

# **IRANIAN CANADIAN CONGRESS**

**( A NON PROFIT ORGANIZATION)**

## **FINANCIAL STATEMENTS**

**Year ended December 31, 2019**

# IRANIAN CANADIAN CONGRESS

( A NON PROFIT ORGANIZATION)

## FINANCIAL STATEMENTS

Year ended December 31, 2019

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# David Chemtob

## COMPTABLE PROFESSIONNEL AGRÉÉ CHARTERED PROFESSIONAL ACCOUNTANT

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### AUDITOR'S REPORT

To the administrators of  
Iranian Canadian Congress

I have audited the financial statements of Iranian Canadian Congress - Not-for-Profit Organization (the Entity), which comprise the statement of financial position as at December 31, 2019 and December 31, 2018, and the statements of operations, changes in net assets and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and December 31, 2018 and its results of operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Entity derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2019 and December 31, 2018, current assets as at December 31, 2019 and December 31, 2018 and net assets as at January 1 and December 31 for both the 2019 and 2018. My audit opinion on the financial statements for the year ended December 31, 2019 and December 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

As described in the Basis for Qualified Opinion section above, I was unable to obtain sufficient appropriate evidence about the completeness of revenues from fundraising activities. Accordingly, I am unable to conclude whether or not the other information is materially misstated with respect to this matter.

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Entity'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity 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.

I 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 I identify during my audit.

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the left.

David Chemtob, CPA auditor, CA  
Montreal, Quebec  
November 5, 2020

# IRANIAN CANADIAN CONGRESS

( A NON PROFIT ORGANIZATION)

## Statement of Financial Position

As at December 31, 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		270	1,552
<b>Fixed Assets</b>			
Furniture and equipment	(3)	320	400
		<b>590</b>	<b>1,952</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable		12,825	-
<b>Long Term</b>			
Due to board members	(4)	22,812	500
<b>Net assets</b>		<b>(35,047)</b>	<b>1,452</b>
		<b>590</b>	<b>1,952</b>

APPROVED ON BEHALF OF BOARD:

Soudeh Ghasemi, Board member

\_\_\_\_\_, Board member

See accompanying notes to Financial Statements

# IRANIAN CANADIAN CONGRESS

( A NON PROFIT ORGANIZATION)

## Statement of Operations and changes in Net Assets

Year ended December 31, 2019

	2019	2018
	\$	\$
<b>Revenues</b>		
Events and sponsorship	-	47,666
Donations and membership	18,602	16,508
Grants	-	2,795
	<b>18,602</b>	<b>66,969</b>
<b>Expenses</b>		
Advertising and promotion	4,320	2,575
Rent	4,451	10,071
Events	-	50,947
Interest and bank charges	48	136
Depreciation	80	100
Office and general	3,424	4,557
Salaries and wages	-	2,797
Meetings	-	1,873
Professional fees	42,778	904
	55,101	73,960
<b>Excess of expenses over revenues</b>	<b>(36,499)</b>	<b>(6,991)</b>
Net assets, beginning of the year	1,452	8,443
<b>Net assets, end of the year</b>	<b>(35,047)</b>	<b>1,452</b>

See accompanying notes to Financial Statements

# IRANIAN CANADIAN CONGRESS

( A NON PROFIT ORGANIZATION)

## Statement of cash flows

Year ended December 31, 2019

	2019	2018
	\$	\$
<b>Operating Activities</b>		
Excess of expenses over revenues	(36,499)	(6,991)
Non-cash outlay - Depreciation	80	100
Net changes in non-cash working capital : (Increase) Decrease	(36,419)	(6,891)
Prepaid expenses Increase (Decrease)	-	5,708
Accounts payable	12,825	(1,601)
<b>Cash (Used) Provided by Operating Activities</b>	<b>(23,594)</b>	<b>(2,784)</b>
<b>Financing Activities</b>		
Advances by (Repayments to) board members	22,312	(1,750)
<b>Cash Provided by (Used)Financing Activities</b>	<b>22,312</b>	<b>(1,750)</b>
<b>(Decrease) Increase in cash</b>	<b>(1,282)</b>	<b>(4,534)</b>
<b>Cash , beginning of the year</b>	<b>1,552</b>	<b>6,084</b>
<b>Cash, end of the year</b>	<b>270</b>	<b>1,552</b>

See accompanying notes to Financial Statements



# IRANIAN CANADIAN CONGRESS

( A NON PROFIT ORGANIZATION)

## Notes to financial statements

As at December 31, 2019

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### NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The entity elect to apply the Canadian accounting standards for not-for-profit organizations. Part III of the Canadian Institute of Chartered Accountants (CICA) Handbook, in accordance with the Canadian generally accepted accounting principles.

#### A) USE OF ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimate are used when accounting for items and matters such as allowance for doubtful accounts receivable, asset valuation, amortization, and contingencies. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

#### B) INCOME TAXES

No provision has been made for income taxes since the entity is a non profit organization.

#### C) REVENUE RECOGNITION

Donations and memberships are recognized at its fair market value in the period it was received and/or unconditionally given. Donor-imposed restrictions do not affect the timing or value of the recognition.

Revenue from events and sponsorship are recognized when the revenue are received and the obligation are fulfilled

#### D) FIXED ASSETS AND DEPRECIATION

Fixed assets are recorded at cost. Depreciation is computed at the declining balance method at the rate of 20% per annum.

## 2. FAIRE VALUE OF FINANCIAL INSTRUMENTS

Cash and cash equivalents, receivable, accounts payable and accrual are reflected in the financial statements at cost which equals fair value because the short term maturity of these instruments. The fair value of loans payable directors are not determinable as the loan bears no interest. The fair value of long term debts is determined using the present value of future cash flows under financing agreements, based on market interest rates for loans with similar conditions and maturities.

3. FIXED ASSETS			2019	2018
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
	\$	\$	\$	\$
Furniture and fixtures	500	180	320	400

## 4. DUE TO BOARD MEMBERS

The loans payable to board members are non interest bearing and have no specific term of repayment

## 5. BOARD MEMBERS SALARIES AND INTEREST

No salaries or interest have been paid to the board members during the year.

# **IRANIAN CANADIAN CONGRESS**

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## **Notes to financial statements**

**As at December 31, 2019**

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### **6. THE GOING CONCERN PRINCIPLE**

The entity faced financial difficulty due to a legal matter initiated by some members. The administrators informed me that the entity was able raise fund . I was assured by the administrators that the entity will be able to continue as a going concern, during and beyond the next fiscal period. It will complete its current plans, use its existing assets and continue to meet its financial obligations.

### **7. LEGAL MATTER**

A Motion was brought against the entity around September 2019, to disclose the membership list. The board reached a conditional settlement with the Applicants, whereby certain matters would be completed between the date of settlement and the Annual General Meeting. This settlement is forecast to be finalized and completed as of December 13, 2020.