

ShareLife
Financial Statements
December 31, 2023

INDEPENDENT AUDITORS' REPORT

To the Trustees of ShareLife

Opinion

We have audited the financial statements of ShareLife (the "Organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenses, fund balances and 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 Organization as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

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 Organization in accordance with 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 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.

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.

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INDEPENDENT AUDITORS' REPORT - continued

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 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.

Williams & Partners

Chartered Professional Accountants LLP
Licensed Public Accountants

Markham, Ontario
April 24, 2024

SHARELIFE
Statement of Financial Position
December 31, 2023

	2023	2022
	\$	\$
Assets		
Current		
Cash (note 4)	1,694,788	2,717,932
Bankers' acceptances (note 4)	-	1,494,660
Amounts receivable	5,929	48,793
Pledges receivable from annual campaign (note 7)	1,221,704	1,753,029
	2,922,421	6,014,414
Investments - General Fund (note 5)	2,270,998	2,025,484
Investments - Legacy for Life Endowment Fund (note 5)	11,925,055	8,522,563
	17,118,474	16,562,461
Liabilities		
Current		
Accounts payable and accrued liabilities	68,576	158,929
Distributions payable (note 7) (Schedule 1)	422,438	447,484
	491,014	606,413
Fund Balances		
General Fund	5,343,415	6,095,783
Legacy for Life Endowment Fund (note 6)	11,284,045	9,860,265
	16,627,460	15,956,048
	17,118,474	16,562,461

Approved on behalf of the Trustees
 → John Mulhall Trustee
 → Charles Lee Trustee

SHARELIFE**Statement of Revenues and Expenses****Year ended December 31, 2023**

	General Fund	Legacy for Life		
	2023	Endowment Fund	2023	2022
	\$	2023	\$	\$
		\$		
Revenues				
Annual campaign				
Archdiocesan parish				
appeal (<i>note 7</i>)	14,180,846	-	14,180,846	13,589,928
Schools, employee campaigns,				
miscellaneous	1,163,667	-	1,163,667	1,909,061
Corporations	783,386	-	783,386	967,601
	<u>16,127,899</u>	<u>-</u>	<u>16,127,899</u>	<u>16,466,590</u>
Other				
Bequests	-	570,066	570,066	330,100
Investment income	288,349	121,703	410,052	277,220
Contribution - Legacy for Life				
Endowment Fund	398,041	(398,041)	-	-
Government assistance	-	-	-	18,144
Miscellaneous revenues	115	-	115	-
	<u>686,505</u>	<u>293,728</u>	<u>980,233</u>	<u>625,464</u>
	16,814,404	293,728	17,108,132	17,092,054
Campaign and administrative				
expenses (<i>Schedule 2</i>)	<u>1,598,186</u>	<u>-</u>	<u>1,598,186</u>	<u>1,608,281</u>
Excess of revenues over expenses				
before the undernoted	15,216,218	293,728	15,509,946	15,483,773
Distributions (<i>note 7</i>) (<i>Schedule 1</i>)	<u>16,194,145</u>	<u>-</u>	<u>16,194,145</u>	<u>15,122,041</u>
Excess (deficiency) of revenues over				
expenses before change in fair				
value of investments	(977,927)	293,728	(684,199)	361,732
Change in fair value of investments	<u>225,559</u>	<u>1,130,052</u>	<u>1,355,611</u>	<u>(1,205,483)</u>
Excess (deficiency) of revenues over				
expenses	<u>(752,368)</u>	<u>1,423,780</u>	<u>671,412</u>	<u>(843,751)</u>

See accompanying notes

2.

SHARELIFE**Statement of Fund Balances****Year ended December 31, 2023**

	General Fund	Legacy for Life Endowment Fund		
	2023	2023	2023	2022
	\$	\$	\$	\$
Fund balances, beginning	6,095,783	9,860,265	15,956,048	16,799,799
Excess (deficiency) of revenues over expenses	(752,368)	1,423,780	671,412	(843,751)
Fund balances, ending	5,343,415	11,284,045	16,627,460	15,956,048

See accompanying notes

SHARELIFE**Statement of Cash Flows****Year ended December 31, 2023**

	2023	2022
	\$	\$
Operating activities		
Excess (deficiency) of revenues over expenses	671,412	(843,751)
Items not affecting cash:		
Change in fair value of investments	(1,355,611)	1,205,483
Investment income reinvested	(141,658)	(110,856)
	<u>(825,857)</u>	<u>250,876</u>
Changes in non-cash working capital:		
Amounts receivable	42,864	100,909
Pledges receivable from annual campaign	531,325	(1,025,424)
Accounts payable and accrued liabilities	(90,353)	(53,302)
Distributions payable	(25,046)	229,800
	<u>458,790</u>	<u>(748,017)</u>
	<u>(367,067)</u>	<u>(497,141)</u>
Investing activities		
Purchase of General Fund investment	-	(323)
Purchase of Legacy for Life Endowment Fund investment	(2,150,737)	(133)
Proceeds from sales of bankers' acceptances	6,973,400	26,963,335
Purchases of bankers' acceptances	(5,478,740)	(26,458,255)
	<u>(656,077)</u>	<u>504,624</u>
Increase (decrease) in cash	(1,023,144)	7,483
Cash, beginning	<u>2,717,932</u>	<u>2,710,449</u>
Cash, ending (note 4)	<u>1,694,788</u>	<u>2,717,932</u>

See accompanying notes

SHARELIFE

Schedule of Allocations, Distributions and Distributions Payable

(Schedule 1)

Year ended December 31, 2023

	Paid to December 31, 2023 \$	Remaining to be paid at December 31, 2023 \$	2023 \$	2022 \$
Distributions to participants in annual ShareLife appeal				
Catholic Charities	10,760,158	-	10,760,158	10,441,308
St. Augustine's Seminary of Toronto	2,000,000	-	2,000,000	2,000,000
Pastoral Mission Fund	645,216	154,784	800,000	800,000
Office for Refugees	500,000	-	500,000	402,400
Catholic Youth Centre	400,000	-	400,000	270,000
Canadian Catholic Organization for Development and Peace	-	250,000	250,000	250,000
St. John Paul II Centre	100,000	17,654	117,654	100,000
	<u>14,405,374</u>	<u>422,438</u>	<u>14,827,812</u>	<u>14,263,708</u>
Distributions for grants-in-aid				
Hospital Chaplaincy	300,000	-	300,000	300,000
Office of Vocations	150,000	-	150,000	150,000
Redemptoris Mater Seminary	115,000	-	115,000	100,000
Canadian Food for Children	85,000	-	85,000	95,000
Good Shepherd Refuge	95,000	-	95,000	95,000
Right to Life Association	40,000	-	40,000	40,000
New Beginnings	35,000	-	35,000	35,000
Mary's Meals	33,333	-	33,333	33,333
DeVeber Institute	13,000	-	13,000	10,000
Food security grants:				
Catholic Charities	200,000	-	200,000	-
Society of St Vincent de Paul	300,000	-	300,000	-
	<u>1,366,333</u>	<u>-</u>	<u>1,366,333</u>	<u>858,333</u>
	<u>15,771,707</u>	<u>422,438</u>	<u>16,194,145</u>	<u>15,122,041</u>

See accompanying notes

SHARELIFE**Schedule of Campaign and Administrative Expenses****(Schedule 2)****Year ended December 31, 2023**

	2023	2022
	\$	\$
Campaign		
Advertising	17,451	13,738
Awards and recognition	2,834	662
Design and artwork	2,407	2,696
Direct mail	284,897	221,025
Donations processing fees	101,855	87,654
Film and video	2,824	5,394
Meetings	2,556	3,016
Photography	2,260	3,118
Postage	1,966	3,377
Printing	35,872	41,532
Salaries and benefits	452,861	482,898
Shipping	12,654	12,074
Special events	40,318	37,699
Telephone	1,141	1,371
	<u>961,896</u>	<u>916,254</u>
Administrative		
Accounting and other support services <i>(note 7)</i>	36,000	36,000
Audit, legal and other fees	14,894	21,447
Banking and investment fees	41,982	44,564
Car, travel and insurance	8,154	2,702
Education	1,514	376
Membership and licence fees	27,232	39,966
Office equipment and software	-	7,996
Office expenses	10,645	13,070
Rent <i>(note 7)</i>	43,008	43,008
Salaries and benefits	452,861	482,898
	<u>636,290</u>	<u>692,027</u>
	<u>1,598,186</u>	<u>1,608,281</u>

SHARELIFE

Notes to Financial Statements

Year Ended December 31, 2023

1. PURPOSE OF THE ORGANIZATION

ShareLife is the Catholic community's response to providing care and outreach to those in need through its agencies by raising and allocating funds effectively and fulfilling its obligations 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 registered as a Canadian charity, and, as such, is exempt from income taxes under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, are in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Fund accounting

As a not-for-profit organization, the Organization uses the fund accounting system. In this system, each fund is a self-balancing set of accounts which are segregated for specific purposes in accordance with the objectives and by-laws. The Organization has the following funds: (i) the General Fund which accounts for revenues, expenses, assets and liabilities related to service delivery activities and administration; and (ii) the Legacy for Life Endowment Fund which accounts for funds used for the long-term support of ShareLife agencies.

Revenue recognition

The Organization 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 probable.

Investment income consists of interest, dividends, capital gains and income distributions from pooled funds. Unrestricted investment income is recognized when earned.

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.

Contributions and other donations externally restricted for purposes other than endowments are deferred and recognized as revenue in the period in which the related expenses are recognized.

Financial instruments

The Organization initially measures its financial assets and liabilities at fair value and subsequently measures all its financial assets and liabilities at amortized cost, except for investments, which are measured at fair value, and related party transactions, which are measured at the exchange amount established and agreed to by the related parties. Changes in fair value are recognized in excess of revenues over expenses.

Financial assets measured at amortized cost include cash, amounts receivable and pledges receivable from annual campaign.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and distributions payable.

Investments are stated at fair value for those equity instruments that are quoted in an active market.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized as a charge to excess of revenues over expenses.

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Notes to Financial Statements

Year Ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash and cash equivalents

Cash and cash equivalents is defined as cash on hand, net of cheques issued and outstanding at the reporting date, cash on deposit, and deposits with maturity dates of less than 90 days.

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 the Organization, are expensed in the year of acquisition.

Pension costs

Certain lay employees of the Organization 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.

Donated materials and services

These financial statements do not reflect donated materials and services except where the fair value can be reasonably estimated and when they are used in the course of normal operations.

Members of the advisory board serve without remuneration. While these services benefit the Organization, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements. There were no donated materials or services recognized during the year ended December 31, 2023 or the year ended December 31, 2022.

Use of estimates

The preparation of the Organization's financial statements, in accordance with Canadian accounting standards for not-for-profit organizations, requires management to make estimates and assumptions which affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses for the year. Estimates are used when accounting for revenue recognition, bad debts and legal contingencies. Due to the inherent uncertainty involved with making such estimates, actual results could differ from those reported. As adjustments become necessary, they are reported in excess of revenues over expenses in the period in which they become known.

SHARELIFE

Notes to Financial Statements

Year Ended December 31, 2023

3. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposures and concentrations at the statement of financial position date.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Organization is exposed to credit risk on the amounts receivable balance. In order to mitigate its credit risk, the Organization has adopted credit policies which include the regular review and analysis of the aging of its receivables.

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due as a result of the Organization's inability to liquidate assets in a timely manner and at a reasonable price.

The Organization is exposed to liquidity risk and mitigates this risk by holding assets that can be readily converted to cash.

Market risk

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment or its issuer or factors affecting all securities traded in the market. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

The Organization is exposed to market risk and mitigates this risk by investing in a diversified portfolio of investments.

i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Organization is exposed to currency risk on its investments in equity instruments as described in note 5.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Organization is exposed to interest rate risk on its bankers' acceptances and investments as described in notes 4 and 5.

iii) Price risk

Price risk refers to the risk that the fair market value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk).

The Organization is exposed to price risk on its investments in equity instruments as described in note 5.

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SHARELIFE**Notes to Financial Statements****Year Ended December 31, 2023****3. FINANCIAL INSTRUMENTS (continued)***Changes in risk*

There has been a decrease in the Organization's credit risk exposure due to the decrease in pledges receivable compared to the prior year. There has been a decrease in the Organization's liquidity risk exposure due to the decrease in current liabilities compared to the prior year. There has been an increase in the Organization's interest rate and price risk exposures due to the increase in investments compared to the prior year.

4. CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Cash - General Fund	2,335,798	1,380,230
Cash - Legacy for Life Endowment Fund	(641,010)	1,337,702
Bankers' acceptances	-	1,494,660
	<u>1,694,788</u>	<u>4,212,592</u>

5. INVESTMENTS

Investments are comprised of:

	2023		2022	
	Cost \$	Fair Value \$	Cost \$	Fair Value \$
General Fund Pooled funds	<u>2,020,647</u>	<u>2,270,998</u>	<u>1,945,543</u>	<u>2,025,484</u>
Legacy for Life Endowment Fund Pooled funds	<u>10,725,624</u>	<u>11,925,055</u>	<u>8,164,854</u>	<u>8,522,563</u>

SHARELIFE

Notes to Financial Statements

Year Ended December 31, 2023

6. LEGACY FOR LIFE ENDOWMENT FUND

The Legacy for Life Endowment Fund (the Fund) was established in 2003 by the Organization and is an externally endowed fund. The investment income earned on the Fund is to be used for the long-term support of agencies of the Organization. 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 fiscal year ended December 31, 2023, \$398,041 (2022 - \$347,009) was transferred to operations.

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.

Activities in the Fund were as follows:

	2023	2022
	\$	\$
Balance, beginning	9,860,265	10,760,203
Investment income earned	121,703	90,893
Transfer to operations	(398,041)	(347,009)
Bequests received	570,066	330,100
Change in fair value of investments	1,130,052	(973,922)
Balance, ending	<u>11,284,045</u>	<u>9,860,265</u>
	2023	2022
	\$	\$
Comprised of:		
Pooled funds (fair value)	11,925,055	8,522,563
Cash	<u>(641,010)</u>	<u>1,337,702</u>
	<u>11,284,045</u>	<u>9,860,265</u>

SHARELIFE

Notes to Financial Statements

Year Ended December 31, 2023

7. RELATED PARTY TRANSACTIONS AND BALANCES

The following is a summary of the Organization's related party transactions and balances:

	2023	2022
	\$	\$
<u>Related party transactions</u>		
Archdiocese		
<i>The Archdiocese, which includes the Parishes, controls the Organization through its right to appoint all of its Trustees.</i>		
Revenue - Archdiocesan parish appeal	14,180,846	13,589,928
Office accommodation and administrative services	79,008	79,008
Distributions paid to various ministries and related institutions		
<i>The Organization provides distributions to various ministries of the Archdiocese and its related institutions.</i>		
St. Augustine's Seminary of Toronto	2,000,000	2,000,000
Pastoral Mission Fund	645,216	617,516
Office for Refugees	500,000	402,400
Hospital Chaplaincy	300,000	300,000
Catholic Youth Centre	400,000	270,000
Office of Vocations	150,000	150,000
St. John Paul II Centre	100,000	100,000
Redemptoris Mater Seminary	115,000	85,000
New Beginnings	35,000	35,000

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Related party balances

	2023	2022
	\$	\$
Archdiocese		
Pledges receivable from annual campaign	714,504	600,914
Distributions payable to various ministries and related institutions		
Pastoral Mission Fund	154,784	182,484
Redemptoris Mater Seminary	-	15,000
St. John Paul II Centre	17,654	-

8. COMPARATIVE FIGURES

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