

NOTRE DAME ALUMNI FOUNDATION

FINANCIAL STATEMENTS

May 31, 2022

NOTRE DAME ALUMNI FOUNDATION

May 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Governors of Notre Dame Alumni Foundation:

Qualified Opinion

I have audited the financial statements of Notre Dame Alumni Foundation, which comprise the Statement of Financial Position as at May 31, 2022, the Statement Changes in Net Assets, Statement of Operations, and Statement of Cash Flows for the year 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 Notre Dame Alumni Foundation as at May 31, 2022, and its results of operations and its cash flows for the year 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 Notre Dame Alumni Foundation derives revenue from fundraising activities and donations, 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 Notre Dame Alumni Foundation. Therefore, I was unable to determine whether any adjustments might be necessary to fundraising revenue, donations, excess of revenues over expenses, and cash flows from operations for the years ended May 31, 2022 and May 31, 2021, current assets, current liabilities and net assets as at May 31, 2022 and May 31, 2021. My audit opinion on the financial statements for the year ended May 31, 2022 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 Notre Dame Alumni Foundation in accordance with 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 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 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 Notre Dame Alumni 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 Notre Dame Alumni Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Notre Dame Alumni Foundation's financial reporting process.

Auditor's responsibility 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 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:

É 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.

É 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 Notre Dame Alumni Foundation's internal control.

É Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

É 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 Notre Dame Alumni Foundation'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 Notre Dame Alumni Foundation to cease to continue as a going concern.

É 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), I report that, in my opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Sandra Heaver Tetzlaff

Chartered Professional Accountant

Vancouver, B.C.
November 28, 2022

 **SANDRA HEAVER TETZLAFF**
Chartered Professional Accountant

NOTRE DAME ALUMNI FOUNDATION

STATEMENT OF FINANCIAL POSITION May 31, 2022

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 3)	\$ 118,406	\$ 184,109
GST Recoverable (Note 4)	1,817	10,767
Accounts Receivable	1,551	-
	121,774	194,876
ENDOWMENT INVESTMENTS (Note 2(c), Note 5)	60,181	54,921
	\$ 181,955	\$ 249,797
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 4,000	\$ 153,594
Deferred revenues (Note 7)	47,885	34,519
	51,885	188,113
NET ASSETS		
Unrestricted	71,778	5,392
Endowment (Note 5)	58,292	56,292
	130,070	61,684
	\$ 181,955	\$ 249,797

APPROVED ON BEHALF OF THE FOUNDATION:

_____ Governor

_____ Governor

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

NOTRE DAME ALUMNI FOUNDATION

STATEMENT OF CHANGES IN NET ASSETS For the Year Ended May 31, 2022

	Restricted	Endowment	2022 Total	2021 Total
Balance, beginning of year	\$ 5,392	\$ 56,292	\$ 61,684	\$ 283,971
Excess of Revenues over Expenses	66,386	-	66,386	(224,537)
Contributions for Endowment	-	2,000	2,000	2,250
Balance, end of year	\$ 71,778	\$ 58,292	\$ 130,070	\$ 61,684

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

NOTRE DAME ALUMNI FOUNDATION

STATEMENT OF OPERATIONS For the Year Ended May 31, 2022

	2022	2021
REVENUES		
Other Fundraising Activities	\$ 2,070	\$ -
Donations	142,051	222,818
Investment Income	-	2,788
	<u>144,121</u>	<u>225,606</u>
EXPENSES		
Operations		
Printing, postage and supplies	233	506
Bank and credit card charges	1,163	1,159
Audit and Legal fees	4,088	9,856
	<u>5,484</u>	<u>11,521</u>
Qualifying Distribution		
Building, Field and School Expenses	72,251	438,622
	<u>72,251</u>	<u>438,622</u>
Excess of Revenues over Expenses / (Expenses over Revenues)	\$ 66,386	\$ (224,537)

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

NOTRE DAME ALUMNI FOUNDATION

STATEMENT OF CASH FLOWS For the Year Ended May 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of Revenues over Expenses	\$ 66,386	\$ (224,537)
CHANGES IN NON-CASH WORKING CAPITAL:		
(Decrease) / Increase in accounts payable and accrued liabilities	(149,594)	145,697
Decrease in accounts receivable	(1,551)	-
Increase / (Decrease) in deferred revenues	13,366	(16,676)
Decrease / (Increase) in GST recoverable	8,950	(10,391)
	(128,829)	118,630
FINANCING ACTIVITIES		
Contributions for Endowment	2,000	2,250
INVESTING ACTIVITIES		
(Investment in) / Received from Endowment	(4,550)	(1,650)
Net (Deferred) / Recognized Investment Income of Endowment	(710)	(1,015)
	(5,260)	(2,665)
NET DECREASE IN CASH	(65,703)	(106,322)
NET CASH, BEGINNING OF YEAR	184,109	290,431
NET CASH, END OF YEAR	\$ 118,406	\$ 184,109

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

NOTRE DAME ALUMNI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

May 31, 2022

1. PURPOSE OF THE FOUNDATION

The Notre Dame Alumni Foundation was incorporated on June 12, 2003 in the Province of British Columbia and received notification of registration on July 7, 2003 as a Charity with business number 88564 0607 RR001. As such, the Foundation is not subject to income taxation.

The purposes of the Foundation are:

- (a) To receive gifts and bequests for distribution to the Catholic Independent Schools of Vancouver Archdiocese (Registered Charity Number: 119221398 RR01 located at 4885 St. John Paul II Way, 3rd floor, in the City of Vancouver, BC) for the benefit of Notre Dame Regional Secondary School, a member School, its successor or successors
- (b) To promote and further such education theories and methods as may be approved by the Catholic Independent Schools of Vancouver Archdiocese.
- (c) To establish capital fund programs for the repair, maintenance or reconstruction of the School Facilities located at 2880 Venables Street, Vancouver, BC V5K 4Z6.
- (d) To establish capital fund programs for the purchase, repair, or upgrading of classroom furniture and equipment at the School Facilities located at 2880 Venables Street, Vancouver, BC V5K 4Z6.
- (e) To perform all such other acts and to do such things that may be deemed necessary to furtherance or accomplishment of the above purposes.

The following unalterable provisions are contained in the Foundation Constitution:

- (a) The operations of the Society are to be carried on in the City of Vancouver, British Columbia.
- (b) The operations of the Society shall be carried on without purpose of direct or indirect gain for its members.
- (c) The resources of the Society shall be used exclusively in the promotion of its objects and then only within the Province of British Columbia.
- (d) In the event of dissolution or winding up of the Society, all its remaining assets, after payment of liabilities, shall be distributed to Catholic Archdiocese of Vancouver for the furtherance of Catholic Education within the Province of British Columbia.

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NOTES TO THE FINANCIAL STATEMENTS

May 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit organizations and reflect the following significant accounting policies.

(a) Revenue recognition

The Foundation follows the deferral method of accounting to account for contributions. Under this deferral method, externally restricted contributions are recognized as revenue in the fiscal period in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue in the year in which they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions, other than those towards the endowment, are deferred and recognized as revenue in the year in which the related expenses are recognized.

Restricted contributions that have not been expended are recorded as deferred contributions on the statement of financial position.

Endowment contributions are recognized as direct increases in net assets restricted for endowment purposes in the fiscal period in which they are received.

Endowment investment income earned for distribution is deferred and recognized as revenue in the fiscal period in which the related expenses are incurred.

Unrealized gains and losses on endowment financial assets are deferred and included in investment income and recognized as revenue in the statement of operations in the fiscal period in which the related expenses are incurred.

(b) Use of Estimates

The preparation of financial statements 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 revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(c) Measurement of Financial Instruments

The Foundation's financial instruments consist of cash, accounts receivable, portfolio investments and accounts payable and accrued liabilities.

The Foundation initially measures its financial assets and financial liabilities at fair value. The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, unless the instruments are quoted in an active market and the organization has elected to carry the instruments at fair value.

Except for portfolio investments, the carrying values of financial instruments approximates their fair market value because they are receivable or payable on

NOTRE DAME ALUMNI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

May 31, 2022

demand. Portfolio investments are measured at market value with changes reported as per revenue recognition above.

(d) Contributed Materials and Services

The Foundation receives contributions of materials and services. Due to the difficulty in determining their fair value, contributed materials and services are not recognized in the financial statements.

3. CASH AND CASH EQUIVALENTS

The Foundation's cash is held in a Canadian chartered bank and the bank accounts are non-interest-bearing.

	2022	2021
Restricted cash	\$ 45,996	\$ 35,890
Unrestricted cash	72,410	148,219
	\$ 118,406	\$ 184,109

4. GST RECOVERABLE

As a registered charity, the Foundation is eligible to apply for a 50% rebate of Federal GST paid on purchases.

5. ENDOWMENT

In 2017, the Foundation received an endowment contribution of \$50,000 to be held as the John Brassington Memorial Endowment Fund. The funds are invested with an investment advisor. In 2022, a further \$2,000 (2021 - \$2,250) was received towards capital of the endowment to bring the total capital to \$58,292.

Net investment income earned on the endowment contributions is restricted for the purposes of disbursing bursaries for the benefit of students at Notre Dame Regional Secondary School (NDRSS) who are in need of financial assistance to maintain enrollment with the school.

Total market value of the Endowment investment is \$60,181 (2021 - \$54,921). There were no bursary payments recognized during 2022 (2021 - \$1,650). Investment income of \$1,660 was earned in 2022 (2021 - \$1,741) and \$3,047 of the accumulated total remains deferred for future bursaries. The change in investment market value of negative \$950 (2021 - positive \$925) was deferred during the year (see Note 7).

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NOTES TO THE FINANCIAL STATEMENTS

May 31, 2022

7. DEFERRED REVENUES

Deferred revenues represent unspent designated donations received and intended to be expended in the future for a specific purpose as well as deferred endowment investment income and change in market value of the endowment investment account. Donations and investment income will be recognized as income in the year in which the expense is incurred. See Note 5.

	Donations	Endowment	2022	2021
Balance, beginning of year	\$ 33,340	\$ 1,179	\$ 34,519	\$ 51,195
Designated amounts received	18,400	1,660	20,060	17,752
Revenue recognized	(5,744)	-	(5,744)	(35,353)
Market Value Adjustment	-	(950)	(950)	925
	\$ 45,996	\$ 1,889	\$ 47,885	\$ 34,519

8. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The primary risks that affect the Foundation are set out below. The list does not cover all risks to the Foundation. This audit does not include assessments to assure that the strategy of management to mitigate the risks is sufficient to eliminate the risks below.

(a) Currency Risk

Currency risk is the risk that the value of the financial instrument will fluctuate due to changes foreign exchange rates. The Foundation is not exposed to currency risk.

(b) Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments will fluctuate due to changes in market interest rates. The Foundation has no interest bearing assets or liabilities.

(c) Credit risk

Credit risk is the risk of loss resulting from failure of an individual or group to honour their financial obligations. The Foundation holds accounts receivable which potentially expose it to credit risk. However, this risk is limited due to the nature of the accounts receivable. The Foundation's cash is held in an account at one of the major Canadian chartered banks. Management perceives the credit risk to be low.

(d) Market risk

Market risk is the risk that changes in market prices, such as equity prices and interest rates will affect the Foundation's income or the value of its holdings of financial instruments. The Foundation has a conservative approach to investment management and a diversified portfolio to mitigate this risk.