

**ST. GEORGE'S MEMORIAL FUND INC.**

**Financial Statements**

**Year Ended December 31, 2020**

**ST. GEORGE'S MEMORIAL FUND INC.**

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**Year Ended December 31, 2020**

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## INDEPENDENT AUDITORS' REPORT

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To the Directors of St. George's Memorial Fund Inc.

### *Qualified Opinion*

We have audited the financial statements of St. George's Memorial Fund Inc. (the Organization), which comprise the statement of financial position as at December 31, 2020, and the statements of revenue and expenses, changes in net assets 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 Organization as at December 31, 2020, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Qualified Opinion*

In common with many charitable organizations, the organization derives revenue from donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation of scope.

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 Organization 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 those 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 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

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*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 Organization'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 Organization'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 Organization 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.

*Exchange*

Chartered Professional Accountants LLP  
Winnipeg, Manitoba  
June 30, 2021

**ST. GEORGE'S MEMORIAL FUND INC.**

**Statement of Financial Position**

**December 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 17,836	\$ 35,777
GST receivable	<u>1,854</u>	<u>889</u>
	<b>19,690</b>	<b>36,666</b>
LONG TERM INVESTMENTS <i>(Notes 2, 4)</i>	<u><b>1,020,384</b></u>	<u>1,015,145</u>
	<u><b>\$ 1,040,074</b></u>	<u>\$ 1,051,811</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 6,198	\$ 4,502
<b>NET ASSETS</b>	<u><b>1,033,876</b></u>	<u>1,047,309</u>
	<u><b>\$ 1,040,074</b></u>	<u>\$ 1,051,811</u>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Director*

\_\_\_\_\_ *Director*

See notes to financial statements

**ST. GEORGE'S MEMORIAL FUND INC.**

**Statement of Revenue and Expenses**

**Year Ended December 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>REVENUE</b>		
Dividends	\$ 46,771	\$ 38,279
Charitable donations	5,471	45,756
Interest	4,489	5,435
Life insurance donations (Note 5)	3,659	3,609
	<u>60,390</u>	<u>93,079</u>
<b>EXPENSES</b>		
Donation for repairs and maintenance made to Parish of St. George, Crescentwood (Note 6)	27,649	34,576
Interest and bank charges	-	133
Life insurance premiums (Note 5)	3,912	3,844
Office supplies and miscellaneous	-	105
Portfolio management fees	9,732	8,451
Professional fees	4,600	4,641
	<u>45,893</u>	<u>51,750</u>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER INCOME</b>	<u>14,497</u>	<u>41,329</u>
<b>OTHER INCOME (EXPENSES)</b>		
Loss on disposal of investments	(16,155)	-
Change in market value of marketable securities	(11,775)	93,464
	<u>(27,930)</u>	<u>93,464</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ (13,433)</u>	<u>\$ 134,793</u>

See notes to financial statements

**ST. GEORGE'S MEMORIAL FUND INC.**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2020**

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	<b>2020</b>	2019
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 1,047,309</b>	\$ 912,516
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>(13,433)</u>	<u>134,793</u>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 1,033,876</u></b>	<b><u>\$ 1,047,309</u></b>

**ST. GEORGE'S MEMORIAL FUND INC.**

**Statement of Cash Flow**

**Year Ended December 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>OPERATING ACTIVITIES</b>		
Cash receipts from donations and other sources	\$ 4,504	\$ 46,196
Cash paid to suppliers	(40,534)	(81,662)
Interest received	4,489	5,435
Dividends received	37,300	38,279
Interest paid	-	(133)
	<hr/>	<hr/>
Cash flow from operating activities	5,759	8,115
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of marketable securities	20,341	25,142
Purchase of marketable securities	(44,041)	(1,510)
	<hr/>	<hr/>
Cash flow from (used by) investing activities	(23,700)	23,632
<b>INCREASE (DECREASE) IN CASH</b>	<b>(17,941)</b>	<b>31,747</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>35,777</b>	<b>4,030</b>
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<b>CASH - END OF YEAR</b>	<b>\$ 17,836</b>	<b>\$ 35,777</b>
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# ST. GEORGE'S MEMORIAL FUND INC.

## Notes to Financial Statements

Year Ended December 31, 2020

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### 1. DESCRIPTION OF OPERATIONS

St George's Memorial Fund Inc. was incorporated as a non-profit corporation without share capital on December 16, 1983 for the purpose of raising and managing funds to ensure the capital assets of the Anglican Church of Canada, Parish of St George, Crescentwood, are maintained to an appropriate standard. The Memorial Fund is a registered public foundation and is exempt from income tax under Section 149 (1) (f) of the Income Tax Act .

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting Standards for Not-for-Profit Organizations. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

#### 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.

#### Revenue Recognition

The Memorial Fund follows the deferral method of accounting for revenue. Donations are recorded as revenue when received. All other revenue and expenditures are recorded on the accrual basis of accounting.

#### Contributed Services

A large number of people have contributed significant amounts of time to the activities of St. George's Memorial Fund Inc., without compensation. The financial statements do not reflect those contributed services because, although clearly substantial, no reliable basis exists for determining an appropriate amount.

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### 3. FINANCIAL INSTRUMENTS

The Memorial Fund is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Memorial Fund's risk exposure and concentration as of December 31, 2020.

#### Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Memorial Fund is mainly exposed to interest rate risk and other price risk through its long term investments.

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**ST. GEORGE'S MEMORIAL FUND INC.**

**Notes to Financial Statements**

**Year Ended December 31, 2020**

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3. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The Memorial Fund is exposed to interest rate risk primarily through its long term investments.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or it's issuer, or factors affecting all similar financial instruments traded in the market. The Memorial Fund is exposed to other price risk through its investment in pooled equity funds.

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4. LONG TERM INVESTMENTS

The fair values of long term investments are as follows:

	<u>Market - 2020</u>	<u>Cost - 2020</u>	<u>Market - 2019</u>	<u>Cost - 2019</u>
Pooled equity funds, bonds & GIC's	<u>\$ 1,020,384</u>	<u>\$ 951,456</u>	<u>\$ 1,015,145</u>	<u>\$ 934,442</u>

Investments are pooled in funds, bonds and GIC's which are managed by RBC Investments.

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5. LIFE INSURANCE POLICIES

St. George's Memorial Fund Inc. is the owner and beneficiary of nine life insurance policies. Individuals who currently pay the annual premiums receive a charitable donation receipt for those contributions. The Memorial Fund is currently paying the premiums for one such policy. The premiums paid by the individuals have been recorded as expenses of the Memorial Fund, with a corresponding amount shown as donation income. The total death benefit of the policies is approximately \$226,921.

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6. RELATED PARTY TRANSACTIONS

The following is a summary of the organization's related party transactions:

	<u>2020</u>	<u>2019</u>
Parish of St. George, Crescentwood <i>(The organizations are related as Parish of St. George, Crescentwood owns St. George's Memorial Fund Inc.)</i>		
Donations	<u>\$ 27,649</u>	<u>\$ 34,576</u>

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**ST. GEORGE'S MEMORIAL FUND INC.**

**Notes to Financial Statements**

**Year Ended December 31, 2020**

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7. COVID-19

Reactions and restrictions to Coronavirus (COVID-19) continue to evolve and change regularly. Management of the organization continues to maintain operations where possible, while looking out for the needs and safety of the public.

Operations in the historical financial statements, as presented, do not give rise to potential going-concern issues. However, given the uncertainties on the economy, management cannot predict the effect that this will have on their future operations or cash flows

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