

**CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES PROFESSIONNELS EN
DONS PLANIFIÉS**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019



MCCAY DUFF LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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1.

INDEPENDENT AUDITORS' REPORT

To the Members of
Canadian Association of Gift Planners/Association
Canadienne des Professionnels en Dons Planifiés

Opinion

We have audited the consolidated financial statements of Canadian Association of Gift Planners/Association Canadienne des Professionnels en Dons Planifiés (the "Association"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of operations, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Association as at December 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.

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 Consolidated Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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INDEPENDENT AUDITORS' REPORT

In preparing the consolidated financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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INDEPENDENT AUDITORS' REPORT

- 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 Association'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 consolidated 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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

McCay Duff LLP

McCay Duff LLP,
Licensed Public Accountants.

Ottawa, Ontario,
March 25, 2020.

CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES PROFESSIONNELS EN DONNS PLANIFIÉS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

	National Office	Chapters	CAGP Foundation	Total 2019	Total 2018
CURRENT ASSETS					
Cash	\$ 348,514	\$ 321,400	\$ 292,019	\$ 961,933	\$ 930,307
Short-term investments (note 4)	-	65,000	-	65,000	101,390
Accounts receivable	69,501	844	46,160	116,505	100,321
Fund distribution receivable (note 5)	-	-	48,754	48,754	25,777
Prepaid expenses	58,731	-	27,720	86,451	108,507
	<u>476,746</u>	<u>387,244</u>	<u>414,653</u>	<u>1,278,643</u>	<u>1,266,302</u>
TANGIBLE CAPITAL ASSETS (note 6)	<u>10,447</u>	<u>-</u>	<u>-</u>	<u>10,447</u>	<u>12,797</u>
	<u>\$ 487,193</u>	<u>\$ 387,244</u>	<u>\$ 414,653</u>	<u>\$ 1,289,090</u>	<u>\$ 1,279,099</u>
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ 43,959	\$ 8,884	\$ 605	\$ 53,448	\$ 87,442
Sales tax remittances payable	7,917	-	-	7,917	8,747
Deferred revenue (note 7)	309,390	28,242	146,831	484,463	426,660
Due to National Office (from CAGP Foundation) (note 1)	(51,061)	-	51,061	-	-
Due to Chapters (from National Office)	14,424	(14,424)	-	-	-
	<u>324,629</u>	<u>22,702</u>	<u>198,497</u>	<u>545,828</u>	<u>522,849</u>
NET ASSETS					
Unrestricted net assets	52,117	364,542	216,156	632,815	649,174
Reserve stability fund (note 8)	100,000	-	-	100,000	94,279
Invested in tangible capital assets	10,447	-	-	10,447	12,797
	<u>162,564</u>	<u>364,542</u>	<u>216,156</u>	<u>743,262</u>	<u>756,250</u>
	<u>\$ 487,193</u>	<u>\$ 387,244</u>	<u>\$ 414,653</u>	<u>\$ 1,289,090</u>	<u>\$ 1,279,099</u>
Commitment (note 9)					

Approved on behalf of the Board:

 Director

 Director

CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES PROFESSIONNELS EN DONNS PLANIFIÉS

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

	National Office	Chapters	CAGP Foundation	Total 2019	Total 2018
REVENUE					
Conference	\$ 520,181	\$ -	\$ -	\$ 520,181	\$ 411,197
Membership fees	299,890	-	-	299,890	298,297
Education courses	-	-	272,658	272,658	295,085
Leave a Legacy sponsorships	-	274,403	-	274,403	229,679
Donations	-	-	261,873	261,873	204,614
Chapter events	-	79,973	-	79,973	74,094
Job postings	33,000	-	-	33,000	32,738
Sponsorships	-	17,375	-	17,375	25,995
Interest and other	30,971	8,856	-	39,827	15,194
	<u>884,042</u>	<u>380,607</u>	<u>534,531</u>	<u>1,799,180</u>	<u>1,586,893</u>
EXPENSES					
Salaries and benefits	302,580	-	216,812	519,392	445,401
Conference expenses	425,573	-	-	425,573	356,303
Leave a Legacy	-	256,415	-	256,415	196,180
Meals, travel and accommodation	34,657	-	95,892	130,549	155,172
Administration	60,192	43,683	20,584	124,459	129,435
Chapter events	-	100,511	-	100,511	89,267
Professional fees	50,197	-	24,571	74,768	88,057
Will Power Legacy Campaign	-	-	56,661	56,661	-
Fundraising	-	-	50,919	50,919	19,510
Rent	23,548	-	14,665	38,213	37,457
Memberships and honorariums	7,486	-	27,222	34,708	31,285
	<u>904,233</u>	<u>400,609</u>	<u>507,326</u>	<u>1,812,168</u>	<u>1,548,067</u>
NET REVENUE (EXPENSES) BEFORE INTER-FUND TRANSACTIONS	(20,191)	(20,002)	27,205	(12,988)	38,826
Management fee	74,500	-	(74,500)	-	-
Contributions from Chapters to CAGP Foundation	-	(6,300)	6,300	-	-
Chapter grants	(30,175)	30,175	-	-	-
Conference bursaries	17,112	(17,112)	-	-	-
NET REVENUE (EXPENSES) FOR THE YEAR	<u>\$ 41,246</u>	<u>\$(13,239)</u>	<u>\$(40,995)</u>	<u>\$(12,988)</u>	<u>\$ 38,826</u>

**CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES PROFESSIONNELS EN DONNS
PLANIFIÉS**

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Unrestricted National Office	Unrestricted Chapters	Unrestricted CAGP Foundation	Reserve Stability Fund	Invested in Tangible Capital Assets	Total 2019	Total 2018
BALANCE - BEGINNING OF YEAR	\$ 29,225	\$ 362,798	\$ 257,151	\$ 94,279	\$ 12,797	\$ 756,250	\$ 717,424
Net revenue (expenses)	41,246	(13,239)	(40,995)	-	-	(12,988)	38,826
Transfer from invested in tangible capital assets	2,350	-	-	-	(2,350)	-	-
Transfer to Chapters	(14,983)	14,983	-	-	-	-	-
Transfer to Reserve Stability Fund	<u>(5,721)</u>	<u>-</u>	<u>-</u>	<u>5,721</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE - END OF YEAR	<u>\$ 52,117</u>	<u>\$ 364,542</u>	<u>\$ 216,156</u>	<u>\$ 100,000</u>	<u>\$ 10,447</u>	<u>\$ 743,262</u>	<u>\$ 756,250</u>

**CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES PROFESSIONNELS EN
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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Cash from operations		
Net revenue (expenses) for the year	\$(12,988)	\$ 38,826
Item not requiring an outlay of cash:		
- amortization	<u>3,388</u>	<u>3,257</u>
	(9,600)	42,083
 Changes in non-cash working capital		
- accounts receivable	(16,184)	(38,399)
- fund distribution receivable	(22,977)	46,869
- pledges receivable	-	100,000
- prepaid expenses	22,056	(31,303)
- accounts payable and accrued liabilities	(33,994)	56,951
- sales tax remittances payable	(830)	(2,026)
- deferred revenue	<u>57,803</u>	<u>(11,285)</u>
	<u>(3,726)</u>	<u>162,890</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(1,038)	(5,331)
Maturity (purchase) of short-term investments	<u>36,390</u>	<u>(50,069)</u>
	<u>35,352</u>	<u>(55,400)</u>
CHANGE IN CASH POSITION DURING THE YEAR	31,626	107,490
 Cash - beginning of year	<u>930,307</u>	<u>822,817</u>
CASH - END OF YEAR	<u>\$ 961,933</u>	<u>\$ 930,307</u>

**CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES PROFESSIONNELS EN
DONS PLANIFIÉS**

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

1. ORGANIZATION

Canadian Association of Gift Planners/Association Canadienne des Professionnels en Dons Planifiés (the "Association") was incorporated without share capital under the Canada Not-for-profit Corporations Act. The purpose of the Association is to support philanthropy by fostering the development and growth of gift planning, by: developing knowledge and providing education; building awareness and promoting philanthropy; creating connections and facilitating partnerships; and engaging in national dialogues and influencing public policy. For Canadian income tax purposes, the Association is qualified as a not-for-profit organization, which is exempt from income tax under the Income Tax Act.

In April 2016, the Association established the CAGP Foundation, the purpose of which is to promote and maintain efficiency and high standards of practice in the areas of planned giving, fundraising and other philanthropic services for the benefit of the public. The CAGP Foundation was incorporated without share capital under the Canada Not-for-profit Corporations Act and is a registered charity under the Income Tax Act. The Association has the ability to elect and remove members of the CAGP Foundation's Board of Directors. The financial position and results of the CAGP Foundation's operations are consolidated in these financial statements and all transactions between the two organizations are eliminated.

Effective July 1, 2018, the CAGP Foundation assumed leadership and responsibility of education activities, and engaged the Association under an agency agreement to deliver courses and webinars on its behalf. A service agreement is also in place to recover administrative, communication, marketing, fund development, and financial services costs provided by the Association to the CAGP Foundation. The amount due from the CAGP Foundation to the Association at year-end is non-interest bearing with no specific terms of repayment.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Association's significant accounting policies are as follows:

(a) Revenue Recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related restrictions are met. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Chapter event and conference revenue is recognized in the period in which the event or conference is held. Conference revenue includes conference registration fees and sponsorships.

**CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES PROFESSIONNELS EN
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CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Revenue Recognition (Continued)

Membership fees revenue is recognized in the period in which it is earned.

Education courses revenue is recognized in the period in which the specific course is held.

Sponsorship revenue is recognized in proportion to the related benefits that have been received by the sponsor as compared to the total benefits available through the sponsorship.

Job posting revenue is recognized over the period in which the job posting is active.

(b) Fund Accounting

Revenues and expenses for national activities are reported in the National Office Fund.

Revenues and expenses relating to local activities and initiatives by Chapters are reported in the Chapters Fund.

Revenues and expenses earned and incurred by the CAGP Foundation as described in note 1 to the financial statements are reported in the CAGP Foundation Fund.

(c) Tangible Capital Assets and Amortization

Tangible capital assets are stated at cost, net of accumulated amortization. Amortization is provided as follows:

Computer equipment	30%	Declining balance basis
Office equipment	20%	Declining balance basis

One-half of the above rate is recorded in the year of acquisition.

(d) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. These estimates are reviewed periodically and adjustments are made to net revenue (expenses) as appropriate in the year they become known.

(e) Volunteer Services

The Association benefits from the services of many volunteers who have made significant contributions. Since these services are not normally purchased by the Association, and because of the difficulty of determining their fair value, the value of these services is not reflected in these financial statements.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Financial Instruments

The Association's financial instruments consist of cash, short-term investments, accounts receivable, fund distribution receivable and accounts payable.

Measurement

Financial instruments are recorded at fair value on initial recognition.

The Association subsequently measures all of its financial assets and liabilities at amortized cost.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down or subsequent recovery is recognized in net revenue (expenses).

3. FINANCIAL RISKS AND CONCENTRATION OF RISKS

It is management's opinion that the Association is not exposed to significant market, interest rate, liquidity, credit or currency risks arising from its financial instruments. There have been no changes to the risk exposure from the prior year.

4. SHORT-TERM INVESTMENTS

The short-term investments balance is comprised of GIC investments with interest rates ranging from 1.2% to 1.9% (2018 - 0.5% to 2.1%) and maturity dates ranging from April 20, 2020 to September 30, 2020 (2018 - March 18, 2019 to September 30, 2019).

**CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES PROFESSIONNELS EN
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CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

5. FUND DISTRIBUTION RECEIVABLE

CAGP Foundation is the beneficiary of a designated fund held by The Winnipeg Foundation (the "Fund"). Pursuant to the terms of the agreement establishing this fund, contributions are held in a separate fund designated for the benefit of CAGP Foundation. In accordance with its spending policy, The Winnipeg Foundation makes quarterly distributions from the fund to CAGP Foundation. As at December 31, 2019, total distributions receivable from the Fund were \$48,754 (2018 - \$25,777).

Under the terms of the agreement, unless otherwise requested by the donor, 10% of all donations received by the Fund are retained within the Fund as endowments. As the endowments are to be held in perpetuity by The Winnipeg Foundation, no related amount is included in these financial statements. A portion of the income earned by the endowments is to be disbursed to CAGP Foundation on an annual basis, in accordance with The Winnipeg Foundation's spending policy. The total value of endowments held in the Fund as at December 31, 2019 was \$24,400 (2018 - \$15,377).

6. TANGIBLE CAPITAL ASSETS

	<u>2019</u>			<u>2018</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Computer equipment	\$ 34,689	\$ 29,101	\$ 5,588	\$ 6,723
Office equipment	<u>18,276</u>	<u>13,417</u>	<u>4,859</u>	<u>6,074</u>
	<u>\$ 52,965</u>	<u>\$ 42,518</u>	<u>\$ 10,447</u>	<u>\$ 12,797</u>

**CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES PROFESSIONNELS EN
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CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

7. DEFERRED REVENUE

Deferred revenue relates to membership fees received for which the term of membership continues into the following year; course fees, conference fees, and sponsorships and events paid in advance; unspent restricted donations and lease inducements that are recognized over the term of the lease.

	<u>2019</u>	<u>2018</u>
National Office		
Conference fees and sponsorships	\$ 162,652	\$ 175,357
Membership fees	144,291	142,435
Deferred lease inducement	<u>2,447</u>	<u>3,782</u>
	<u>309,390</u>	<u>321,574</u>
Chapters		
Sponsorships and events	<u>28,242</u>	<u>14,336</u>
CAGP Foundation		
Education courses	68,867	83,250
Restricted donations	<u>77,964</u>	<u>7,500</u>
	<u>146,831</u>	<u>90,750</u>
	<u>\$ 484,463</u>	<u>\$ 426,660</u>

8. INTERNALLY RESTRICTED NET ASSETS

The Reserve Stability Fund is an internally restricted reserve set aside by the Board of Directors to cover minimum legal obligations in the event of an unexpected cash shortfall or unusual circumstances, or to invest in the Association's strategic priorities beyond the resources available from general operations. Any additions to, or withdrawals from, the Reserve are made by approval by the Board of Directors.

CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES PROFESSIONNELS EN
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CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

9. COMMITMENT

The Association has leased office space under an operating lease agreement which expires October 31, 2021. Future minimum payments excluding additional operating costs and applicable sales tax under this lease over the next two years are as follows:

2020	\$	14,900
2021		<u>12,784</u>
	\$	<u><u>27,684</u></u>

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current financial statement presentation.

**CANADIAN ASSOCIATION OF GIFT PLANNERS/ASSOCIATION CANADIENNE DES PROFESSIONNELS EN
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DECEMBER 31, 2019

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