

**Moncton's Notre-Dame-de-L'Assomption
Cathedral Foundation Inc.**

Financial Statements

October 31, 2017



L. BOURQUE & ASSOCIATES P. C. INC.

CHARTERED PROFESSIONAL ACCOUNTANTS | COMPTABLES PROFESSIONNELS AGRÉÉS

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L. BOURQUE & ASSOCIATES P. C. INC.

CHARTERED PROFESSIONAL ACCOUNTANTS | COMPTABLES PROFESSIONNELS AGRÉÉS

INDEPENDENT AUDITOR'S REPORT

To the Directors of the Moncton's Notre-Dame-de-L'Assomption Cathedral Foundation Inc.

We have audited the accompanying financial statements of the Moncton's Notre-Dame-de-L'Assomption Cathedral Foundation Inc., which comprise the statement of financial position as at October 31, 2017, and the statements of operations, changes in net assets and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for qualified opinion

In common with many charitable organizations, the Foundation derives revenue from donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our audit of these revenues was limited to the amounts recorded in the records of Moncton's Notre-Dame-de-L'Assomption Cathedral Foundation Inc. and we were not able to determine whether any adjustments might be necessary to recorded contributions, the excess of revenues over expenses, and cash flows from operations for the periods ended October 31, 2017 and October 31, 2016, current assets as at October 31, 2017 and October 31, 2016, and net assets as at October 31, 2017 and October 31, 2016. Our audit opinion on the financial statements for the period ended October 31, 2017 was modified accordingly, because of the possible effects of this scope limitation.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements present fairly, in all material respects, the financial position of Moncton's Notre-Dame-de-L'Assomption Cathedral Foundation Inc. as at October 31, 2017 and the results of its operations and its cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

L. Bourque & Associates P. C. Inc.

Chartered Professional Accountants
Dieppe, NB

April 26, 2018



L. BOURQUE & ASSOCIATES P. C. INC.

CHARTERED PROFESSIONAL ACCOUNTANTS | COMPTABLES PROFESSIONNELS AGRÉÉS

MONCTON'S NOTRE-DAME-DE-L'ASSOMPTOPM CATHEDRAL FOUNDATION INC.

Statement of Operations

Period ended October 31

2017**2016**
(restated)**Revenues**

Donations - major fundraising campaign

\$ 1,697,275 \$ 2,068,809

Interest earned

28,663 25,1721,725,938 2,093,981**Expenses**

Professional fees

12,846 10,696

Salaries and benefits

9,638 25,691

Solicitation costs

414 13,736

Office expenses

7,243 14,127

Amortization of capital assets

900 1,157

Contributions - Refurbishment of the Cathedral

2,318,869 568,517

Miscellaneous

837 5612,350,747 634,485**Excess (deficiency) of revenues over expenses**\$ (624,809) \$ 1,459,496

MONCTON'S NOTRE-DAME-DE-L'ASSOMPTOPM CATHEDRAL FOUNDATION INC.
Statement of Changes in Net Assets
Period ended October 31, 2015

	Invested in capital assets	Externally restricted	Unrestricted	2017	2016
Net assets, beginning of period	\$ 4,375	\$ 532,664	\$ 2,023,124	\$ 2,560,163	\$ 1,100,667
Excess (deficiency) of revenues over expenses	-	-	(624,809)	(624,809)	1,459,496
Externally restricted	-	(532,664)	532,664	-	-
Amortization of capital assets	(900)	-	900	-	-
Net assets, end of period	\$ 3,475	\$ -	\$ 1,931,879	\$ 1,935,354	\$ 2,560,163

MONCTON'S NOTRE-DAME-DE-L'ASSOMPTOPM CATHEDRAL FOUNDATION INC.

Statement of Financial Position

October 31,

2017

2016
(restated)

ASSETS

Current

Cash	\$ 918,466	\$ 814,461
Accounts receivable (note 3)	193,481	60,360
Prepaid expenses	324	316
Current portion of investments (note 4)	1,019,000	800,000

2,131,271 **1,675,137**

Capital assets (note 5)

3,475 **4,375**

Investments (note 4)

- **1,000,000**

Pledges (note 2)

1,235,215 **2,615,029**

\$ 3,369,961 **\$ 5,294,541**

LIABILITIES

Current

Accounts payable (note 6)	\$ 199,392	\$ 119,349
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Deferred pledges (note 2)

1,235,215 **2,615,029**

1,434,607 **2,734,378**

NET ASSETS

Invested in capital assets

3,475 **4,375**

Externally restricted

- **532,664**

Unrestricted

1,931,879 **2,023,124**

1,935,354 **2,560,163**

\$ 3,369,961 **\$ 5,294,541**

ON BEHALF OF THE BOARD,

_____, Director

_____, Director

MONCTON'S NOTRE-DAME-DE-L'ASSOMPTOPM CATHEDRAL FOUNDATION INC.

Statement of Cash Flows

Period ended October 31

2017

2016
(restated)

Cash flows from operations		
Excess (deficiency) of revenues over expenses	\$ (624,809)	\$ 1,459,496
Adjustment for:		
Amortization expense	900	1,157
	<u>(623,909)</u>	<u>1,460,653</u>
Net change in non-cash working capital		
Accounts receivable	(133,121)	(49,506)
Prepaid expenses	(8)	(316)
Accounts payable	80,045	110,874
	<u>(676,993)</u>	<u>1,521,705</u>
Cash flows from Investing activities		
Disposal of capital assets	-	406
Net change in investments	781,000	(1,800,000)
	<u>781,000</u>	<u>(1,799,594)</u>
Increase (decrease) in cash and cash equivalents	104,007	(277,889)
Cash and cash equivalents, beginning of period	814,461	1,092,350
Cash and cash equivalents, end of period	\$ 918,468	\$ 814,461
Represented by:		
Cash	\$ 918,486	\$ 814,461

MONCTON'S NOTRE-DAME-DE-L'ASSOMPTOPM CATHEDRAL FOUNDATION INC.

Notes to the Financial Statements

October 31, 2017

1. Statutes of incorporation and nature of activities

The Moncton's Notre-Dame-de-L'Assomption Cathedral Foundation Inc. is a not-for-profit organization incorporated under the New Brunswick Companies Act and a recognized charitable organization under the *Income Tax Act*. The foundation administers the funds received through the Save the Moncton Cathedral Major Fundraising Campaign to invest exclusively in the Cathedral's refurbishment and maintenance project. The fundraising campaign seeks to raise 7 million dollars to preserve and safeguard the cathedral.

2. Significant accounting policies**Revenue recognition**

The Foundation follows the deferral method of accounting of contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets in the year. Pledges are recognized as revenue when they are received.

Capital assets

Capital assets are recorded at cost. Amortization is based on their estimated useful life using the following methods and rates.

	<u>Method</u>	<u>Rate</u>
Office equipment	Straight-line	10 years
Computer equipment	Straight-line	5 years
Softwares	Straight-line	2 years

Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Financial Instruments

The foundation initially measures all its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, investments and accounts receivables. Financial liabilities measured at amortized cost include accounts payable.

Cash and cash equivalents

The foundation's policy is to present bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

MONCTON'S NOTRE-DAME-DE-L'ASSOMPTOPM CATHEDRAL FOUNDATION INC.

Notes to the Financial Statements

October 31, 2017

3. Accounts receivable	2017		2016	
Harmonized sales tax receivable	\$	21,133	\$	2,950
Accrued interest		20,137		23,549
Grant receivable		152,211		33,861
	\$	193,481	\$	60,360

4. Investments	2017		2016	
Term savings account, 1.9%, maturing December 2017	\$	1,019,000	\$	1,000,000
Redeemable savings account, 1.0%, maturing December 2016		-		800,000
		1,019,000		1,800,000
Current portion		1,019,000		800,000
	\$	-	\$	1,000,000

5. Capital assets

	2017		2016	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment	\$ 3,248	\$ 758	\$ 2,490	\$ 2,707
Computer equipment	3,418	2,433	985	1,668
Softwares	1,030	1,030	-	-
	\$ 7,696	\$ 4,221	\$ 3,475	\$ 4,375

6. Accounts payable	2017		2016	
Accrued liabilities	\$	4,260	\$	6,410
Contributions - Refurbishment of the Cathedral		195,132		112,939
	\$	199,392	\$	119,349
