

# **CANADIAN LEGACY PROJECT**

## **FINANCIAL STATEMENTS** (Audited)

**December 31, 2018**



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

**As at December 31, 2018**

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents, unrestricted	\$ 332,450	\$ 645,697
Accounts receivable, unrestricted	28,222	14,234
GST receivable	6,900	6,607
Prepaid expenses (Note 5)	2,903	39,167
Inventory (Note 7)	31,247	49,925
	401,722	755,630
<b>PROPERTY AND EQUIPMENT (Note 3)</b>	<b>12,688</b>	<b>13,882</b>
	<b>\$ 414,410</b>	<b>\$ 769,512</b>

**LIABILITIES AND NET ASSETS**

	<b>2018</b>	<b>2017</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 17,661	\$ 19,071
<b>NET ASSETS</b>		
Unrestricted	384,061	736,559
Invested in Property and Equipment	12,688	13,882
	<b>396,749</b>	<b>750,441</b>
	<b>\$ 414,410</b>	<b>\$ 769,512</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, 2018**

	<u>2018</u>	<u>2017</u>
Balances, beginning of the year	\$ 750,441	\$ 525,924
Increase (decrease)	(353,692)	224,517
Balances, end of the year	<u>\$ 396,749</u>	<u>\$ 750,441</u>

See Notes to Financial Statements

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

**For the Year Ended December 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>REVENUE</b>		
Donations - cash	\$ 494,230	\$ 677,009
Event revenue	61,500	171,374
Interest	269	90
Gain on sale of investments	-	76,475
Promotional items	-	543
Donations - non cash	-	140,720
	<u>555,999</u>	<u>1,066,211</u>
<b>EXPENSES</b>		
Sponsorship	281,000	9,000
Donations	201,910	376,680
Events	132,666	191,918
Subcontracts	80,002	14,454
Advertising and promotion	69,180	61,155
Professional fees	48,567	39,228
Education	44,678	90,902
Rent	14,343	4,354
Administration	8,458	24,182
GST not recoverable	6,900	6,607
Website development and maintenance	6,224	1,690
Travel	4,321	6,142
Insurance	3,639	1,745
Paypal and bank charges	3,534	8,494
Telephone	3,074	3,948
Amortization	1,195	1,195
	<u>909,691</u>	<u>841,694</u>
<b>EXCESS OF REVENUE (DEFICIENCY) OVER EXPENSES</b>	<u>\$ (353,692)</u>	<u>\$ 224,517</u>

See Notes to Financial Statements

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

For the Year Ended December 31, 2018

	2018	2017
<b>FUNDS PROVIDED BY OPERATING ACTIVITIES:</b>		
Excess of revenue (deficiency) over expenses	\$ (353,692)	\$ 224,517
<b>Charges not requiring cash outlay:</b>		
Amortization expense	1,195	1,195
Changes in non-cash operating working capital:		
Account receivable	(13,988)	324
GST receivable	(294)	(1,252)
Prepaid expenses	36,264	(11,867)
Inventory	18,678	(49,925)
Accounts payable and accrued charges	(1,410)	10,918
	(313,247)	173,910
<b>INVESTING ACTIVITIES:</b>		
Purchase of furniture and equipment	-	(11,945)
Purchase of artwork	-	(3,132)
	-	(15,077)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(313,247)	158,833
Cash and cash equivalents, beginning of the year	645,697	486,864
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>	\$ 332,450	\$ 645,697
<b>Consisting of:</b>		
Unrestricted cash and cash equivalents	\$ 332,450	\$ 645,697

See Notes to Financial Statements

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

**December 31, 2018**

**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, 2018 and December 31, 2017.

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**  
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**December 31, 2018**

**(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 of receivables, 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, 2018**

**3. PROPERTY AND EQUIPMENT**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2018 Net</b>	<b>2017 Net</b>
Furniture and Equipment	\$ 11,945	2,389	9,556	10,750
Artwork	3,132	-	3,132	3,132
	<u>\$ 15,077</u>	<u>2,389</u>	<u>12,688</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 \$127,955 ( 2017-  
\$167,453)

Amounts paid as remuneration to employees whose principal duties involve  
fundraising \$Nil (2017 - \$Nil).

**5. PREPAID EXPENSES**

Prepaid expenses consist of travel, insurance and other prepaid expenses.

**6. RELATED PARTY TRANSACTIONS**

During the fiscal year, \$95,100 (2017 \$61,950) 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 \$zero (2017 \$2,085) and payables to these related parties of \$5,584 (2017 - \$1,328).

One of the board members of The Canadian Legacy Project also sits on the Board of two other not-for-profit organizations. The Canadian Legacy Project donated \$100,000 (2017 - \$275,000) to one of these organization during the fiscal year. There was a reimbursement receivable from one of these organizations at fiscal year end of \$11,140.



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**7. INVENTORY**

The Association received a donation of 3,000 VIGIL books and 300 VIGIL coins. The balance remaining on December 31 of 960 books and 100 numbered coins will be given to students and donors in 2019.