



# **Financial Report for period Jul 2022 to Sep 2024**

**Report Date: Sep 12th, 2024**

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## Executive Summary

This report provides a comprehensive review of SCAON's financial performance for the term from July 2022 to September 2024, highlighting key income sources, expenses, challenges, and forward-looking recommendations.

### Income:

Total income for the term amounted to **\$286,187**, a significant increase from the previous term. Key income streams included member contributions, service income, and targeted fundraising campaigns. However, a substantial portion of member contributions remains uncollected due to outdated records and limited follow-up processes.

### Grants and Funds:

Securing grants and external funding has been critical for SCAON's financial sustainability. Over the course of the term, a total of **25 applications** were submitted, with a combined value of **\$2,301,970**. Of these, **5 applications** were successfully awarded, totaling **\$84,270**. Additionally, **9 applications**, valued at **\$583,500**, are still under review.

### Expenses:

Total expenses for the term were **\$238,164**, with rent, professional services, and utilities comprising the largest portions. Notable increases in professional services expenses were necessary to enhance financial governance, compliance, and auditing processes.

### Proposed Budget for the Next Two Years:

Income for the next two fiscal years is projected to rise through grants, member contributions, and service income, with a total projected income of **\$127,000** in the first year and **\$172,650** in the second year. Expenses are expected to be **\$106,400** in year one and **\$128,850** in year two, with strategic investments focused on operations, programs, and long-term growth initiatives.

### Key Challenges:

Challenges included the lack of a corporate credit card, reliance on personal cards for online payments, and the absence of a charity registration number, which has limited larger donations. Addressing these challenges is critical for future success.

### Recommendations:

Moving forward, SCAON should prioritize applying for charity status, improving financial leadership, and developing better member engagement strategies to ensure sustained financial growth and stability.

## **The Financial Objectives:**

Throughout the term, our financial objectives focused on three key areas:

### **1. Maximizing Income:**

- **Funds/Grants:** Collaborate with the Programs & Development Office and other departments to secure funding by aligning organizational goals and services with available grant opportunities.
- **Donations:** Encourage contributions through targeted campaigns and provide incentives to increase community engagement and participation.
- **Memberships:** Expand the membership base and simplify the contribution process through Pre-Authorized Debit (PAD), e-transfers, and cash payments.
- **Services:** Partner with other offices to promote and market income-generating services, such as space rentals and event-related activities.

### **2. Expense Management:**

- **Overheads:** Ensure the effective management and timely settlement of essential expenses, including rent, insurance, utilities, and telecommunications.
- **Operations and Professional Services:** Optimize the use of available resources and secure external funding for consultancy and other professional services where possible.
- **Services & Programs:** Provide support to other offices for their financial planning and execution to maintain operational efficiency.

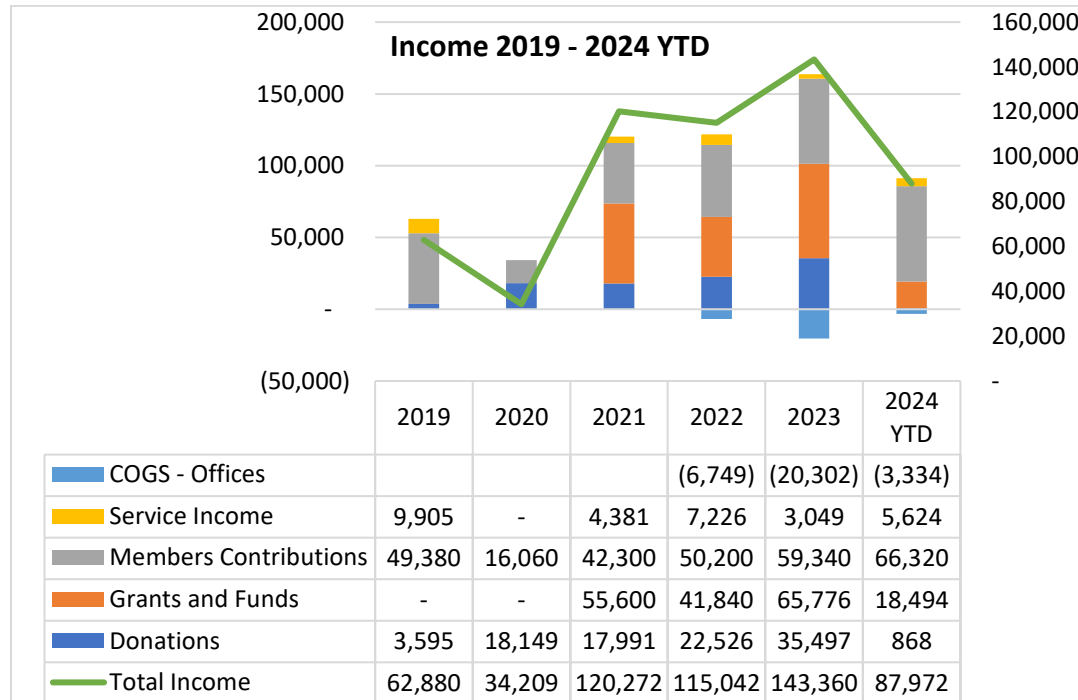
### **3. Administration, Governance & Compliance:**

- **Accounting System:** Acquire and fully implement a robust accounting system to manage all financial records effectively.
- **Governance and Compliance:** Enhance processes and procedures to improve governance, ensuring full compliance with relevant regulations.
- **Audits and Filings:** Ensure the timely completion of financial audits and CRA filings.
- **CRM Database:** Collaborate with other offices to establish a CRM database to improve data management and member engagement.

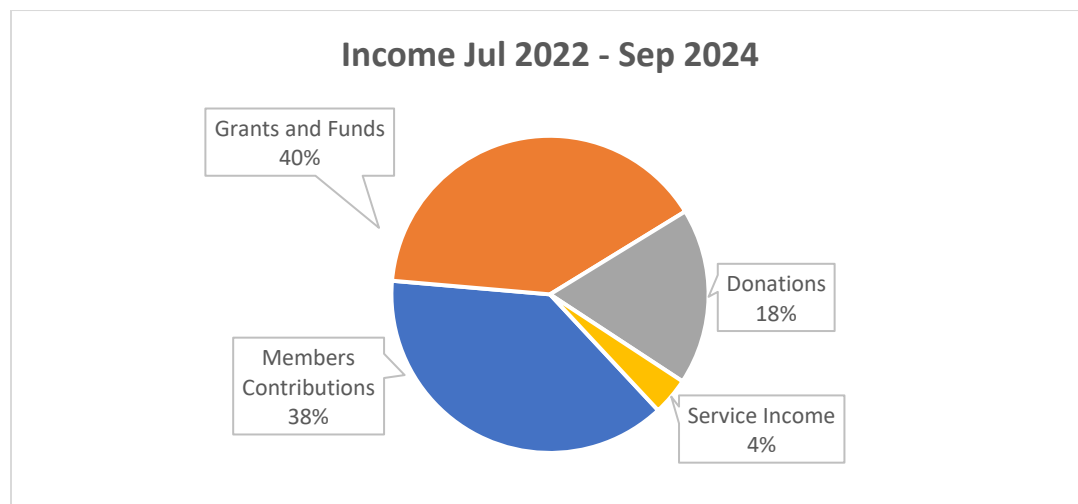
**Income Overview:**

The total income for the current term was **\$286,187**, marking a significant increase compared to **\$170,401** reported in the previous term.

The chart below illustrates the income trend from 2019 to the 2024 year-to-date:



The primary sources of income for this term were as follows:



**Note:** It is important to highlight that the Members' Contribution is recognized as accrued income and does not fully represent actual collections.

**Members Contributions:**

Currently, there are **282 members** on record, though the majority are not actively contributing. Receivables from members total **\$51,990**, while only **\$14,330** (approximately 22%) has actually been collected, which translates to contributions from about **60 members** on average.

Challenges in Clearing Receivables:

- Members' contributions are based on an **inaccurate list of member records**, leading to inflated receivables.
- There is a **lack of reliable records** to track active members.
- The **accumulation of receivables over time** makes it increasingly difficult for many members to settle their dues.
- **Absence of a Charity Registration Number:** The lack of a charity registration number has limited our ability to attract larger donations, as many donors prefer tax-deductible receipts. However, with the groundwork now in place, we are in a position to apply for charity status, which will significantly improve our ability to secure future contributions.

To facilitate easier payments for members, we offer the following payment options:

- **Pre-Authorized Direct Debit**
- **Bank Transfers**
- **Cash or Cheque Payments**
- **Payment Terminals (Point-of-Sale “cards”)**

The introduction of new systems will help automate communication and follow-up processes. However, our first priority is to **validate the members' list** and ensure we maintain **accurate contact records** for each member and their family.

### **Donations:**

In addition to the general donation channels, the community actively contributed to several targeted fundraising campaigns aimed at specific goals, such as the renovation of SCAON premises and the support of various programs and activities. These efforts reflect the community's commitment and generosity. Some of the most notable campaigns include:

- **\$11,950 raised** to support the visit of the Civil Registry Delegation (for Sudanese National ID and Passports).
- **\$2,439 raised** to assist Sudanese evacuees arriving in Canada after the war in Sudan.

- **\$10,268 raised** to benefit hospitals in Sudan through the Street of Accidents Initiative (مبادرة شارع الحوادث) and Fetihab Emergency Room (غرفة طوارئ الفتيحاب).
- **\$2,186 raised** to support Sudanese doctors, in collaboration with the Sudan Doctors' Union - Canada.
- **\$3,485 raised** to aid Sudanese individuals displaced and stranded in Ethiopia.

These campaigns, though varying in size, played a critical role in enhancing SCAON's ability to address both local and international needs. The collective contributions from the community have had a significant impact on SCAON's ability to deliver on its mission.

### Grants and Funds:

Securing grants and funding has been one of the most vital sources of financial support for SCAON. Recognizing its importance, we prioritized strengthening our ability to identify and pursue funding opportunities effectively. Through the dedicated efforts of our team, along with strategic partnerships with external consultants such as Taskop Global Consulting, PCBS Inc., CBCC, and OCASI, we have significantly expanded our grant application capabilities.

These efforts have already led to several successful awards, and we expect further positive outcomes with the applications still under review. The collaboration with external partners has been crucial in developing and submitting these applications, ensuring that SCAON is well-positioned for continued success.

Below is a summary of the applications submitted and their current status:

- **5** successfully awarded: **\$84,270**
- **11** declined: **\$1,622,000**
- **9** still not concluded: **\$583,500**

### Challenges and Solutions

While pursuing these funding opportunities, we faced several challenges, but through strategic actions, we have made significant progress in addressing them:

- **Lack of Internal Expertise:** Initially, we lacked the necessary expertise in grant writing and management. To overcome this, we engaged external consultants who not only helped prepare and process applications but also provided training and coaching to build in-house skills. This approach is gradually improving our internal capabilities for future applications.
- **Absence of Audited Financial Statements:** The absence of audited financial statements, a common requirement for many funding applications, posed a challenge. We addressed this by working with an external accountant to close the financial gaps for 2021-2024. We also implemented QuickBooks for better record-

keeping and are conducting our first-ever full financial audit with a certified external firm. This audit will ensure transparency and compliance moving forward.

- **Inefficient Document Management and Knowledge Sharing:** Managing and sharing documents efficiently was another hurdle. To resolve this, we implemented a cloud-based document management system integrated with our accounting platform. This system has improved accessibility to records, streamlined collaboration, and enhanced knowledge sharing within the organization.
- **Lack of Comprehensive Community Data:** We identified a gap in our community data, particularly in demographic information such as the number of seniors, women, youth, and children served by SCAON. This lack of data limits our ability to demonstrate the full impact of our services in grant applications. We are actively working to collect and maintain this data to strengthen future applications.
- **Development of Financial Policies and Procedures:** We recognized the need for stronger financial governance. To address this, we are in the process of drafting and implementing a complete set of financial policies, processes, and procedures. These will cover key areas such as budgeting, expense tracking, financial reporting, and internal controls, ensuring a consistent and transparent approach to financial management. This initiative will also enhance our compliance with audit requirements and provide a solid foundation for future grants.

Despite these challenges, our solutions are helping to build a stronger and more efficient organization capable of securing and managing future funding opportunities effectively.

### **Service Income:**

Total service income for the term was **\$12,048**, generated mainly from space rentals, bazaars, event sales, and paid consultations. The completion of premises renovations, including new flooring, painting, air-conditioning, and office setups, presents further opportunities to increase rental rates, leading to additional revenue growth.

A significant factor contributing to this income was the completion of renovations to our premises, which included new flooring, painting, curtains, air-conditioning, chairs, a children's room, and an office setup. These improvements have not only enhanced the functionality and appeal of our facilities but have also created the opportunity to increase rental rates. Moving forward, this is expected to further boost service income and strengthen our financial position.

### **Cost of Goods Sold (Offices' Programs and Activities)**

During this term, we made an important shift in how we track revenue and expenses by separating them for each of our programs and activities. This includes key areas such as Social, Cultural, Capacity Building, Sports, Kids, and Women's programs.

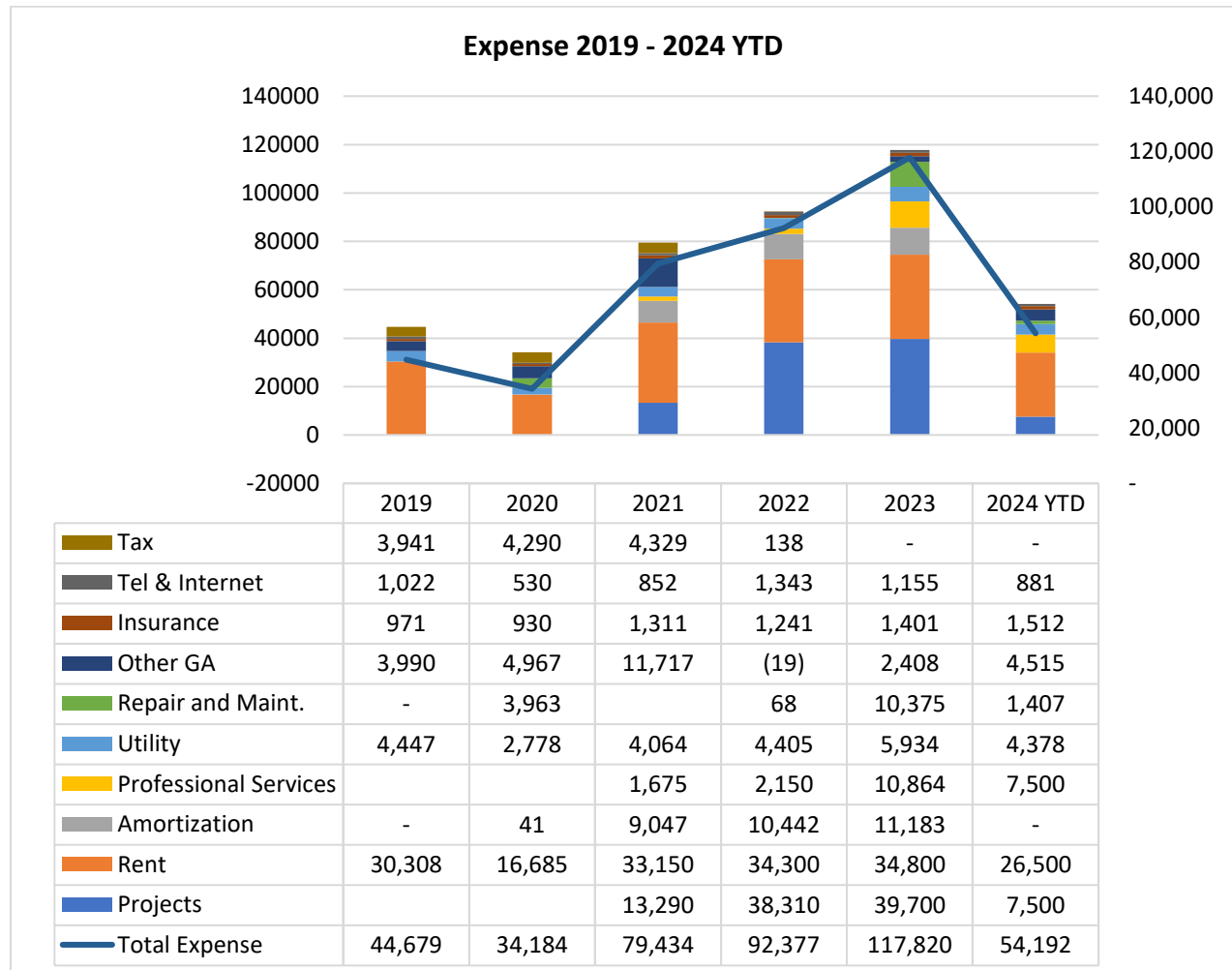


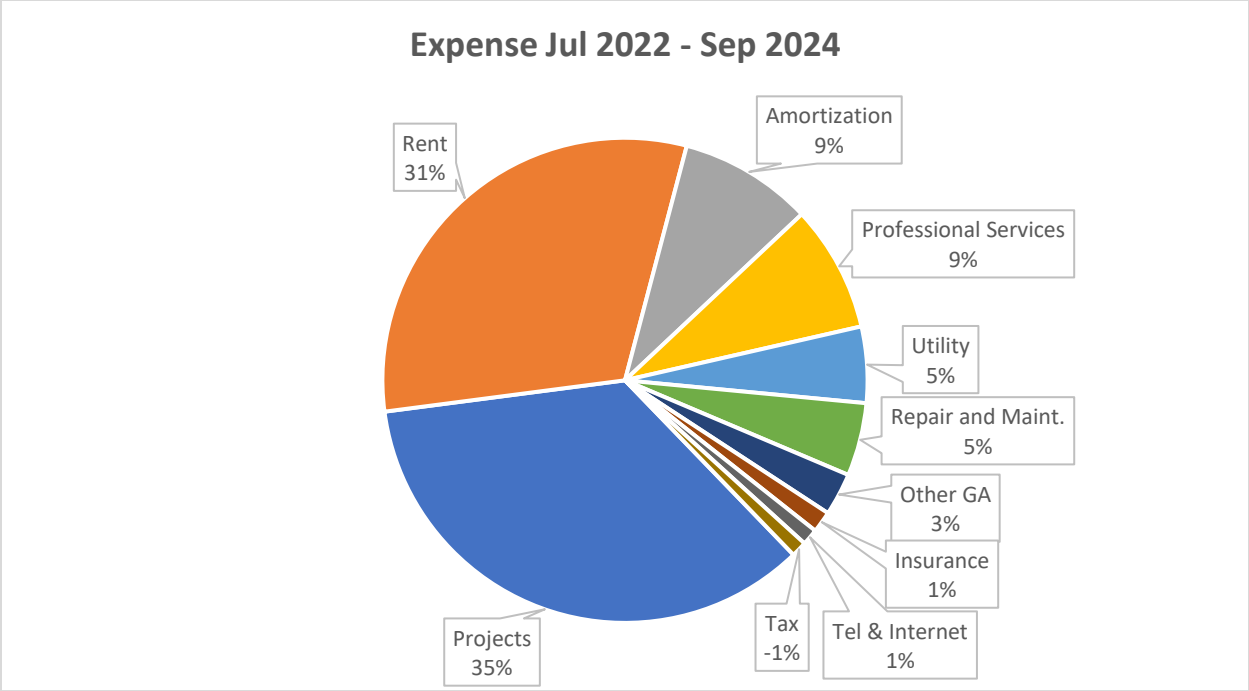
Some of the offices were able to successfully generate community donations and income, covering not only their operating costs but also contributing modest surpluses toward SCAON's overall expenses. Although these contributions were relatively small, they represent a positive step toward creating more self-sustaining programs. This detailed tracking has also allowed us to better assess the financial performance of individual programs, enabling more strategic decision-making in the future.

## Expenses Overview:

Total expenses for the term amounted to **\$238,164**, with 36% of these expenses directly related to specific grants and funded projects. Excluding project-related costs, the largest ongoing expense remains rent, followed by professional services, utilities, and repair and maintenance. Combined, these categories accounted for **87%** of total expenses during this term.

The following charts provide a detailed breakdown of expenses for the period from 2019 to 2024 (year-to-date), as well as a more focused look at this term's expenditures.





**Special Notes on Key Expense Categories:**

- **Projects:** These expenses were tied directly to awarded grants and funds and were primarily related to program or event activities. In some cases, these expenditures also included general operating costs associated with these projects.
- **Rent:** During this term, we successfully cleared all outstanding rent dues owed to the landlord. In addition, we strengthened our relationship with the landlord despite a few challenges related to parking usage and garbage management. We also updated our records to reflect refundable deposits held by the landlord, which had not been previously acknowledged.
- **Utilities:** At the beginning of this term, we faced final warnings for utility disconnection due to over a year of non-payment. We managed to settle all overdue amounts and have since implemented procedures to ensure timely payments, avoiding any further disruptions in service.
- **Professional Services:** The rise in professional services expenses was driven by necessary fees for consultants, accounting services, and auditors, which were essential for enhancing compliance, financial management, and governance practices.
- **Renovations:** Although our financial reports reflect some renovation costs, the actual spending was significantly higher. Many donations and in-kind contributions from community members and external organizations, such as Waterloo University, World Education Services (WES), and A-One General Contracting,

were not fully captured in the reports but played a vital role in completing these upgrades.

**CRA and GST/HST Filing:**

During this term, we successfully filed for GST/HST with the CRA, resulting in the following credits:

- **\$4,268** credit for the year 2021
- **\$4,372** credit for the year 2022
- **\$9,774** credit for the year 2023

For the year-to-date in 2024 (as of September 11th), the anticipated credit is approximately **\$5,956**, and this amount is expected to increase further by the end of the year.

**Key Challenge:** One major challenge we faced with the CRA was the need to update SCAON's records of authorized contacts. This is critical for fully leveraging the CRA's services, including access to online functionalities and following up on reimbursement of the credits mentioned above. Updating the authorized contacts will be a priority moving forward, as it will streamline our interactions with the CRA and facilitate faster processing of future credits.

## **Balance Sheet Accounts**

### **Cash and Cash Equivalents:**

The total available balance in the bank is **\$35,622**. As of the time of this report, there is no cash on hand.

### **Accounts Receivable (A/R):**

The total A/R stands at **\$105,980**, with the beginning balance of **\$23,550**, and the majority originating from members' contributions. Additionally, **\$18,440** is receivable from CRA (2021-2023 and projected **\$6,222** for 2024YTD), and **\$3,000** is due from The Housing Help Centre (food bank). It's important to note that older dues from members' contributions should be classified as bad debt, and the records need to be reconciled accordingly.

### **Refundable Deposits:**

We have a refundable deposit of **\$3,390** held with the landlord.

### **Non-current Assets:**

The net value of non-current assets recorded in the books is **\$3,976**.

### **Accounts Payable (A/P):**

The total A/P recorded in the books is **\$6,971**, of which **\$5,599** was the beginning balance. With the exception of **\$28** due for QuickBooks at the time of this report, all payables, both old and new, have been settled. The final task is to reconcile the system during the ongoing audit with the accountant.

## Projected Budget for next two years:

The following projections and assumptions have been used to develop the budget for the upcoming two fiscal years:

- Income Utilization:** All income will be utilized within the same fiscal term, but measures will be implemented to ensure the sustainability of funding for subsequent terms.
- Grants and Funds:** At least 75% of total funding will be secured from grants and funds, covering both overhead and operational expenses.
- Membership Contributions:** We aim to maintain 100 good-standing members in the first year and increase that number to 150 in the second year. The contribution amount is projected to remain consistent with current levels.
- Donations:** Donations are expected to account for 10% of the total members' contributions.
- Service Income:** Service income is projected to average \$500 per month in the first year and increase to \$750 per month in the second year.
- Program and Office Budgets:** Small budgets will be allocated to programs and offices, with a greater focus on securing sustainable grants and funds to support these initiatives.

	1st Yeay	2nd Year	Y/Y %
<b>INCOME</b>			
Grants and Funds	\$ 94,600.00	\$ 126,450.00	134%
Members Contribution	\$ 24,000.00	\$ 36,000.00	150%
Donation	\$ 2,400.00	\$ 1,200.00	50%
Service Income	\$ 6,000.00	\$ 9,000.00	150%
<b>Total Income</b>	<b>\$ 127,000.00</b>	<b>\$ 172,650.00</b>	
<b>EXPENSE</b>			
Rent	\$ 45,000.00	\$ 47,250.00	105%
Professional Service	\$ 24,000.00	\$ 28,800.00	120%
Accounting	\$ 12,000.00	\$ 14,400.00	120%
Utility	\$ 6,000.00	\$ 6,600.00	110%
Cleanning	\$ 6,000.00	\$ 7,200.00	120%
Repair and Maint.	\$ 2,400.00	\$ 3,600.00	150%
Bank Charges and POS	\$ 2,400.00	\$ 4,800.00	200%
Insurance	\$ 2,000.00	\$ 2,400.00	120%
Stationery and Printing	\$ 1,800.00	\$ 2,160.00	120%
Tel and Internet	\$ 1,200.00	\$ 1,440.00	120%
Systems and Subscriptior	\$ 1,200.00	\$ 2,400.00	200%
Other GA	\$ 1,200.00	\$ 6,000.00	500%
Website and Media	\$ 1,200.00	\$ 1,800.00	150%
<b>Total Expense</b>	<b>\$ 106,400.00</b>	<b>\$ 128,850.00</b>	
<b>COGS (Programs)</b>			
Capacity Building	\$ 6,000.00	\$ 9,000.00	150%
Family and Social	\$ 9,200.00	\$ 13,800.00	150%
Women	\$ 1,200.00	\$ 3,600.00	300%
Children and Kids	\$ 1,200.00	\$ 6,000.00	500%
Youth	\$ 1,200.00	\$ 6,000.00	500%
Cultural	\$ 1,200.00	\$ 3,600.00	300%
Sport	\$ 600.00	\$ 1,800.00	300%
<b>Total Programs</b>	<b>\$ 20,600.00</b>	<b>\$ 43,800.00</b>	
<b>PROFIT</b>	<b>\$ -</b>	<b>\$ -</b>	

## Recommendations:

Based on the findings in this report, the following recommendations are proposed to address challenges and improve financial performance:

1. **Apply for Charity Status:** Expedite the process to obtain charity registration, allowing SCAON to provide tax-deductible receipts to donors, which is expected to increase contribution levels.
2. **Strengthen Financial Expertise in Leadership:** Appoint a treasurer with a background in accounting and finance to support ongoing financial transformation efforts. Additionally, engage external consultants or volunteers to assist in completing the setup for Administration, Governance, and Compliance.
3. **Introduce a Corporate Credit Card:** Resolve the challenge of lacking a credit card for online payments and subscriptions by obtaining a corporate card. This will streamline payments, reduce the reliance on personal cards, and enhance financial efficiency.
4. **Improve Member Engagement and Retention:** Implement better follow-up systems for collecting member contributions and maintain accurate membership records. Develop targeted strategies to increase contributions and improve member participation.
5. **Develop Comprehensive Financial Policies:** Continue formalizing financial processes, including budgeting, expense tracking, and reporting, to align with best practices and ensure transparency. This will also improve compliance with future audits and grant requirements.

## Appendices:

- Management Report: Balance Sheet
- Management Report: Profit and Loss
- Management Report: Statement of Changes in Equity

# Management Report: Balance Sheet

25 Jul 2022 to 11 Sep 2024



Prepared by  
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Prepared on  
September 12, 2024



# Balance Sheet

As of September 11, 2024

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Cash and Cash Equivalent</b>	
Alterna-Bonus Shares 1	167.59
Alterna-Business Daily Interest Savings 1	1.13
Alterna-Community Plus Chequing 1	35,437.78
Alterna-Membership Shares 1	15.00
<b>Total Cash and Cash Equivalent</b>	<b>35,621.50</b>
<b>Accounts Receivable (A/R)</b>	
Accounts Receivable (A/R)	97,339.88
HST Refund	8,639.76
<b>Total Accounts Receivable (A/R)</b>	<b>105,979.64</b>
Prepaid expenses	500.00
Refundable Deposits/Securities	3,390.00
<b>Total Current Assets</b>	<b>145,491.14</b>
<b>Non-current Assets</b>	
<b>Property, plant and equipment</b>	
Accumulated Amortization/Depreciation	-30,672.69
Other fixed assets	34,648.25
<b>Total Property, plant and equipment</b>	<b>3,975.56</b>
<b>Total Non Current Assets</b>	<b>3,975.56</b>
<b>Total Assets</b>	<b>\$149,466.70</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable (A/P)</b>	
Other payables	6,970.89
<b>Total Accounts Payable (A/P)</b>	<b>6,970.89</b>
GST/HST Payable	-15,995.85
<b>Total Current Liabilities</b>	<b>-9,024.96</b>
<b>Total Liabilities</b>	<b>-9,024.96</b>
<b>Equity</b>	
Opening Balance Equity	3,282.78
Retained Earnings	121,429.03
Profit for the year	33,779.85
<b>Total Equity</b>	<b>158,491.66</b>
<b>Total Liabilities and Equity</b>	<b>\$149,466.70</b>

# Management Reports: Porfit & Loss

25 Jul 2022 to 11 Sep 2024



Prepared on

September 12, 2024

# Profit and Loss

July 25, 2022 - September 11, 2024

	<b>Total</b>
<b>INCOME</b>	
Donations	52,081.75
Campaigns for Sudan	953.18
Dignity Dollar	1,538.75
Flooring and Chair	2,160.00
Int'l Women Day	200.00
<b>Total Donations</b>	<b>56,933.68</b>
Grants and Funds	0.00
Black Business Initiative	60,000.00
CBCC	7,400.00
City of Toronto	16,870.00
Employment & Social Development Canada	41,839.88
<b>Total Grants and Funds</b>	<b>126,109.88</b>
Members Contribution	121,180.00
Service Income	2,677.39
Bazar	1,174.00
New Year Event	2,069.34
Space Rent	6,127.34
<b>Total Service Income</b>	<b>12,048.07</b>
<b>Total Income</b>	<b>316,271.63</b>
<b>COST OF GOODS SOLD</b>	
Grants & Funds	
Wrap-Around Services Grant	15,000.00
<b>Total Grants &amp; Funds</b>	<b>15,000.00</b>
Programs & Events	4,428.68
Programs & Events - Capacity Building	1,759.82
Programs & Events - Childrent and Kids	
Arabic School	-1,720.00
<b>Total Programs &amp; Events - Childrent and Kids</b>	<b>-1,720.00</b>
Programs & Events - Cultural	3,104.78
Programs & Events - Family	-324.24
Programs & Events - Sports	1,195.00
Programs & Events - Women	-1,408.32
Social	
New Commers & Shelters	1,406.80
Ramadan & Eids	6,642.04
<b>Total Social</b>	<b>8,048.84</b>
<b>Total Programs &amp; Events</b>	<b>15,084.56</b>
<b>Total Cost of Goods Sold</b>	<b>30,084.56</b>
<b>GROSS PROFIT</b>	<b>286,187.07</b>
<b>EXPENSES</b>	
Bank Charges / (Interest)	1,066.76
Cleaning	1,617.78

	<b>Total</b>
Insurance	3,463.40
Legal and professional fees	20,514.00
Miscellaneous	661.81
POS Charges	770.27
Rent or lease payments	75,800.00
Repair and maintenance	11,850.02
Stationery and printing	1,566.35
Systems & Subscriptions	866.39
Taxes Paid	-2,522.47
Telephone & Internet	2,653.98
Utilities	12,349.46
Website and Media	386.19
Amortization of tangible assets	21,625.69
<b>Total Expenses</b>	<b>152,669.63</b>
<b>OTHER INCOME</b>	
Other Ordinary Income	15.58
<b>Total Other Income</b>	<b>15.58</b>
<b>OTHER EXPENSES</b>	
ESDC-Project#017503673	
Renovations and Retrofits	38,310.00
<b>Total ESDC-Project#017503673</b>	<b>38,310.00</b>
SBCCI - Winter-2021	0.00
Equipment and Tools	11,000.00
Knowledge Development	3,900.00
Other Administrative Cost	3,000.00
Performance Monitoring and Reporting	1,500.00
Professional Fees	27,800.00
<b>Total SBCCI - Winter-2021</b>	<b>47,200.00</b>
<b>Total Other Expenses</b>	<b>85,510.00</b>
<b>PROFIT</b>	<b>\$48,023.02</b>

# Management Report: Statement of Changes in Equity

For the period ended September 11, 2024



Prepared on  
September 12, 2024

# Statement of changes in equity

As of September 11, 2024

	<b>Total</b>
Opening Balance Equity	3,282.78
Retained Earnings	121,429.03
<b>Total Equity</b>	<b>124,711.81</b>