

CALGARY CATHOLIC EDUCATION FOUNDATION

Financial Statements

August 31, 2019

CALGARY CATHOLIC EDUCATION FOUNDATION
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For the Year Ended August 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Calgary Catholic Education Foundation

Opinion

We have audited the financial statements of Calgary Catholic Education Foundation (the "Foundation"), which comprise the statement of financial position as at August 31, 2019, 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 Foundation as at August 31, 2019, and its financial performance 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 Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with those 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 these financial statements in accordance with 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 Foundation'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 Foundation or cease operations, or has no realistic alternative but to do so.

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Independent Auditor's Report to the Directors of Calgary Catholic Education Foundation *(continued)*

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

Auditor's Responsibilities for the Audit of 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 Foundation'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 Foundation'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 Foundation 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.

BDO Canada LLP

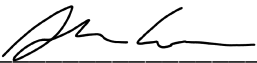

Chartered Professional Accountants

Calgary, Alberta
March 31, 2020

CALGARY CATHOLIC EDUCATION FOUNDATION
Statement of Financial Position
As at August 31, 2019

	2019	2018
Assets		
Current		
Cash (Note 3)	\$ 303,391	\$ 191,403
Marketable securities (Note 3)	149,430	167,092
Accounts receivable	11,492	3,112
Short term investment (Note 3)	5,000	5,000
Prepaid expenses	331	4,388
	<u>469,644</u>	370,995
Property and equipment (Note 4)	<u>-</u>	5,036
	<u>\$ 469,644</u>	<u>\$ 376,031</u>
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 10,321	\$ 28,710
Deferred contributions (Note 5)	125,032	46,502
Wages payable	10,950	-
	<u>146,303</u>	75,212
Net assets	<u>323,341</u>	300,818
	<u>\$ 469,644</u>	<u>\$ 376,030</u>

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

CALGARY CATHOLIC EDUCATION FOUNDATION
Statement of Operations
For the Year Ended August 31, 2019

	2019	2018
Revenue		
Fundraising	\$ 182,798	\$ 211,443
Raffle (Note 5)	46,502	33,253
Donations	19,582	-
Golf tournament	11,840	-
Investment income	2,760	2,546
	<u>263,482</u>	<u>247,242</u>
Expenses		
Distribution of funds	133,579	170,425
Operating expenses		
Salaries and wages	62,798	64,092
Professional fees	10,340	8,375
Fundraising expenses	10,145	-
Insurance	6,316	5,783
Office	6,040	5,509
Amortization	5,036	-
Software licensing costs	3,757	1,259
Board expenses	2,375	-
Telephone	320	786
Interest and bank charges	253	200
Raffle	-	35,503
	<u>240,959</u>	<u>291,932</u>
Excess (deficiency) of revenue over expenses	<u>\$ 22,523</u>	<u>\$ (44,690)</u>

CALGARY CATHOLIC EDUCATION FOUNDATION
Statement of Changes in Net Assets
For the Year Ended August 31, 2019

	2019	2018
Net assets - beginning of year	\$ 300,818	\$ 345,508
Excess (deficiency) of revenue over expenses	<u>22,523</u>	<u>(44,690)</u>
Net assets - end of year	<u>\$ 323,341</u>	<u>\$ 300,818</u>

CALGARY CATHOLIC EDUCATION FOUNDATION
Statement of Cash Flows
For the Year Ended August 31, 2019

	2019	2018
Operating activities		
Cash receipts from donors and fundraising events	\$ 330,872	\$ 292,281
Cash paid to Calgary Catholic School District for grants	(133,579)	(170,427)
Cash paid to employees and suppliers	(105,727)	(124,904)
Interest income	2,760	2,546
	<u>94,326</u>	<u>(504)</u>
Investing activity		
Net proceeds (acquisition) from sale of marketable securities	<u>17,662</u>	117,820
Increase in cash flow	111,988	117,316
Cash - beginning of year	<u>191,403</u>	74,087
Cash - end of year	<u>\$ 303,391</u>	<u>\$ 191,403</u>

CALGARY CATHOLIC EDUCATION FOUNDATION

Notes to Financial Statements

Year Ended August 31, 2019

1. Description of the organization

The Catholic Education Foundation of Calgary (the "Foundation") was incorporated under the Companies Act of Alberta on October 27, 2008. On February 14, 2014, the Foundation changed its name to Calgary Catholic Education Foundation. The Foundation is a resource dedicated to enhancing the educational experience of students in the Calgary Catholic School District.

The Foundation is a registered charity, and under Section 149(1)(f) of the Income Tax Act, is exempt from the payment of income tax.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Canada Handbook, and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Cash and cash equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, with original maturities of three months or less and that are subject to an insignificant risk of change in value. The Foundation currently hold no cash equivalents.

Revenue recognition

The Calgary Catholic Education Foundation 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. Restricted contributions for the purchase of property and equipment are deferred and recognized as income on the same basis that the related assets are amortized.

Raffle revenue is restricted by the terms of the related licence and is therefore deferred and recognized as revenue when the terms of the restriction have been met.

Property and equipment

Property and equipment is stated at cost less accumulated amortization and is amortized over its estimated useful life on a straight-line basis at the following rates and methods:

Computer software	100%
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Financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments and mutual funds that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized as part of investment income in the statement of operations.

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CALGARY CATHOLIC EDUCATION FOUNDATION
Notes to Financial Statements
Year Ended August 31, 2019

2. Summary of significant accounting policies (*continued*)

Volunteer services

Volunteers contribute many hours per year to assist the Foundation in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Measurement uncertainty

Under Canadian accounting standards for not-for-profit organizations, an important concept in the preparation of financial statements is the use of estimates in the determination of assets, liabilities, revenues, expenses and excess (deficit) of revenue over expenses for the year. To the extent that these estimates may vary from actual results, there would be a corresponding effect on various elements of the financial statements.

Management estimates included in these financial statement are the fair value of marketable securities and accrued liabilities.

3. Cash and investments

a) Included in cash is \$Nil (2018: \$46,508) in an account restricted by the terms of the AGLC Raffle licence.

b) Marketable securities consist of investments in money market funds. These investments are reported at fair value.

c) Short term investment consist of a cashable guaranteed investment certificate, with interest rate at 0.5% annually, maturing within one year.

4. Property, plant and equipment

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2019 Net book value</u>
Computer software	\$ 5,036	\$ 5,036	\$ -
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2018 Net book value</u>
Computer software	\$ 5,036	\$ -	\$ 5,036

CALGARY CATHOLIC EDUCATION FOUNDATION

Notes to Financial Statements

Year Ended August 31, 2019

5. Deferred contributions

The Raffle revenue has been deferred until utilized for purposes allowed by the AGLC Raffle license. The contributions received from the Bishop's Dinner are restricted by the donors to be used for grants to schools for the Calgary Catholic/Open Minds(R) program.

	Opening	Addition	Utilization	Ending
Raffle revenue	\$ 46,502	\$ -	\$ 46,502	\$ -
Bishop's Dinner	-	159,782	34,750	125,032
	<u>\$ 46,502</u>	<u>\$ 159,782</u>	<u>\$ 81,252</u>	<u>\$ 125,032</u>

6. Financial instruments

The Foundation's financial instruments consist of cash, marketable securities, accounts receivable, short term investment, accounts payable and accrued liabilities. All of these are reported at amortized cost, except for marketable securities which are recorded at fair market value.

Management has determined that the Foundation is not exposed to significant credit or interest rate risk, but does have some market risk due to the nature of marketable securities held. To mitigate the market risk, the Board of Directors has implemented an investment policy that limits the nature of investments held.

7. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.

8. Subsequent events

In March 2020, subsequent to the yearend and prior to the issuance of the financial statements, the provincial and federal governments, in response to the COVID-19 pandemic, implemented a number of response measures that may affect future operations of the Foundation. Management is currently assessing the possibility of requirements such as potential event cancellations but has not yet determined what the financial impact is expected to be.
