions related to capital assets**

Deferred contributions related to capital assets consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	<b>2024</b>	2023
Balance, beginning of year	<b>11,458</b>	16,369
Less: Amounts recognized as revenue during the year	<b>(3,438)</b>	(4,911)
Balance, end of year	<b>8,020</b>	11,458

**9. Financial instruments**

The Society, as part of its operations, carries a number of financial instruments. It is management's opinion that the Society is not exposed to significant interest rate, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

**10. Commitments**

The Charity has lease agreements for premises and equipment. The estimated minimum annual payments until maturity are as follows:

2025	24,458
2026	2,834
2027	2,834
2028	2,834
	32,960

**11. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.