

# **CANADIAN LEGACY PROJECT**

## **FINANCIAL STATEMENTS** (Audited)

**December 31, 2017**



# CANADIAN LEGACY PROJECT

December 31, 2017

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## Independent Auditor's Report

To the Members of:  
**Canadian Legacy Project**

I have audited the financial statements of the Canadian Legacy Project as at December 31, 2017 which include the Statement of Financial Position and the Statements of Operations, Changes in Net Assets, Cash Flows, and a summary of significant accounting policies for not-for-profit organizations and other explanatory notes for the year then ended.

### Management's Responsibility

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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

### **Basis for Qualified Opinion**

In common with many not for profit organizations, the Canadian Legacy Project derives revenue from certain fund raising activities, the completeness of which is not subject to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Canadian Legacy Project and I was not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and net assets.

### **Qualified Opinion**

In my opinion, except for the effects of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself of the completeness of fundraising activities, these financial statements present fairly, in all material respects, the financial position of the Canadian Legacy Project as at December 31, 2017 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta  
June 26, 2018



Heidi Brauer  
Chartered Professional Accountant

**CANADIAN LEGACY PROJECT**  
**STATEMENT OF FINANCIAL POSITION**  
(Audited)

As at December 31, 2017

	2017	2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents, unrestricted	\$ 645,697	\$ 486,864
Accounts receivable, unrestricted	14,234	14,558
GST receivable	6,607	5,355
Prepaid expenses (Note 5)	39,167	27,300
Inventory (Note 7)	49,925	-
	755,630	534,077
<b>PROPERTY AND EQUIPMENT (Note 3)</b>	<b>13,882</b>	<b>-</b>
	<b>\$ 769,512</b>	<b>\$ 534,077</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 19,071	\$ 8,153
<b>NET ASSETS</b>		
Unrestricted	736,559	525,924
Invested in Property and Equipment	13,882	-
	750,441	525,924
	<b>\$ 769,512</b>	<b>\$ 534,077</b>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See Notes to the Financial Statements

**CANADIAN LEGACY PROJECT**  
**STATEMENT OF CHANGES IN NET ASSETS**  
(Audited)

**For the Year Ended December 31, 2017**

	<u>2017</u>	<u>2016</u>
Balances, beginning of the year	\$ 525,924	\$ 123,768
Increase	224,517	402,156
Balances, end of the year	<u>\$ 750,441</u>	<u>\$ 525,924</u>

See Notes to Financial Statements

**CANADIAN LEGACY PROJECT**  
**STATEMENT OF OPERATIONS**  
(Audited)

**For the Year Ended December 31, 2017**

	<b>2017</b>	<b>2016</b>
<b>REVENUE</b>		
Donations - cash	\$ 677,009	\$ 686,130
Event revenue	171,374	133,770
Donations - non cash	140,720	1,800
Gain on sale of investments	76,475	-
Promotional items	543	1,675
Interest	90	-
	<b>1,066,211</b>	<b>823,375</b>
<b>EXPENSES</b>		
Donations	376,680	203,181
Events	191,918	131,660
Education	90,902	-
Advertising and promotion	61,155	42,230
Professional fees	39,228	19,352
Administration	24,182	1,273
Subcontracts	14,454	4,748
Sponsorship	9,000	-
Paypal and bank charges	8,494	6,827
GST not recoverable	6,607	5,355
Travel	6,142	6,593
Rent	4,354	-
Telephone	3,948	-
Insurance	1,745	-
Repair and maintenance	1,690	-
Amortization	1,195	-
	<b>841,694</b>	<b>421,219</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 224,517</b>	<b>\$ 402,156</b>

See Notes to Financial Statements

**CANADIAN LEGACY PROJECT**  
**STATEMENT OF CASH FLOWS**  
(Audited)

**For the Year Ended December 31, 2017**

	2017	2016
<b>FUNDS PROVIDED BY OPERATING ACTIVITIES:</b>		
Excess of revenue over expenses	\$ 224,517	\$ 402,156
<b>Charges not requiring cash outlay:</b>		
Amortization expense	1,195	-
Changes in non-cash operating working capital:		
Account receivable	324	6,094
GST receivable	(1,252)	(2,955)
Prepaid expenses	(11,867)	(26,637)
Inventory	(49,925)	-
Accounts payable and accrued charges	10,918	1,731
	<b>173,910</b>	<b>380,389</b>
<b>INVESTING ACTIVITIES:</b>		
Purchase of furniture and equipment	(11,945)	-
Purchase of artwork	(3,132)	-
	<b>(15,077)</b>	<b>-</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>158,833</b>	<b>380,389</b>
Cash and cash equivalents, beginning of the year	486,864	106,475
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>	<b>\$ 645,697</b>	<b>\$ 486,864</b>
<b>Consisting of:</b>		
Unrestricted cash and cash equivalents	<b>\$ 645,697</b>	<b>\$ 486,864</b>

See Notes to Financial Statements



**CANADIAN LEGACY PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**December 31, 2017**

**1. NATURE OF THE ORGANIZATION**

The Canadian Legacy Project (the "Association") was incorporated on September 8, 2010 as a Company Limited by Shares with the Province of Alberta. The Association received charity status on April 18, 2012.

Canadian Legacy Project was established:

- a) to support Canadian veterans living in poverty, recognize our Canadian veterans, and educate Canadians about the sacrifices made by our Canadian veterans;
- b) to receive gifts, bequests, trusts, funds and property and to hold, invest, develop, manage, administer and distribute funds and property for the objects of the Company;
- c) to conduct any and all activities and exercise any and all such powers that are incidental and ancillary to the attainment of the wholly charitable objects of the Company; and
- d) to gift funds to other registered charities or organizations that are otherwise qualified donees as defined in subsection 149.1 (1) of the Income Tax Act.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

**(a) Revenue recognition**

Externally restricted revenue is recorded according to the deferral method where revenue is recognized when the related expense occurred. The Canadian Legacy Project did not hold externally restricted assets on December 31, 2017 and December 31, 2016.

Operating revenue is recognized according to the accrual method, where revenue is recorded when it is received or reasonable assurance is given that it is receivable. This recognizes the effects of transactions and events in the period in which the transactions and events occur, even if cash is not exchanged until later.

**(b) Property and equipment**

Property and equipment over \$300 and a useful life of more than one year are recorded at cost and amortized for furniture and equipment at 10% per year on a straight line basis. Purchased art work has no amortization.

**(c) Inventory**

Inventory has been recorded at cost according to the FIFO (first in first out) method.

**CANADIAN LEGACY PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**December 31, 2017**

**(d) Basis of Accounting**

Management has concluded, that the going concern basis of accounting is appropriate for the Association.

**(e) Contributed Services**

A substantial number of volunteers have made significant contributions of their time to develop the Association's programs and carry out its activities. The value of this contributed time is not reflected in these financial statements.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

**(g) Donated Goods and Services**

The Association receives goods and services donated by individuals and businesses, who assist the Canadian Legacy Project in achieving its mission. The Association records donated goods and services at cost, if the goods or services would otherwise have been purchased.

**(h) Financial Instruments**

**Measurement of Financial Instruments:**

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income. Financial instruments measured at amortized cost include cash, accounts receivable and accounts payable.

**Financial Risk:**

It is management's opinion that the Association is not exposed to significant interest, currency, price, market or credit risks arising from these financial instruments.

**(i) Use of Estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses for the periods covered. The main estimates relate to the useful life of property and equipment and the amounts recorded as accrued liabilities.

**CANADIAN LEGACY PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**December 31, 2017**

**3. PROPERTY AND EQUIPMENT**

	Cost	Accumulated Amortization	2017 Net
Furniture and Equipment	\$ 11,945	1,195	10,750
Artwork	3,132	-	3,132
	<u>\$ 15,077</u>	<u>1,195</u>	<u>13,882</u>

**4. FUNDRAISING EXPENSES**

As required under section 7(2) of the Charitable Fundraising Regulation of Alberta, the following amounts are disclosed:

Direct costs incurred for the purpose of soliciting contributions \$167,453 ( 2016-\$131,660)

Amounts paid as remuneration to employees whose principal duties involve fundraising \$Nil (2016 - \$Nil).

**5. PREPAID EXPENSES**

Prepaid expenses consist of sponsorship for 2018 of \$30,000 also travel, insurance and other prepaid expenses.

**6. RELATED PARTY TRANSACTIONS**

During the fiscal year, \$61,950 (2016 \$46,120) were paid to companies belonging to Canadian Legacy Project's directors. These were paid to host a fundraising event and advertising and promotion. At fiscal year end, there had been receivables from these related parties of \$2,085 and payables to these related parties of \$1,328.

One of the board members of The Canadian Legacy Project also sits on the Board of another not-for-profit organization. The Canadian Legacy Project donated \$275,000 to this organization during the fiscal year. There were no receivables or payables between these two organizations at fiscal year end.

**CANADIAN LEGACY PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**December 31, 2017**

**7. INVENTORY**

The Association received a donation of 3,000 VIGIL books and 300 VIGIL coins. The balance remaining on December 31 of 1,500 books and 150 numbered coins will be given to students and donors in 2018.