

# CANADIAN LEGACY PROJECT

## FINANCIAL STATEMENTS (Audited)

December 31, 2019

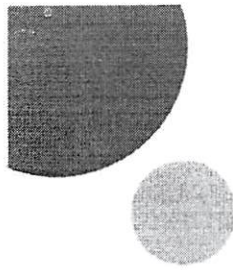


# CANADIAN LEGACY PROJECT

December 31, 2019

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# Heidi Brauer

## Chartered Professional Accountant

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### **Independent Auditor's Report**

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

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

I have audited the Statement of Financial Position of the Canadian Legacy Project as at December 31, 2019 and the Statements of Operations, Net Assets and Cash Flows and a summary of significant accounting policies and other explanatory notes for the year ended December 31, 2019.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Canadian Legacy Project as at December 31, 2019 and the results of its operations and cash flows for the year ended December 31, 2019 in accordance with Canadian accounting standards for not-for-profit associations.

##### **Basis for Opinion**

I conducted my audit in accordance with Canadian auditing standards. I am independent of the Canadian Legacy Project in accordance with the ethical requirements that are relevant to my audit 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 audit opinion.

##### **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 associations 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.

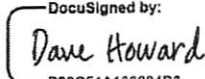
In preparing the financial statements, management is responsible for assessing the Calgary Legacy Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

### **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 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, concluding on the appropriateness of management's use of the going concern basis of accounting as well as evaluating the overall presentation of the financial statements.

I communicate with those charged with governance regarding 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.

DocuSigned by:  
  
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Calgary, Alberta  
date of board approval  
3/25/2020

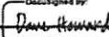
Heidi Brauer  
Chartered Professional Accountant

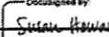
**CANADIAN LEGACY PROJECT**  
**STATEMENT OF FINANCIAL POSITION**  
(Audited)

As at December 31, 2019

	2019	2018
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents, unrestricted	\$ 321,463	\$ 332,370
Accounts receivable, unrestricted	25,035	28,302
GST receivable	4,538	6,900
Prepaid expenses (Note 5)	12,065	2,903
Inventory (Note 7)	-	31,247
	<b>363,101</b>	<b>401,722</b>
<b>PROPERTY AND EQUIPMENT (Note 3)</b>	<b>11,958</b>	<b>12,688</b>
	<b>\$ 375,059</b>	<b>\$ 414,410</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 24,317	\$ 17,661
<b>NET ASSETS</b>		
Unrestricted	338,784	384,061
Invested in Property and Equipment	11,958	12,688
	<b>350,742</b>	<b>396,749</b>
	<b>\$ 375,059</b>	<b>\$ 414,410</b>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

 Director  
DocuSigned by:  
Dan Howard  
829C51A182684D3

 Director  
DocuSigned by:  
Susan Howard  
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See Notes to the Financial Statements

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

For the Year Ended December 31, 2019

	<u>2019</u>	<u>2019</u>
Balances, beginning of the year	\$ 396,749	\$ 750,441
Decreases	(46,007)	(353,692)
Balances, end of the year	<u>\$ 350,742</u>	<u>\$ 396,749</u>

See Notes to Financial Statements

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

For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
<b>REVENUE</b>		
Donations - cash	\$ 445,211	\$ 494,230
Event revenue	41,779	61,500
Interest	1,800	269
	<u>488,790</u>	<u>555,999</u>
<b>EXPENSES</b>		
Donations	212,142	201,910
Advertising and promotion	71,853	69,180
Sponsorship	69,415	281,000
Events	51,121	132,666
Education	40,258	44,678
Professional fees	34,186	48,567
Rent	11,111	14,343
Subcontracts	10,654	80,002
Administration	8,608	8,458
Website development and maintenance	5,771	6,224
Paypal and bank charges	4,790	3,534
Travel	4,566	4,321
GST not recoverable	4,538	6,900
Insurance	2,514	3,639
Telephone	2,075	3,074
Amortization	1,195	1,195
	<u>534,797</u>	<u>909,691</u>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<u>\$ (46,007)</u>	<u>\$ (353,692)</u>

See Notes to Financial Statements

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

For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
<b>FUNDS PROVIDED BY OPERATING ACTIVITIES:</b>		
Deficiency of revenue over expenses	\$ (46,007)	\$ (353,692)
<b>Charges not requiring cash outlay:</b>		
Amortization expense	1,195	1,195
Changes in non-cash operating working capital:		
Account receivable	3,267	(14,068)
GST receivable	2,362	(294)
Prepaid expenses	(9,162)	36,264
Inventory	31,247	18,678
Accounts payable and accrued charges	6,657	(1,410)
	<u>(10,441)</u>	<u>(313,327)</u>
<b>INVESTING ACTIVITIES:</b>		
Purchase of furniture and equipment	(465)	-
	<u>(465)</u>	<u>-</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(10,906)</b>	<b>(313,327)</b>
Cash and cash equivalents, beginning of the year	<u>332,370</u>	<u>645,697</u>
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>	<b>\$ <u>321,464</u></b>	<b>\$ <u>332,370</u></b>
<b>Consisting of:</b>		
Unrestricted cash and cash equivalents	<u>\$ 321,464</u>	<u>\$ 332,370</u>

See Notes to Financial Statements



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

**December 31, 2019**

**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**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**December 31, 2019**

**(d) 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.

**(e) 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.

**(f) 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.

**(g) 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.

**(h) 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 collectability 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, 2019

**3. PROPERTY AND EQUIPMENT**

	Cost	Accumulated Amortization	2019 Net	2018 Net
Furniture and Equipment	\$ 11,945	3,584	8,361	9,556
Artwork	3,597	-	3,597	3,132
	<u>\$ 15,542</u>	<u>3,584</u>	<u>11,958</u>	<u>12,688</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 \$2,354 (2019-\$127,955)

Amounts paid as remuneration to employees whose principal duties involve fundraising \$Nil (2019 - \$Nil).

**5. PREPAID EXPENSES**

Prepaid expenses consist of Security deposit, insurance and other prepaid expenses.

**6. RELATED PARTY TRANSACTIONS**

During the fiscal year, \$69,505 (2018 \$95,100) were paid to companies belonging to Canadian Legacy Project's directors. These were paid to host a fundraising event, advertising and promotion and rent and parking expense. At fiscal year end, there had been receivables from these related parties of \$zero (2018 \$0) and payables to these related parties of \$Zero (2018 - \$5,584).

One of the board members of The Canadian Legacy Project also sits on the Board of Homes for Heroes Foundation. The Canadian Legacy Project donated \$100,000 (2018 - \$100,000) to Homes for Heroes Foundation during the fiscal year. There was a reimbursement receivable from one of these organizations at fiscal year end of 2019-\$Nil (2018-\$11,140-Field of Crosses). There are payable of Homes for Heroes Foundation at fiscal year end of 2019-\$1,500 (2018-\$Nil)

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

**December 31, 2019**

**7. INVENTORY**

In prior years, the Association had received a donation of 3,000 VIGIL books and 300 VIGIL coins. The balance remaining on December 31, 2018 of 960 books and 100 numbered coins were given to students and donors in 2019. The balance as per December 31, 2019 was zero.