

Red Deer College Foundation

**Independent Auditor's Report and
Financial Statement**

June 30, 2021

Independent Auditor's Report

To the Directors of Red Deer College Foundation:

Opinion

We have audited the accompanying financial statement of Red Deer College Foundation (the Foundation), which comprises the statement of donations, contributions and transfers for the year ended June 30, 2021, the notes and summary of significant accounting policies.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the donations, contributions and transfers of the Foundation for the year ended June 30, 2021 in accordance with Canadian Public Sector Accounting Standards.

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 statement section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statement 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.

Emphasis of Matter

As discussed in Note 2 to the financial statement, the financial statement of the Foundation does not comprise a full set of financial statements prepared in accordance with the Canadian Public Sector Accounting Standards. Our opinion is not modified in respect of this matter, but the financial statement may not be suitable for all purposes.

Other Information

Management is responsible for the other information. The other information comprises the supplementary financial information but does not include the financial statement and our auditor's report thereon.

Our opinion on the financial statement does not cover the supplementary financial information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Independent Auditor's Report, continued

Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with Canadian Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 statement.

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 statement, 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 Foundation'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 Auditor's Report, continued

- 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 Foundation'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 statement 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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*ANTARES PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS*

December 08, 2021
Calgary, Alberta

**Chartered Professional Accountants
Licensed Public Accountants**

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THE RED DEER COLLEGE FOUNDATION

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RED DEER COLLEGE FOUNDATION
Statement of Donations, Contributions and Transfers
Year Ended June 30, 2021

	2021	2020
Donations and Contributions		
Business	\$ 597,971	\$ 474,916
Individuals	219,441	572,940
Registered Charities	45,959	232,696
Associations & Foundations	645,175	543,750
Government	4,000	-
Event Fundraising net	-	-
	<u>\$ 1,512,546</u>	<u>\$ 1,824,303</u>
Transferred to Red Deer College		
Endowments	\$ 25,184	\$ 459,460
Special Projects	154,605	215,061
Annual Scholarships	232,386	230,743
Gifts-In-Kind	73,590	74,950
Gary W. Harris Canada Games Centre	993,448	844,088
Sponsorships	33,333	-
	<u>\$ 1,512,546</u>	<u>\$ 1,824,303</u>

Approved by the Board

DocuSigned by:

 Chair, RDC Foundation Board

December 8, 2021

Date

DocuSigned by:

 Vice Chair, RDC Foundation Board

December 8, 2021

Date

THE RED DEER COLLEGE FOUNDATION
Notes to the Financial Statement
June 30, 2021

1. Nature of Organization

The Red Deer College Foundation (“the Foundation”) is a registered public foundation as defined in the Income Tax Act (Canada). The Foundation receives gifts from donors and conducts fundraising activities and then donates the net funds raised to Red Deer College.

The Foundation was incorporated on July 26, 1982 as a company limited by guarantee under Section 183 of the Companies Act of Alberta. The number of members shall not exceed 50. The liability of the members is limited. The payment of dividends to any member is prohibited.

2. Significant Accounting Policies

This financial statement of donations, contributions and transfers has been prepared in accordance with the significant policies as detailed as follows:

Basis of Presentation

This financial statement of the Foundation does not comprise a full set of financial statements prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) therefore it may not be suitable for all purposes.

Use of Estimates

The preparation of financial statements in conformity with Canadian PSAS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant estimates are made in determining the value of gifts in kind. These estimates are based on management's best knowledge of current events. Actual results may differ from management's best estimates as additional information becomes available in the future.

Revenue Recognition

Donations, contributions and fundraising are recognized as revenue in the year in which they are received.

2. Significant Accounting Policies (Continued)

Deferred Gifts

The Red Deer College Foundation does not recognize revenue from certain whole life insurance policies until such time as a death benefit is received as a result of the policy.

Contributed Services

Volunteers assist in carrying out the programs of the Foundation. Red Deer College also provides a variety of donated services including: office space, financial, human resource & payroll and information technology services. Because of the difficulty in determining their fair value, the services contributed have not been reflected in these financial statements.

Valuation of Donation of Gifts-in-Kind

Donation of gifts-in-kind are valued at fair market value at the date of the donation.

3. Deferred Gifts

The Foundation is currently the beneficiary of whole life insurance policies with insured amounts that total 636,559 (2020 - \$640,587). The policies have a cash value which has not been recognized in this financial statement of 284,355 (2020 - \$279,158).

4. Event Fundraising Revenues and Expenses

There were no fundraising events held in 2019/2020 or in 2020/21 due to the Covid-19 pandemic. In prior years, the fundraising events included the Alumni Wine Tasting and the Athletics Scholarship Breakfast.

5. Related Party Transactions

During the year transfers were made from the Foundation to Red Deer College (the College). These transfers are in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties.

The College and the Foundation are related as the Vice-President Corporate for the College oversees the management of the Foundation and reports directly to Red Deer College's President. The Foundation Board, which also reports directly to the President, provides support to the College with regard to fund development & fundraising activities for the benefit of Red Deer College. The Foundation follows all Red Deer College Policies and their mission and goals align with seeking fundraising support; thereby furthering the mission of Red Deer College.

**The Red Deer College Foundation
 Supplementary Financial Information
 June 30, 2021
 UNAUDITED**

Endowments, Scholarships and Other Funds

Once Red Deer College receives the donation or contribution from the Foundation it becomes responsible for the administration and investment of the funds and for the payment of scholarships and expenses. Changes during the year to the funds controlled by Red Deer College are summarized as follows:

	Endowment Principal	Endowment Expendable and Annual Awards	Special Projects & Fundraising	Capital Campaign	Gifts In Kind	Total
Balance Beginning of Year	\$ 20,693,170	\$ 4,495,941	\$ 1,098,204	\$ 1,793,607	\$ -	\$ 28,080,922
Donations & Contributions	25,184	232,386	187,938	993,448	73,590	1,512,546
Investment Income	528,127	1,584,383	72,082	171,853	-	2,356,445
Scholarships Awarded	-	(864,179)	-	-	-	(864,179)
Transfer to/(from) Funds	350,608	(334,585)	(149,875)	(1,044,588)	(73,590)	(1,252,030)
Balance End of Year	<u>\$ 21,597,089</u>	<u>\$ 5,113,946</u>	<u>\$ 1,208,349</u>	<u>\$ 1,914,320</u>	<u>\$ -</u>	<u>\$ 29,833,704</u>

**The Red Deer College Foundation
Supplementary Financial Information
June 30, 2021
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Administrative Expenses

Red Deer College supports community relations operations, alumni relations and other administrative support functions for scholarships and events. Any funds raised as a result of the Foundation operations are transferred to Red Deer College. These expenses are summarized as follows:

	2021	2020
Salaries and benefits	\$628,345	\$950,206
Administrative expenses	42,258	95,602
Total Red Deer College Support Expenses	<u>\$670,603</u>	<u>\$1,045,808</u>