

**CANMORE ROTARY CLUB
CHARITABLE FOUNDATION
FINANCIAL STATEMENTS
JULY 31, 2021**

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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Directors of Canmore Rotary Club Charitable Foundation:

We have reviewed the accompanying financial statements of Canmore Rotary Club Charitable Foundation that comprise the statement of financial position as at July 31, 2021 and the statements of revenue, expenditures and changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.


Basis for Qualified Conclusion

In common with many charitable organizations, the Foundation derives revenue from donations the completeness of which is not susceptible to satisfactory verification using review procedures. Accordingly, our review of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenue from donations, excess of revenues over expenditures, current assets and net assets.

Qualified Conclusion

Based on our review, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue from donations, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Canmore Rotary Club Charitable Foundation as at July 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Private for Not for Profit Organizations.

Canmore, Alberta
January 7, 2022

A handwritten signature in black ink that reads "Baker Tilly Rockies LLP". The signature is written in a cursive, flowing style.

CHARTERED PROFESSIONAL ACCOUNTANTS

CANMORE ROTARY CLUB CHARITABLE FOUNDATION
(Incorporated under the laws of Alberta)

STATEMENT OF FINANCIAL POSITION

JULY 31, 2021

ASSETS

	2021	2020
Current assets		
Cash	\$ 119,251	\$ 83,261
Accounts receivable (note 2)	2,332	1,916
Short-term investments (note 3)	7,761	7,740
	<u> </u>	<u> </u>
	\$ 129,344	\$ 92,917
	<u> </u>	<u> </u>

LIABILITIES

Current liabilities		
Accounts payable and accrued liabilities	\$ 3,186	\$ 3,361
Deferred contributions (note 4)	116,943	83,937
	<u> </u>	<u> </u>
	120,129	87,298

NET ASSETS

Unrestricted net assets	<u>9,215</u>	<u>5,619</u>
	\$ 129,344	\$ 92,917
	<u> </u>	<u> </u>

Approved on behalf of the Board:

_____, Director

_____, Director

CANMORE ROTARY CLUB CHARITABLE FOUNDATION

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN NET ASSETS

YEAR ENDED JULY 31, 2021

	2021	2020
Revenue		
Deferred contributions recognized		
Externally restricted for projects (note 4)	\$ 76,057	\$ 73,912
Internally restricted for administrative expenses (note 4)	4,015	4,260
Unrestricted donations	5,302	2,320
	<u>85,374</u>	<u>80,492</u>
Interest	454	250
	<u>85,828</u>	<u>80,742</u>
Expenditures		
Office (note 5)	1,547	820
Professional fees	2,921	3,690
Projects and donations (note 6)	77,764	73,912
	<u>82,232</u>	<u>78,422</u>
Excess of revenues over expenditures	3,596	2,320
Net assets, beginning of year	5,619	3,299
Net assets, end of year	\$ <u>9,215</u>	\$ <u>5,619</u>

CANMORE ROTARY CLUB CHARITABLE FOUNDATION

STATEMENT OF CASH FLOW

YEAR ENDED JULY 31, 2021

	2021	2020
Cash provided for (used by)		
Operating activities		
Grants, donations and other receipts	\$ 118,418	\$ 154,954
Project costs	(77,764)	(73,912)
Operating expenditures	<u>(4,644)</u>	<u>(3,353)</u>
	36,010	77,689
Investing activities		
Purchase of short-term investments	<u>(20)</u>	<u>(42)</u>
Cash inflow	35,990	77,647
Cash, beginning of year	<u>83,261</u>	<u>5,614</u>
Cash, end of year	<u><u>\$ 119,251</u></u>	<u><u>\$ 83,261</u></u>

CANMORE ROTARY CLUB CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2021

The Canmore Rotary Club Charitable Foundation is a charitable organization which was incorporated June 12, 2000 under the Societies Act of the Province of Alberta. The Foundation was organized for the following purposes:

- a) To raise funds through the carrying on of various fund raising activities as may be decided upon by the Foundation and as may be allowed at law.
- b) To distribute funds to qualified donees as that term is defined by the Income Tax Act of Canada.
- c) To provide for the health of the community by assisting in the development, construction, management or financial operation of housing and related projects for seniors care, including the purchase of equipment for any such seniors housing or related projects.
- d) To provide for the health of the community by providing respite housing for challenged or disadvantaged families, including families and children with special needs.
- e) To advance education by providing scholarships, bursaries, awards and other forms of financial assistance to students enrolled in local public education institutions within the community.
- f) To advance the education of students enrolled in local public educational institutions including schools represented by the Canadian Rockies School Division, two separate public Catholic schools and the public schools at the First Nation's community of Morley, by providing books, equipment and educational aids.
- g) To establish and maintain public amenities and public facilities such as parks, playgrounds, recreational and culture centres.
- h) To develop programs to aid the needy in third world nations.
- i) To raise and distribute funds for disaster relief efforts, both Canadian and abroad.
- j) The Foundation shall be carried on without purpose of gain for its members, and any profits or other accretions to the Society shall be used solely to promote its objectives.

1. Significant accounting policies

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and include the following significant accounting policies:

a) Revenue recognition

Donations

Unless specifically restricted by the donor, donations are available for unrestricted use and recognized as revenue when received.

CANMORE ROTARY CLUB CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2021

1. Significant accounting policies (cont'd)

Restricted and unrestricted contributions

The Foundation follows the deferral method for accounting for restricted contributions. Donations externally restricted by the wishes of the donor are recognised as revenue during the period in which the related expenditures are incurred.

Unrestricted contributions from donors are subject to internal restriction at the discretion of the Foundation's Board of Directors to be used towards administrative expenses or projects and are then recognized as revenue during the period in which the related expenditures are incurred.

Until recognized, the externally and internally restricted donations received are treated as a deferred contribution as detailed in note 4.

Interest is recognized as revenue when earned and collection is reasonably assured.

b) Income taxes

The Foundation is a not for profit organization and as such is exempt from income tax pursuant to Section 149(1) of the Income Tax Act of Canada.

c) Contributed goods and services

Contributed goods and services are recognized in the financial statements at the fair market value of the items and services received.

Volunteers contribute significantly in carrying out the activities of the Foundation. Due to the difficulty in determining their fair value, contributed services by volunteers are not recognized in the financial statements.

d) Financial instruments

The Foundation's financial instruments consist of cash, accounts receivable, short-term investments and accounts payable and accrued liabilities. All financial instruments are initially measured at fair value. Subsequently, financial instruments are measured at amortized cost and are evaluated for impairment at each statement of financial position date with a write-down recorded in the statement of revenue and expenditures. Impairment reversals may occur and the asset can be written up to its original cost. Changes in fair value are recognized in the statement of revenue and expenditures.

Unless otherwise noted, the Foundation does not believe it is exposed to any significant interest, currency, credit, market, or liquidity risks arising from these financial instruments.

CANMORE ROTARY CLUB CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2021

1. Significant accounting policies (cont'd)

e) Measurement uncertainty

The preparation of the financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires the directors 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 year. Significant items subject to such estimates and assumptions include the carrying amount of accounts receivable, accounts payable and accrued liabilities and contributed goods and services. Actual results could differ from those estimates.

2. Accounts receivable	2021	2020
Goods and services tax recoverable	\$ 536	\$ 167
Calgary Foundation Endowment Fund	1,796	1,749
	<u>\$ 2,332</u>	<u>\$ 1,916</u>

During the fiscal 2018 year, the Foundation donated \$ 40,000 to the Calgary Foundation to be held as the Matthews Family Endowment.

Interest income from the endowment is recognized annually at year end. For 2021, the Foundation earned \$ 1,796 (2020 - \$ 1,749) in income of which 5% of the income is allocated for administrative purposes and the remainder is designated as a restricted contribution.

3. Short-term investments

Short-term investments consists of a term deposit issued by a financial institution which bears interest at 0.25 % per annum and matured August 8, 2021.

4. Deferred contributions	2021	2020
Balance, beginning of year	\$ 83,937	\$ 11,982
Contributions	113,532	145,867
	<u>197,469</u>	<u>157,849</u>
Recognized as revenue	80,526	73,912
Balance, end of year	<u>\$ 116,943</u>	<u>\$ 83,937</u>

CANMORE ROTARY CLUB CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2021

4. Deferred contributions (cont'd)

Deferred contributions for 2021 were comprised as follows:

	Administrative Fund	Project Fund	Total
Balance, beginning of year	\$ 7,704	\$ 76,233	\$ 83,937
Contributions	<u>8,733</u>	<u>104,799</u>	<u>113,532</u>
	16,437	181,032	197,469
Recognized as revenue	<u>4,469</u>	<u>76,057</u>	<u>80,526</u>
Balance, end of year	<u>\$ 11,968</u>	<u>\$ 104,975</u>	<u>\$ 116,943</u>

The administrative fund consists of 5% of certain contributions received and investment income earned, excluding club funds donated. These funds are internally restricted by the Foundation. They are to be used upon Board approval to cover administrative expenses of the Foundation.

The Project Fund consists of monies externally restricted by donors. They are to be used, upon Board approval, to support projects consistent with the Foundation's purposes.

5. Fundraising expenses

Expenses incurred for the purposes of soliciting contributions were \$ nil (2020 - \$ nil) and \$ nil (2020 - \$ nil) was paid as remuneration to employees whose principal duties involve fundraising.

6. Projects and donations

Project expenditures and donations during the year were as follows:	2021	2020
Restricted projects		
COVID-19 relief fund	\$ 66,246	\$ 40,676
Rotary projects	3,726	2,929
Syrian refugee program	5,018	1,093
Brent Pickard Memorial	793	-
Festival of Trees	274	-
Higher Ground Women's Shelter	-	19,074
Vocational	-	621
Youth services	-	3,350
Youth services - First Nations	-	450
Youth services - Homes of Hope	-	5,719
	<u>76,057</u>	<u>73,912</u>
Unrestricted projects	<u>1,707</u>	<u>-</u>
	<u>\$ 77,764</u>	<u>\$ 73,912</u>

CANMORE ROTARY CLUB CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2021

7. Financial instrument risk disclosure

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentration at July 31, 2021.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation's main credit risk relates to its cash.

The Foundation mitigates its exposure to credit risk by placing its cash with major financial institutions, and therefore believes its credit risk exposure is limited.

There has been no change in the Foundation's credit risk exposure from the prior year.

8. Pandemic event

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19) as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration of COVID-19 is unknown at this time and it is not possible to reliably estimate the financial and operational impact these developments will have on the Organization.

9. Comparative figures

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.