

**RED DEER PUBLIC SCHOOL DISTRICT
FOUNDATION**

Financial Statements

Year Ended August 31, 2021



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Independent Auditor's Report

To the Directors of Red Deer Public School District Foundation

Qualified Opinion

We have audited the financial statements of Red Deer Public School District Foundation (the Entity), which comprise the statement of financial position as at August 31, 2021, and the statements of revenue, expenditures and changes in fund balances and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at August 31, 2021 and its results of operations 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended August 31, 2021 and 2020, current assets as at August 31, 2021 and 2020, and fund balances as at September 1 and August 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended August 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our 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 qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's 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 auditor's 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.

Independent Auditor's Report

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 auditor's 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 auditor's 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.

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.

BDO Canada LLP
Chartered Professional Accountants

Red Deer, Alberta
February 17, 2022

RED DEER PUBLIC SCHOOL DISTRICT FOUNDATION
Statement of Financial Position
As at August 31, 2021

	August 31, 2021	August 31, 2020
ASSETS		
Current Assets		
Cash	\$ 726,653	\$ 633,302
Accounts receivable	9,113	25,068
Goods and Services Tax receivable	998	625
	736,764	658,995
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	-	3,294
FUND BALANCES		
Unrestricted	64,563	56,582
Internally restricted - Schedule 1	672,201	599,118
Externally restricted - Schedule 1	-	-
	736,764	655,701
	\$ 736,764	\$ 658,995

Approved by the Board:

_____ Director

_____ Director

RED DEER PUBLIC SCHOOL DISTRICT FOUNDATION
Statement of Revenue, Expenditures and Changes in Fund Balances
For the year ended August 31, 2021

	2021			2020		
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
Revenue						
Fundraising	\$ 30,175	289,334	\$ 319,509	\$ 21,183	340,657	\$ 361,840
Operating grant	30,000	-	30,000	30,000	-	30,000
Interest	1,303	-	1,303	4,926	1,198	6,124
	61,478	289,334	350,812	56,109	341,855	397,964
Expenditures						
Audit	4,074	-	4,074	4,074	-	4,074
Office supplies	10,057	112,209	122,266	10,057	112,209	122,266
School Projects	17,347	56,448	73,795	5,379	85,466	90,845
Wages	22,019	47,594	69,613	23,803	38,812	62,615
	53,497	216,251	269,748	43,313	236,487	279,800
Excess (deficiency) of revenue over expenditures	7,981	73,083	81,064	12,796	105,368	118,164
Fund balances beginning of year	56,582	599,118	655,701	32,094	505,442	537,537
Transfers	-	-	-	11,692	(11,692)	-
Fund balances end of year	\$ 64,563	\$ 672,201	\$ 736,764	\$ 56,582	\$ 599,118	\$ 655,701

RED DEER PUBLIC SCHOOL DISTRICT FOUNDATION
Statement of Cash Flow
For the year ended August 31, 2021

	2021	2020
Operating activities:		
Cash received from government, public or other support	\$ 365,090	\$ 400,858
Cash received from interest income	\$ 1,303	6,124
Cash paid to suppliers and employees	\$ (273,042)	(296,596)
Increase(Decrease) in cash	93,351	110,386
Cash, beginning of year	633,302	522,916
Cash, end of year	\$ 726,653	\$ 633,302

RED DEER PUBLIC SCHOOL DISTRICT FOUNDATION
Statement of Changes in Fund Balances
For the year ended August 31, 2021

	2020	2021	2021	2021	2021
	Restricted	Revenue	Expenditures	Transfers	Restricted
	Funds				Funds
Internally Restricted Funds					
Finish Line Program	\$ 82,242	23,500	40,963	-	\$ 64,779
Bright Start Program	\$ (2,405)	15,189	(4,000)	-	16,784
Reading College	\$ 216,697	124,695	69,570	-	271,822
50/50 Lottery	\$ 100,724	103,250	94,807	-	109,167
Step Up Program	\$ 81,950	22,550	10,455	-	94,045
Indoor Farming Program	\$ 105,000		-	-	105,000
Music Plus	\$ 4,910	150	4,456	-	604
Open Doors	\$ 10,000		-	-	10,000
	599,118	289,334	216,251	-	672,201
Externally Restricted Funds	-	-	-	-	-
	\$ 599,118	289,334	216,251	-	\$ 672,201

	2019	2020	2020	2020	2020
	Restricted	Revenue	Expenditures	Transfers	Restricted
	Funds				Funds
Internally Restricted Funds					
Finish Line Program	\$ 87,270	32,000	37,028	-	\$ 82,242
Bright Start Program	(5,737)	14,570	11,238	-	\$ (2,405)
Reading College	79,968	143,543	38,228	31,414	\$ 216,697
50/50 Lottery	176,743	109,445	142,358	(43,106)	\$ 100,724
Step Up Program	57,288	32,297	7,635	-	\$ 81,950
Indoor Farming Program	105,000	-	-	-	\$ 105,000
Music Plus	4,910	-	-	-	\$ 4,910
Open Doors		10,000		-	\$ 10,000
	505,442	341,855	236,487	(11,692)	599,118
Externally Restricted Funds	-	-	-	-	-
	\$ 505,442	341,855	236,487	(11,692)	\$ 599,118

RED DEER PUBLIC SCHOOL DISTRICT FOUNDATION

Notes to Financial Statements

Year Ended August 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

The Red Deer Public School District Foundation (the "Foundation") was incorporated under the Societies Act of the Province of Alberta on November 15, 1983 to provide funds for the advancement of education and other charitable purposes beneficial to the community. The Foundation is a registered charity entitled to issue charitable donation receipts and is exempt from income tax in accordance with the Income Tax Act.

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions.

The unrestricted fund accounts for the Foundation's administrative activities and receipt and use of unrestricted contributions.

The restricted fund accounts for contributions made for a specific purpose.

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the unrestricted funds in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the unrestricted funds in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

All interest income is added to the Foundation's general account.

Contributed services

The Foundation benefits from donated services in the form of volunteer time. The value of these contributed volunteer services have not been reflected in these financial statements.

Valuation of donation of gifts-in-kind

The Foundation receives donations of gifts-in-kind for equipment, supplies and services. The Foundation has not included the value of these goods and services in these financial statements.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(continues)

RED DEER PUBLIC SCHOOL DISTRICT FOUNDATION

Notes to Financial Statements

Year Ended August 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

2. RESTRICTED CASH

The 50/50 lottery funds included in cash must be used in accordance with the Alberta Gaming Commission application. Included in cash is \$109,237 (2020 - \$100,549) of funds held within the 50/50 lottery bank account.

3. RELATED PARTY TRANSACTIONS

The Foundation received an operating grant from The Red Deer School Division, an organization which operates and maintains the Foundation, for administrative expenses including audit fees, printing, postage, stationary and support staff in the year of \$30,000 (2020 - \$30,000). Included in accounts receivable balance is \$nil (2020 - \$25,000) due from the Division. Included in accounts payable is \$nil (2020 - \$3,017) owed to the Division.

These transactions were incurred in the normal course of operations and are recorded at the exchange amount which is the amount agreed to and paid by the related parties.

4. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, accounts receivable and accounts payable. Its management's opinion that the Foundation is not exposed to significant interest, currency, liquidity, market or credit risks arising from these financial instruments.

5. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
