

ShareLife

Financial Statements
July 31, 2019

ShareLife
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Independent auditor's report

To the Trustees of ShareLife

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ShareLife (the Organization) as at July 31, 2019 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.

What we have audited

The Organization's financial statements comprise:

- the statement of financial position as at July 31, 2019;
- the statement of financial activities for the year then ended;
- the statement of fund balances for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



In preparing the financial statements, management is responsible for assessing the Organization'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 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.

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.

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 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 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
November 8 2019

ShareLife

Statement of Financial Position

As at July 31, 2019

	2019 \$	2018 \$
Assets		
Current assets		
Cash	502,460	425,454
Bankers' acceptances (note 4)	3,094,566	4,292,716
Amounts receivable	254,541	317,989
Pledges receivable from annual campaign (note 5(a))	1,184,384	1,376,717
	<u>5,035,951</u>	<u>6,412,876</u>
Investments (note 4)	2,490,273	2,459,670
Legacy for Life Endowment Fund (note 3)	5,729,519	5,654,419
	<u>13,255,743</u>	<u>14,526,965</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	155,265	144,622
Distributions payable (schedule 1 and note 5(b))	5,592,515	6,251,566
Deferred revenue	66,667	-
	<u>5,814,447</u>	<u>6,396,188</u>
Fund Balances		
Legacy for Life Endowment Fund (note 3)	5,729,519	5,654,419
General Fund	1,711,777	2,476,358
	<u>7,441,296</u>	<u>8,130,777</u>
	<u>13,255,743</u>	<u>14,526,965</u>

Approved by the Trustees

 _____ Trustee _____ Trustee

The accompanying notes are an integral part of these financial statements.

ShareLife

Statement of Financial Activities

For the year ended July 31, 2019

			<u>2019</u>	<u>2018</u>
	General Fund \$	Legacy for Life Endowment Fund \$	Total \$	Total \$
Revenue				
Annual campaign				
Archdiocesan parish appeal (note 5(a))	13,033,271	-	13,033,271	13,360,636
Corporations	842,612	-	842,612	936,827
Schools, employee campaigns, miscellaneous	459,065	-	459,065	563,498
	<u>14,334,948</u>	<u>-</u>	<u>14,334,948</u>	<u>14,860,961</u>
Other				
Bequests	-	217,410	217,410	305,711
Investment income	112,536	150,178	262,714	412,698
Contribution – Legacy for Life Endowment Fund	221,678	(221,678)	-	-
Miscellaneous donations	-	-	-	259,895
	<u>14,669,162</u>	<u>145,910</u>	<u>14,815,072</u>	<u>15,839,265</u>
Expenses				
Campaign and administrative (schedule 2)	1,745,457	-	1,745,457	1,578,662
	<u>1,745,457</u>	<u>-</u>	<u>1,745,457</u>	<u>1,578,662</u>
Revenue before the undernoted items	12,923,705	145,910	13,069,615	14,260,603
Distributions (schedule 1 and note 5(b))	13,657,572	-	13,657,572	13,156,700
Other distributions	-	-	-	259,895
	<u>-</u>	<u>-</u>	<u>-</u>	<u>259,895</u>
Excess of revenue over expenses (expenses over revenue) before change in fair value of investments	(733,867)	145,910	(587,957)	844,008
Change in fair value of investments	(30,714)	(70,810)	(101,524)	381,149
	<u>(764,581)</u>	<u>(70,810)</u>	<u>(835,395)</u>	<u>1,225,157</u>
Excess of revenue over expenses (expenses over revenue) for the year	(764,581)	75,100	(689,481)	1,225,157

The accompanying notes are an integral part of these financial statements.

ShareLife

Statement of Fund Balances

For the year ended July 31, 2019

			<u>2019</u>	<u>2018</u>
	General Fund \$	Legacy for Life Endowment Fund \$	Total \$	Total \$
Fund balances – Beginning of year	2,476,358	5,654,419	8,130,777	6,905,620
Excess of revenue over expenses (expenses over revenue) for the year	(764,581)	75,100	(689,481)	1,225,157
Fund balances – End of year	<u>1,711,777</u>	<u>5,729,519</u>	<u>7,441,296</u>	<u>8,130,777</u>

The accompanying notes are an integral part of these financial statements.

ShareLife

Statement of Cash Flows

For the year ended July 31, 2019

	2019	2018
	\$	\$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses (expenses over revenue) for the year	(689,481)	1,225,157
Items not affecting cash		
Change in fair value of investments	101,524	(381,149)
Investment income reinvested	(253,192)	(405,978)
Changes in non-cash working capital		
Pledges receivable from annual campaign	192,333	(120,606)
Amounts receivable	63,448	223,707
Distributions payable	(659,051)	(571,842)
Accounts payable and accrued liabilities	10,643	(71,177)
Deferred revenue	66,667	(259,895)
	<u>(1,167,109)</u>	<u>(361,783)</u>
Investing activities		
Proceeds from sale of Legacy for Life Endowment Fund investments	30,908	23,449
Proceeds from sale of investments	14,788,533	27,482,844
Purchases of investments	<u>(13,575,326)</u>	<u>(27,268,095)</u>
	1,244,115	238,198
Increase (decrease) in cash during the year	77,006	(123,585)
Cash – Beginning of year	<u>425,454</u>	<u>549,039</u>
Cash – End of year	<u>502,460</u>	<u>425,454</u>

The accompanying notes are an integral part of these financial statements.

ShareLife

Schedule 1

Schedule of Distributions and Distributions Payable

For the year ended July 31, 2019

Distributions			2019	2018
	Paid to July 31, 2019 \$	Remaining to be paid by December 31, 2019 \$	Allocations Total \$	Allocations Total \$
Distributions to participants in annual ShareLife appeal				
Catholic Charities	5,401,284	3,858,055	9,259,339	8,714,300
St. Augustine's Seminary of Toronto	991,666	708,334	1,700,000	1,700,000
Canadian Catholic Organization for Development and Peace	-	800,000	800,000	800,000
Pastoral Mission Fund	455,122	144,878	600,000	600,000
Office for Refugees	302,400	-	302,400	302,400
Catholic Youth Ministry	170,000	-	170,000	170,000
St. John Paul II Centre	58,333	41,667	100,000	100,000
	<u>7,378,805</u>	<u>5,552,934</u>	<u>12,931,739</u>	<u>12,386,700</u>
Distributions of grants-in-aid				
Hospital Chaplaincy	200,000	-	200,000	200,000
Office of Vocations	100,000	-	100,000	100,000
Good Shepherd Refuge	55,419	39,581	95,000	95,000
Canadian Food for Children	85,000	-	85,000	85,000
Redemptoris Mater Seminary	85,000	-	85,000	75,000
New Beginnings	50,000	-	50,000	50,000
Right to Life Association	40,000	-	40,000	40,000
Mary's Meals	33,333	-	33,333	-
Street Haven at the Crossroads	27,500	-	27,500	115,000
DeVeber Institute	10,000	-	10,000	10,000
	<u>686,252</u>	<u>39,581</u>	<u>725,833</u>	<u>770,000</u>
	<u>8,065,057</u>	<u>5,592,515</u>	<u>13,657,572</u>	<u>13,156,700</u>
Distributions payable as at July 31, 2019				
2017 allocations			-	800,000
2018 allocations			-	5,451,566
2019 allocations			<u>5,592,515</u>	-
			<u>5,592,515</u>	<u>6,251,566</u>

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Schedule 2

**Schedule of Campaign and Administrative Expenses
For the year ended July 31, 2019**

	2019 \$	2018 \$
Campaign		
Salaries and benefits	416,680	392,680
Direct mail		
Postage	385,920	256,057
Printing	70,561	136,659
Parish support	14,456	11,586
Printing		
Parish	48,774	56,568
Schools	34,503	17,011
Special events	36,726	35,210
Donations processing fees	43,222	40,192
Design and artwork	9,877	8,241
Advertising	21,302	22,360
Awards and recognition	14,450	14,795
Shipping	1,205	1,247
Postage	7,532	6,534
Meetings	7,159	6,891
Telephone	1,665	1,881
Film and video	4,555	3,339
Photography	832	2,508
	<u>1,119,419</u>	<u>1,013,759</u>
Administrative		
Salaries and benefits	416,680	392,680
Rent	43,008	43,008
Accounting and other support services	36,000	36,000
Audit, legal and other fees	25,515	28,427
Car and travel	14,016	12,331
Supplies	13,358	15,614
Membership and licence fees	23,846	15,195
Banking and investment fees	19,623	4,398
Postage	7,531	6,533
Office equipment and software	15,391	720
Education	4,584	3,665
Equipment rental and maintenance	1,856	1,486
Insurance	2,965	2,965
Telephone	1,665	1,881
	<u>626,038</u>	<u>564,903</u>
Campaign and administrative expenses	<u>1,745,457</u>	<u>1,578,662</u>

ShareLife

Notes to Financial Statements

July 31, 2019

1 Purpose of the organization

ShareLife is the Catholic community's response to providing care and outreach to those in need through its 42 agencies, by raising and allocating funds effectively, and fulfilling its obligation to respect life at all stages.

ShareLife was established by the Roman Catholic Episcopal Corporation for the Diocese of Toronto in Canada (the Archdiocese) under a declaration of trust and is classified under the Income Tax Act (Canada) as a registered charitable public foundation.

2 Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) – Part III of the Chartered Professional Accountants of Canada Handbook – Accounting. The significant accounting policies followed by ShareLife are as follows.

Revenue recognition

ShareLife follows the deferral method of accounting for contributions. Revenues from the annual campaign and bequests are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions to the Legacy for Life Endowment Fund are endowed and the investment income is to be used for the long-term support of ShareLife agencies.

Restricted donations are deferred and are recognized as revenue in the year in which the related expenditure is recognized. These amounts are deemed externally restricted contributions as designated by the donors.

Investment income is accrued as it is earned and includes distributions and interest income.

Campaign distributions and grants-in-aid

Distributions from campaign revenues represent amounts approved by the Trustees on a calendar year basis for the annual operations of the specified participants in the annual appeal of ShareLife.

Grants-in-aid are amounts approved by the Trustees for the initiation or maintenance of the services of other organizations that are not specified participants in the annual appeal of ShareLife.

Distributions and grants-in-aid are recorded in the financial statements in the fiscal year for which they are approved by the Trustees.

Capital assets

Capital assets, which are not significant to the annual operations of ShareLife, are expensed in the year of acquisition.

ShareLife

Notes to Financial Statements

July 31, 2019

Pension costs

Certain lay employees of ShareLife are members of a defined contribution pension plan sponsored by the Archdiocese. The pension costs associated with current service are expensed and funded in the year in which the service is rendered.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial instruments

ShareLife initially measures all its financial assets and financial liabilities at fair value and subsequently at amortized cost, except for investments, which are recorded at fair value, and related party transactions, which are recorded at the exchange amount established and agreed to by the related parties. Changes in fair value are recognized in the statement of financial activities. Financial assets are tested for impairment at the end of each reporting period when there are indicators the assets may be impaired.

Transactions are recorded on a settlement date basis and are expensed as incurred.

3 Legacy for Life Endowment Fund (the Fund)

The Fund was established in 2003 by ShareLife and is an externally endowed fund. The investment income earned on the funds is to be used for the long-term support of ShareLife agencies. The capital of the Fund is increased by donations from individuals wishing to contribute to the Fund and bequests received during the year. The Fund contributes 4% of average market investments over the past three years to operations. In the current year, \$221,678 (2018 – \$209,415) was transferred to operations.

Activities in the Fund were as follows:

	2019	2018
	\$	\$
Balance – Beginning of year	5,654,419	5,029,342
Investment income earned	150,178	262,565
Less: Transfer to operations	(221,678)	(209,415)
Bequests received	217,410	305,711
Change in fair value of investments	(70,810)	266,216
	<hr/>	<hr/>
Balance – End of year	5,729,519	5,654,419

ShareLife

Notes to Financial Statements

July 31, 2019

The capital of the Fund is invested in a separate pooled fund investment account, as recommended by the Trustees. The investments are administered in accordance with the Trustees' statement of investment policies and procedures. In order to preserve the principal value of the Fund over the long term, a portion of the investment income, which is determined by a formula approved by the Trustees after adjusting for inflation, is transferred into the Fund each year from the General Fund.

The Fund comprises:

	2019		2018	
	Cost \$	Fair value \$	Cost \$	Fair value \$
Pooled funds	5,932,121	5,767,472	5,174,497	5,692,304
Due from the Fund	(37,953)	(37,953)	(37,885)	(37,885)
	<u>5,894,168</u>	<u>5,729,519</u>	<u>5,136,612</u>	<u>5,654,419</u>

4 Investments

Investments are comprised of:

	2019		2018	
	Cost \$	Fair value \$	Cost \$	Fair value \$
Bankers' acceptances	3,094,566	3,094,566	4,292,716	4,292,716
Pooled funds	2,555,948	2,490,273	2,230,473	2,459,670
	<u>5,650,514</u>	<u>5,584,839</u>	<u>6,523,189</u>	<u>6,752,386</u>

The bankers' acceptances have a yield of 1.65% to 1.67% (2018 – 1.50% to 1.64%) with maturity dates from August 19, 2019 to August 30, 2019 (2018 – August 7, 2018 to September 9, 2018).

5 Related party transactions and balances

a) The Archdiocese, which includes the Parishes, controls ShareLife through its right to appoint all of its Trustees. During the year, ShareLife had the following transactions with the Archdiocese:

	2019 \$	2018 \$
Revenue – Archdiocesan parish appeal	13,033,271	13,360,636
Office accommodation and administrative services	79,008	79,008

ShareLife

Notes to Financial Statements

July 31, 2019

As at July 31, 2019, ShareLife has the following related party balances with the Archdiocese:

	2019	2018
	\$	\$
Pledges receivable from annual campaign	938,351	1,101,422

- b) ShareLife provides distributions to various ministries of the Archdiocese and its related institutions. During the year, ShareLife had the following transactions with these related parties:

	2019	2018
	\$	\$
Distributions paid		
Pastoral Mission Fund	455,122	368,971
Catholic Youth Ministry	170,000	170,000
St. John Paul II Centre	58,333	58,333
Office for Refugees	302,400	302,400
Hospital Chaplaincy	200,000	200,000
Office of Vocations	100,000	100,000
New Beginnings	50,000	50,000
St. Augustine's Seminary of Toronto	991,666	991,667
Redemptoris Mater Seminary	85,000	75,000

As at July 31, 2019, ShareLife has the following related party balances with these related parties:

	2019	2018
	\$	\$
Distributions payable		
St. Augustine's Seminary of Toronto	708,334	708,333
Pastoral Mission Fund	144,878	231,029
St. John Paul II Centre	41,667	41,667

