

CAGP FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2022



INDEPENDENT AUDITORS' REPORT

To the Member of
CAGP Foundation

Opinion

We have audited the financial statements of CAGP Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2022, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 report. We are independent of the Foundation 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 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 the Foundation or to cease operations, or has no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT (Cont'd.)

Those charged with governance are responsible for overseeing the Foundation'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 these 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 Foundation'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 Foundation'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 Foundation to cease to continue as a going concern.



INDEPENDENT AUDITORS' REPORT (Cont'd.)

- 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.

We 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.

McCay Duff LLP
McCay Duff LLP,
Licensed Public Accountants.

Ottawa, Ontario
June 11, 2023.

CAGP FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	ASSETS	
	<u>2022</u>	<u>2021</u>
CURRENT		
Cash	\$ 1,200,324	\$ 688,855
Accounts receivable	130,912	6,725
Fund distribution receivable (note 4)	1,589	9,698
HST recoverable	132,056	94,995
Prepaid expenses	35,376	23,608
Due from Canadian Association of Gift Planners (note 7)	<u>58,694</u>	<u>-</u>
	1,558,951	823,881
INTANGIBLE ASSET (note 5)	<u>23,098</u>	<u>-</u>
	<u>\$ 1,582,049</u>	<u>\$ 823,881</u>
	LIABILITIES	
CURRENT		
Accounts payable	\$ 28,214	\$ 4,668
Deferred revenue (note 6)	828,026	31,304
Due to Canadian Association of Gift Planners (note 7)	<u>-</u>	<u>150,205</u>
	856,240	186,177
	NET ASSETS	
UNRESTRICTED	215,809	177,704
INTERNALLY RESTRICTED RESERVE STABILITY FUND (note 8)	150,000	-
INTERNALLY RESTRICTED WILL POWER RESERVE FUND (note 8)	<u>360,000</u>	<u>460,000</u>
	<u>725,809</u>	<u>637,704</u>
	<u>\$ 1,582,049</u>	<u>\$ 823,881</u>

Approved on behalf of the Board:

Director

Director

CAGP FOUNDATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
REVENUE		
Will Power campaign memberships and sponsorships	\$ 1,330,496	\$ 1,466,742
Donations	484,685	371,728
Education courses	<u>313,903</u>	<u>143,054</u>
	2,129,084	1,981,524
EXPENSES		
Will Power campaign (Schedule)	1,431,878	1,004,360
Contracted services	273,264	277,406
Management fee (note 7)	99,782	87,310
Fundraising	69,847	60,501
Meals, travel and accommodation	44,391	-
Professional fees	36,899	117
Sponsorship (note 7)	31,000	49,439
Office	14,377	10,084
Interest and bank charges	12,201	3,843
Memberships and dues	9,495	10,704
Honorariums	9,000	-
Occupancy	6,201	14,502
Insurance	<u>2,644</u>	<u>2,440</u>
	<u>2,040,979</u>	<u>1,520,706</u>
NET REVENUE FOR THE YEAR	<u><u>\$ 88,105</u></u>	<u><u>\$ 460,818</u></u>

CAGP FOUNDATION

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022			2021	
	Unrestricted	Internally Restricted Reserve Stability Fund	Internally Restricted Will Power Reserve Fund	Total	Total
BALANCE - BEGINNING OF YEAR	\$ 177,704	\$ -	\$ 460,000	\$ 637,704	\$ 176,888
Net revenue for the year	88,105	-	-	88,105	460,818
Transfer to Unrestricted	100,000	-	(100,000)	-	-
Transfer to Internally Restricted Reserve Stability Fund	<u>(150,000)</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE - END OF YEAR	<u>\$ 215,809</u>	<u>\$ 150,000</u>	<u>\$ 360,000</u>	<u>\$ 725,809</u>	<u>\$ 637,704</u>

CAGP FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue for the year	\$ 88,105	\$ 460,818
Changes in non-cash working capital		
- accounts receivable	(124,187)	(3,875)
- fund distribution receivable	8,109	19,257
- HST recoverable	(37,061)	(74,192)
- prepaid expenses	(11,768)	(16,892)
- accounts payable	23,546	4,668
- deferred revenue	796,722	16,555
- deferred contributions	-	(62,198)
- due to/from Canadian Association of Gift Planners	(208,899)	72,577
	<u>446,462</u>	<u>(44,100)</u>
	534,567	416,718
INVESTING ACTIVITY		
Purchase of intangible asset	(23,098)	-
CHANGE IN CASH POSITION DURING THE YEAR	511,469	416,718
Cash position - beginning of year	<u>688,855</u>	<u>272,137</u>
CASH POSITION - END OF YEAR	<u>\$ 1,200,324</u>	<u>\$ 688,855</u>

CAGP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. ORGANIZATION

CAGP Foundation ("the Foundation") was incorporated without share capital under Part II of the Canada Not-for-profit Corporations Act on March 30, 2016. The mission of the Foundation is to financially support the development and promotion of excellence in strategic, charitable gift planning in Canada. The Foundation is registered under the Income Tax Act as a charitable public foundation.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for 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. Restricted donations are recognized as revenue in the year in which related restrictions are met. Unrestricted donations are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Will Power campaign memberships and sponsorships are recognized in proportion to the related benefits that have been received by the member or sponsor as compared to the total benefits available through the membership or sponsorship.

Education course revenue is recognized in the period in which the specific course is held.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. These estimates are reviewed periodically and adjustments are made to net revenue as appropriate in the year they become known.

CAGP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(c) Financial Instruments

The Foundation's financial instruments consist of cash, accounts receivable, fund distribution receivable, accounts payable and due from the Canadian Association of Gift Planners.

Measurement

Financial instruments are recorded at fair value on initial recognition.

The Foundation subsequently measures all of its financial instruments at amortized cost.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down or subsequent recovery is recognized in net revenue. A previously recognized write-down can be reversed to the extent of the improvement.

(d) Volunteer Services

The Foundation receives the services of volunteers, the cost of which cannot be reasonably estimated. Since these services are not normally purchased by the Foundation, and because of the difficulty of determining their fair value, the value of these services is not reflected in these financial statements.

3. FINANCIAL RISKS AND CONCENTRATION OF RISKS

It is management's opinion that the Foundation is not exposed to significant interest rate, liquidity, market, currency or credit risks arising from its financial instruments.

4. FUND DISTRIBUTION RECEIVABLE

CAGP Foundation is the beneficiary of a designated fund held by The Winnipeg Foundation (the "Fund"). Pursuant to the terms of the agreement establishing this fund, contributions are held in a separate fund designated for the benefit of CAGP Foundation. In accordance with its spending policy, The Winnipeg Foundation makes quarterly distributions from the fund to CAGP Foundation. As at December 31, 2022, total distributions receivable from the Fund were \$1,589 (2021 - \$9,698).

The agreement with the Winnipeg Foundation as the main portal for donations has concluded during the year-ended December 31, 2022. The Foundation will continue to collect donations through CanadaHelps.

CAGP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

4. FUND DISTRIBUTION RECEIVABLE (Cont'd.)

Under the terms of the agreement, unless otherwise requested by the donor, 10% of all donations received by the Fund were retained within the Fund as endowments. As the endowments are to be held in perpetuity by The Winnipeg Foundation, no related amount is included in these financial statements. A portion of the income earned by the endowments is to be disbursed to CAGP Foundation on an annual basis, in accordance with The Winnipeg Foundation's spending policy. The total value of endowments held in the Fund as at December 31, 2022 was \$35,363 (2021 - \$39,508).

5. INTANGIBLE ASSET

The intangible asset balance is comprised of website development costs. The website is not available for use as at December 31, 2022, and accordingly, no amortization expense has been recorded during the year-ended December 31, 2022.

6. DEFERRED REVENUE

Deferred revenue relates to education course fees and Will Power memberships paid in advance.

	<u>2022</u>	<u>2021</u>
Education courses	\$ 114,849	\$ 21,995
Will Power Campaign	<u>713,177</u>	<u>9,309</u>
	<u>\$ 828,026</u>	<u>\$ 31,304</u>

7. CANADIAN ASSOCIATION OF GIFT PLANNERS

The Canadian Association of Gift Planners ("the Association") is a related party of the Foundation by virtue of the Association's ability to elect and remove members of the Foundation's Board of Directors. During the year ended December 31, 2022, the Foundation paid management fees of \$99,782 (2021 - \$87,310), Will Power campaign costs of \$9,198 (2021 - \$45,489) and sponsorships of \$31,000 (2021 - \$32,079) to the Association. These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The amount due from the Canadian Association of Gift Planners is non-interest bearing and has no fixed terms of repayment. It is anticipated that the amount will be repaid on or before January 1, 2024 and therefore has been presented with current assets.

CAGP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

8. INTERNALLY RESTRICTED NET ASSETS

The Reserve Stability Fund is an internally restricted reserve set aside by the Board of Directors to cover minimum legal obligations in the event of an unexpected cash shortfall or unusual circumstances, or to invest in the Foundation's strategic priorities beyond the resources available from general operations. Any additions to, or withdrawals from, the Reserve are made by approval by the Board of Directors.

Will Power is a national public education effort designed to inspire more Canadians to make a significant impact on the causes they care about, with a gift in their will to charity. The purpose of the Will Power Campaign Reserve Fund is to provide financial support to the Will Power campaign expenses in the event that campaign memberships and sponsorships are insufficient, or for future campaign redevelopment.

9. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current financial statement presentation.

CAGP FOUNDATION

SCHEDULE OF WILL POWER CAMPAIGN EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
Marketing and public relations	\$ 1,192,032	\$ 822,418
Professional and consulting fees	210,108	116,416
Administration	17,639	17,889
Management fee (note 7)	9,198	23,239
Other	2,446	19
Legal fees	455	2,129
Grants (note 7)	<u>-</u>	<u>22,250</u>
	<u>\$ 1,431,878</u>	<u>\$ 1,004,360</u>