

Financial Statements of

**HALTON CATHOLIC CHILDREN'S
EDUCATION FOUNDATION**

And Independent Auditors' Report thereon

Year ended March 31, 2021



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INDEPENDENT AUDITORS' REPORT

To the Directors of the Halton Catholic Children's Education Foundation

Qualified Opinion

We have audited the financial statements of Halton Catholic Children's Education Foundation (the Entity), which comprise:

- the statement of financial position as at March 31, 2021
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies
(Hereinafter referred to as the "financial statements").

In our opinion, except for the effects of the matter described in the "***Basis for Qualified Opinion***" section of our auditors' report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2021, and its results of operations, its changes in net assets 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, 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, we were not able to determine whether any adjustments might be necessary to:

- the fundraising revenues and excess of revenues over expenses reported in the statements of operations for the years ended March 31, 2021 and March 31, 2020
- the excess of revenues over expenses reported in the statements of cash flows for the years ended March 31, 2021 and March 31, 2020.



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We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “Auditors’ Responsibilities for the Audit of the Financial Statements” section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these 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 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.

Auditors’ Responsibilities for the Audit of the 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 auditors’ 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 the 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 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.
- 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.



Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
July 13, 2021

HALTON CATHOLIC CHILDREN'S EDUCATION FOUNDATION

Statement of Financial Position

As at March 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash	\$ 190,908	\$ 71,781
Accounts receivable	–	14,206
Prepaid expenses	2,742	3,513
Due from HCDSB (note 2)	3,333	1,866
	<u>\$ 196,983</u>	<u>\$ 91,366</u>
Liabilities and Net Assets		
Current liabilities:		
Accrued liabilities (note 3)	\$ 36,095	\$ 11,771
Deferred revenue (note 4)	6,782	3,268
	<u>42,877</u>	<u>15,039</u>
Net assets	154,106	76,327
COVID-19 (note 6)		
	<u>\$ 196,983</u>	<u>\$ 91,366</u>

See accompanying notes to financial statements.

On behalf of the Board:

Marvin Duarte  Director

Derek Hebb  Director

HALTON CATHOLIC CHILDREN'S EDUCATION FOUNDATION

Statement of Operations and Changes in Net Assets

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenues:		
Bishop's Dinner	\$ 30,027	\$ 46,145
Golf Classic	26,140	32,565
Other contributions	109,017	91,538
24 Hour Fast June 2020	40,140	6,941
24 Hour Fast March 2021	24,931	-
Refugee Mental Health	1,086	-
Charity of Hope	5,000	-
Interest income	1,084	1,550
Oakville Community Foundation	856	250
Burlington Student Guardian	-	10,000
Gifts in-kind	-	2,146
Town of Halton Hills	-	980
	238,281	192,115
Expenses:		
Salaries and benefits	68,349	69,182
Bishop's Dinner	6,395	26,596
Golf Classic	11,653	16,743
Audit	4,200	4,158
Insurance	3,024	1,242
Software	2,527	2,108
Printing	48	1,730
Bank charges	4,701	1,271
24 Hour Fast	245	324
Membership fees	355	715
Other	9,981	1,227
	111,478	125,296
Excess of revenues over expenses before the undernoted	126,803	66,819
Disbursements to schools from:		
General	42,024	32,670
Refugee Mental Health	2,000	-
Charity of Hope	5,000	-
Town of Halton Hills	-	980
Oakville Community Foundation	-	250
Total disbursements to schools (note 2)	49,024	33,900
Excess of revenues over expenses	77,779	32,919
Net assets, beginning of year	76,327	43,408
Net assets, end of year	\$ 154,106	\$ 76,327

See accompanying notes to financial statements.

HALTON CATHOLIC CHILDREN'S EDUCATION FOUNDATION

Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by:		
Excess of revenues over expenses	\$ 77,779	\$ 32,919
Change in non-cash operating working capital:		
Accounts receivable	14,206	(4,187)
Accrued liabilities	24,324	4,822
Prepaid expenses	771	(2,013)
Deferred revenue	3,514	(6,280)
Due from HCDSB	(1,467)	(1,866)
Increase in cash position	119,127	23,395
Cash, beginning of year	71,781	48,386
Cash, end of year	\$ 190,908	\$ 71,781

See accompanying notes to financial statements.

HALTON CATHOLIC CHILDREN'S EDUCATION FOUNDATION

Notes to Financial Statements

Year ended March 31, 2021

The Halton Catholic Children's Education Foundation (the "Foundation") is a public charitable organization incorporated on September 10, 1998 without share capital under the laws of Ontario. The Foundation was not active for a number of years and recommenced active operations during the year ended March 31, 2012. Its principal activities include the establishment and administration of funds to be applied to activities and projects that improve the quality of services provided to the students of the Halton Catholic District School Board and impact positively on its image within the Halton Region. The Foundation is registered as a public foundation under the Income Tax Act.

1. Significant accounting policies:

These financial statements are prepared by management in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations.

The Foundation's significant accounting policies are as follows:

(a) Revenue recognition:

The Foundation follows the deferral method of accounting for contributions which include donations and government grants.

Contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized in revenue in the year in which the related expenses are incurred.

Interest income is recorded as earned.

(b) Expenses:

Expenses are recorded on accrual basis.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

HALTON CATHOLIC CHILDREN'S EDUCATION FOUNDATION

Notes to Financial Statements

Year ended March 31, 2021

2. Related party transactions:

The Halton Catholic District School Board (the "HCDSB") and its students are the recipients of the funds raised by the Foundation. The Foundation provided various schools within the HCDSB with \$49,024 (2020 - \$33,900) in the current year. At year-end there is a receivable from HCDSB for payroll donations for the month of March in the amount of \$3,333 (2020 - \$1,866).

	2021	2020
Due to the HCDSB amounts included in accrued liabilities are:		
Payroll expenses	13,177	5,043
Printing	891	925
School funding	4,750	-
Software support	2,437	-
Insurance	2,133	-
Golf Classic	1,500	-
Other	274	-
	\$ 25,162	\$ 5,968

3. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$279 (2020 - \$147), which includes amounts payable for payroll related taxes.

4. Deferred revenue:

Deferred revenue consists of the following amounts:

	Deferred Revenue- Student Guardian Program	Deferred Revenue- Refugee Mental Health	Deferred Revenue - Golf Classic	Deferred Revenue- Town of Halton Hills	Deferred Revenue- Oakville Community Foundation	Total 2021	Total 2020
Balance, beginning of year	\$ 262	\$ 1,086	\$ 1,400	\$ 20	\$ 500	\$ 3,268	\$ 9,548
Add: donations and funds raised	-	-	5,000	1,000	-	6,000	1,900
	262	1,086	6,400	1,020	500	9,268	11,448
Less: funds used for operations	-	(1,086)	(1,400)	-	-	(2,486)	(8,180)
Balance, end of year	\$ 262	\$ -	\$ 5,000	\$ 1,020	\$ 500	\$ 6,782	\$ 3,268

HALTON CATHOLIC CHILDREN'S EDUCATION FOUNDATION

Notes to Financial Statements

Year ended March 31, 2021

5. Financial risks and concentration of credit risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Foundation is exposed to credit risk with respect to the accounts receivable and cash.

The Foundation assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Foundation at March 31, 2021 is the carrying value of these assets.

6. COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact across the world. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus.

Several measures were put in place by the Federal Government which include the implementation of travel bans, self-imposed quarantine periods and social distancing. These measures have caused material disruption to individuals, businesses and organizations globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable.

As at March 31, 2021, COVID-19 has caused the Foundation to shift some events to a virtual environment. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the Foundation's operating results and financial position in the future. The outcome and timeframe to a recovery from the current pandemic is undeterminable, thus it is not practicable to estimate and disclose its financial effect on future operations at this time.