

ShareLife

Financial Statements
July 31, 2020

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, 2020 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, 2020;
- 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 10, 2020

ShareLife

Statement of Financial Position

As at July 31, 2020

	2020 \$	2019 \$
Assets		
Current assets		
Cash	1,173,456	502,460
Bankers' acceptances (note 4)	1,499,805	3,094,566
Amounts receivable	135,331	254,541
Pledges receivable from annual campaign (note 5(a))	1,021,862	1,184,384
	<u>3,830,454</u>	<u>5,035,951</u>
Investments (note 4)	1,814,699	2,490,273
Legacy for Life Endowment Fund (note 3)	7,943,340	5,729,519
	<u>13,588,493</u>	<u>13,255,743</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	445,953	155,265
Distributions payable (schedule 1 and note 5(b))	5,385,471	5,592,515
Deferred revenue	33,334	66,667
Loan payable to related party – current (note 5(a))	200,000	-
	<u>6,064,758</u>	<u>5,814,447</u>
Fund Balances		
Legacy for Life Endowment Fund (note 3)	7,943,340	5,729,519
General Fund	(419,605)	1,711,777
	<u>7,523,735</u>	<u>7,441,296</u>
	<u>13,588,493</u>	<u>13,255,743</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, 2020

			2020	2019
	General Fund \$	Legacy for Life Endowment Fund \$	Total \$	Total \$
Revenue				
Annual campaign				
Archdiocesan parish appeal (note 5(a))	8,323,576	-	8,323,576	13,033,271
Corporations	795,527	-	795,527	842,612
Schools, employee campaigns, miscellaneous	1,427,086	-	1,427,086	459,065
	10,546,189	-	10,546,189	14,334,948
Other				
Bequests	-	2,127,834	2,127,834	217,410
Investment income	62,131	107,607	169,738	262,714
Contribution – Legacy for Life Endowment Fund	254,369	(254,369)	-	-
Government assistance (note 6)	66,229	-	66,229	-
Miscellaneous donations	329	-	329	-
Total revenue	10,929,247	1,981,072	12,910,319	14,815,072
Expenses				
Campaign and administrative (schedule 2)	1,643,187	-	1,643,187	1,745,457
Revenue before the undernoted items	9,286,060	1,981,072	11,267,132	13,069,615
Distributions (schedule 1 and note 5(b))	11,507,553	-	11,507,553	13,657,572
Excess (deficiency) of revenue over expenses before change in fair value of investments	(2,221,493)	1,981,072	(240,421)	(587,957)
Change in fair value of investments	90,111	232,749	322,860	(101,524)
Excess (deficiency) of revenue over expenses for the year	(2,131,382)	2,213,821	82,439	(689,481)

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

ShareLife

Statement of Fund Balances

For the year ended July 31, 2020

			2020	2019
	General Fund \$	Legacy for Life Endowment Fund \$	Total \$	Total \$
Fund balances – Beginning of year	1,711,777	5,729,519	7,441,296	8,130,777
Excess (deficiency) of revenue over expenses for the year	(2,131,382)	2,213,821	82,439	(689,481)
Fund balances – End of year	(419,605)	7,943,340	7,523,735	7,441,296

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

ShareLife

Statement of Cash Flows

For the year ended July 31, 2020

	2020 \$	2019 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses (expenses over revenue) for the year	82,439	(689,481)
Items not affecting cash		
Change in fair value of investments	(322,860)	101,524
Investment income reinvested	(515,387)	(253,192)
Changes in non-cash working capital		
Pledges receivable from annual campaign	162,522	192,333
Amounts receivable	119,210	63,448
Distributions payable	(207,044)	(659,051)
Accounts payable and accrued liabilities	290,688	10,643
Deferred revenue	(33,333)	66,667
	<u>(423,765)</u>	<u>(1,167,109)</u>
Financing activities		
Proceeds of loan from related party	1,000,000	-
Repayment of loan from related party	(800,000)	-
	<u>200,000</u>	<u>-</u>
Investing activities		
Proceeds from sale of Legacy for Life Endowment Fund investments	-	30,908
Purchases of Legacy for Life Endowment Fund investments	(1,500,000)	-
Proceeds from sale of investments and bankers' acceptances	11,183,341	14,788,533
Purchases of investments and bankers' acceptances	(8,788,580)	(13,575,326)
	<u>894,761</u>	<u>1,244,115</u>
Increase in cash during the year	670,996	77,006
Cash – Beginning of year	<u>502,460</u>	<u>425,454</u>
Cash – End of year	<u>1,173,456</u>	<u>502,460</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, 2020

Distributions			2020	2019
	Paid to July 31, 2020 \$	Remaining to be paid by December 31, 2020 \$	Allocations Total \$	Allocations Total \$
Distributions to participants in annual ShareLife appeal				
Catholic Charities	5,026,105	3,582,715	8,608,820	9,259,339
St. Augustine's Seminary of Toronto	991,668	708,332	1,700,000	1,700,000
Canadian Catholic Organization for Development and Peace	100,000	-	100,000	800,000
Pastoral Mission Fund	341,736	258,264	600,000	600,000
Office for Refugees	-	302,400	302,400	302,400
Catholic Youth Ministry	-	120,000	120,000	170,000
St. John Paul II Centre	58,334	41,666	100,000	100,000
	<u>6,517,843</u>	<u>5,013,377</u>	<u>11,531,220</u>	<u>12,931,739</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	55,407	39,593	95,000	95,000
Canadian Food for Children	85,000	-	85,000	85,000
Redemptoris Mater Seminary	85,000	-	85,000	85,000
New Beginnings	35,000	-	35,000	50,000
Mary's Meals	33,333	-	33,333	33,333
Right to Life Association	-	30,000	30,000	40,000
DeVeber Institute	10,000	2,500	12,500	10,000
St. Maxmilian Kolbe Youth Group	500	-	500	-
Street Haven at the Crossroads	-	-	-	27,500
	<u>304,240</u>	<u>372,093</u>	<u>676,333</u>	<u>725,833</u>
	<u>6,822,083</u>	<u>5,385,470</u>	<u>12,207,553</u>	<u>13,657,572</u>
Impact of change in accounting estimate relating to 2019 distribution allocation to Canadian Catholic Organization for Development and Peace (note 2)	-	-	(700,000)	-
	<u>6,822,083</u>	<u>5,385,470</u>	<u>11,507,553</u>	<u>13,657,572</u>

ShareLife

Schedule 2

Schedule of Campaign and Administrative Expenses

For the year ended July 31, 2020

	2020 \$	2019 \$
Campaign		
Salaries and benefits	423,282	416,680
Direct mail		
Postage	203,294	385,920
Printing	158,481	70,561
Parish support	31,614	14,456
Printing		
Parish	40,114	48,774
Schools	18,709	34,503
Special events	42	36,726
Donations processing fees	64,175	43,222
Design and artwork	32,809	9,877
Advertising	17,951	21,302
Awards and recognition	15,222	14,450
Shipping	9,518	1,205
Postage	8,524	7,532
Meetings	5,345	7,159
Telephone	1,027	1,665
Film and video	3,800	4,555
Photography	2,512	832
	<u>1,036,419</u>	<u>1,119,419</u>
Administrative		
Salaries and benefits	423,282	416,680
Rent	43,008	43,008
Accounting and other support services	36,000	36,000
Audit, legal and other fees	12,865	25,515
Car and travel	9,125	14,016
Supplies	11,155	13,358
Membership and licence fees	29,493	23,846
Banking and investment fees	15,848	19,623
Postage	8,524	7,531
Office equipment and software	5,779	15,391
Education	2,059	4,584
Equipment rental and maintenance	5,749	1,856
Insurance	2,854	2,965
Telephone	1,027	1,665
	<u>606,768</u>	<u>626,038</u>
Campaign and administrative expenses	<u>1,643,187</u>	<u>1,745,457</u>

ShareLife

Notes to Financial Statements

July 31, 2020

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.

Government assistance is recognized as revenue when receivable.

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.

During the year ended July 31, 2020, the Trustees of ShareLife met and determined that the 2019 ShareLife distribution allocation for Canadian Catholic Organization for Development and Peace would be reduced from \$800,000 to \$100,000. As this is a change in estimate, the amount was adjusted for prospectively and resulted in a \$700,000 reduction of the 2020 distribution.

ShareLife

Notes to Financial Statements

July 31, 2020

Capital assets

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

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, \$254,369 (2019 – \$221,678) was transferred to operations.

Activities in the Fund were as follows:

	2020	2019
	\$	\$
Balance – Beginning of year	5,729,519	5,654,419
Investment income earned	107,607	150,178
Less: Transfer to operations	(254,369)	(221,678)
Bequests received	2,127,834	217,410
Change in fair value of investments	232,749	(70,810)
Balance – End of year	<u>7,943,340</u>	<u>5,729,519</u>

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Notes to Financial Statements

July 31, 2020

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:

	2020		2019	
	Cost \$	Fair value \$	Cost \$	Fair value \$
Pooled funds	7,539,846	7,617,895	5,932,121	5,767,472
Due from the General Fund	325,445	325,445	(37,953)	(37,953)
	<u>7,865,291</u>	<u>7,943,340</u>	<u>5,894,168</u>	<u>5,729,519</u>

4 Investments

Investments are comprised of:

	2020		2019	
	Cost \$	Fair value \$	Cost \$	Fair value \$
Bankers' acceptances	1,499,805	1,499,805	3,094,566	3,094,566
Pooled funds	1,801,395	1,814,699	2,555,948	2,490,273
	<u>3,301,200</u>	<u>3,314,504</u>	<u>5,650,514</u>	<u>5,584,839</u>

The bankers' acceptances have a yield of 0.15% (2019 – 1.65% to 1.67%) with a maturity date of August 30, 2020 (2019 – August 19, 2019 to August 30, 2019).

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:

	2020 \$	2019 \$
Revenue – Archdiocesan parish appeal	8,323,576	13,033,271
Office accommodation and administrative services	79,008	79,008

ShareLife

Notes to Financial Statements

July 31, 2020

As at July 31, 2020, ShareLife has the following related party balances with the Archdiocese:

	2020	2019
	\$	\$
Pledges receivable from annual campaign	929,711	938,351
Loan payable	200,000	-

- 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:

	2020	2019
	\$	\$
Distributions paid		
St. Augustine's Seminary of Toronto	991,668	991,666
Pastoral Mission Fund	341,736	455,122
Redemptoris Mater Seminary	85,000	85,000
St. John Paul II Centre	58,334	58,333
New Beginnings	35,000	50,000
Office for Refugees	-	302,400
Hospital Chaplaincy	-	200,000
Office of Vocations	-	100,000
Catholic Youth Ministry	-	170,000

As at July 31, 2020, ShareLife has the following related party balances with these related parties:

	2020	2019
	\$	\$
Distributions payable		
St. Augustine's Seminary of Toronto	708,332	708,334
Office for Refugees	302,400	-
Pastoral Mission Fund	258,264	144,878
Hospital Chaplaincy	200,000	-
Catholic Youth Ministry	120,000	-
Office of Vocations	100,000	-
St. John Paul II Centre	41,666	41,667

6 Impact of COVID-19

The outbreak of the coronavirus pandemic has resulted in governments worldwide enacting emergency measures to control the spread of the virus. As a result, the annual ShareLife campaign was deferred from spring 2020 to fall 2020. Donations have experienced a moderate decline and distribution allocations to various agencies were adjusted primarily based on funded programs that did not take place to ensure ShareLife's continued ability to provide care and outreach to those in need.

As the situation continues to evolve rapidly, ShareLife is unable to quantify the potential impact this pandemic may have on its future financial statements.