



CATHOLIC KIDS NET INC.

FINANCIAL STATEMENTS

December 31, 2020



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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
Catholic Kids Net Inc.

We have reviewed the accompanying financial statements of Catholic Kids Net Inc. that comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net assets, and cash flows for the year 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagement which requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

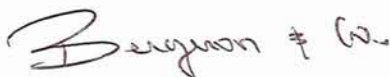
The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Catholic Kids Net Inc. as at December 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Emphasis of matter

We draw attention to note 7 which provides information on the ongoing Covid-19 situation and its impact on the financial statements.



Bergeron & Co. Chartered Professional Accountants

Edmonton, AB
June 10, 2021

CATHOLIC KIDS NET INC.
STATEMENT OF OPERATIONS
For the year ended December 31, 2020

	<u>2020</u>	<u>2019</u>
REVENUES		
Donations	\$ 35,215	\$ 70,583
Interest	46	40
Sales	-	14,490
Registrations	-	166,015
Fundraising	-	3,484
	<u>35,261</u>	<u>254,612</u>
EXPENSES		
Office and general	7,088	15,825
Repairs and maintenance	4,868	6,895
Professional fees	4,176	5,270
Advertising and promotion	3,670	8,085
Insurance	3,548	3,222
Food	2,347	83,982
Bad debts	1,684	167
Interest and bank charges	3,094	6,661
Stipend	942	2,493
Purchases	728	18,696
Programming expenses	570	46,098
Training	251	3,318
Non-claimable Goods and Services Tax	224	1,506
Utilities	140	3,603
Equipment rental	137	48,124
Travel	-	5,173
Capital assets expensed (Note 4)	-	6,543
	<u>33,467</u>	<u>265,661</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 1,794</u>	<u>\$ (11,049)</u>

CATHOLIC KIDS NET INC.
STATEMENT OF CHANGES IN NET ASSETS
(Unaudited)
For the year ended December 31, 2020

NET ASSETS	<u>Invested in capital assets</u>	<u>Restricted (Note 6)</u>	<u>Unrestricted</u>	<u>Total 2020</u>	<u>Total 2019</u>
Balance, beginning of year	\$ -	\$ -	\$ 64,826	\$ 64,826	\$ 75,876
Excess (deficiency) of revenues over expenses	-	-	1,794	1,794	(11,049)
Internally imposed restrictions	<u>-</u>	<u>30,000</u>	<u>(30,000)</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>30,000</u>	<u>36,620</u>	<u>66,620</u>	<u>64,827</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 36,620</u>	<u>\$ 66,620</u>	<u>\$ 64,827</u>

See accompanying Notes to Financial Statements



CATHOLIC KIDS NET INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2020

	ASSETS	
	<u>2020</u>	<u>2019</u>
CURRENT		
Cash (Note 3)	\$ 59,625	\$ 62,334
Accounts receivable	-	4,222
Goods and Services Tax recoverable	-	5
Prepaid expenses	<u>13,575</u>	<u>2,781</u>
TOTAL ASSETS	<u>\$ 73,200</u>	<u>\$ 69,342</u>
	LIABILITIES	
CURRENT		
Accounts payable and accrued liabilities	\$ 5,832	\$ 4,175
Goods and Services Tax payable	693	-
Deferred registrations	<u>55</u>	<u>341</u>
TOTAL LIABILITIES	<u>6,580</u>	<u>4,516</u>
	NET ASSETS	
Restricted net assets (Note 6)	30,000	-
Unrestricted net assets	<u>36,620</u>	<u>64,826</u>
TOTAL NET ASSETS	<u>66,620</u>	<u>64,826</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 73,200</u>	<u>\$ 69,342</u>

Approved by the Directors:


_____, Director

_____, Director



CATHOLIC KIDS NET INC.
CASH FLOW STATEMENT
For the year ended December 31, 2020

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 1,794	\$ (11,049)
Add (deduct):		
Net change in non-cash working capital balances related to operations		
Accounts receivable	4,222	(3,572)
Goods and Services Tax recoverable	698	5,726
Prepaid expenses	(10,793)	(516)
Accounts payable and accrued liabilities	1,656	(5,516)
Deferred registrations	<u>(286)</u>	<u>(1,387)</u>
INCREASE IN CASH	(2,709)	(16,314)
CASH, beginning of year	<u>62,334</u>	<u>78,648</u>
CASH, end of year	<u>\$ 59,625</u>	<u>\$ 62,334</u>



CATHOLIC KIDS NET INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

1. PURPOSE OF THE NOT-FOR-PROFIT ORGANIZATION

Catholic Kids Net Inc. (the "organization") is a registered charity incorporated under the Business Corporations Act of Alberta. The organization operates summer camps for youth from 7 years old to 17 years old which help them to learn how to live Christian virtues throughout their life.

The organization is operating as a not-for-profit entity and as such is exempt from income tax under section 149 of the Income Tax Act of Canada.

2. ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

- a) Catholic Kids Net Inc. follows the deferral method of accounting for 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.

Registrations are recognized as revenue when the camp occurs.

Sales are recognized as income once the item has been purchased and the rights or benefits of the item have been transferred to the buyer.

Contributed materials and services

- b) Volunteers contribute many hours per year to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. Contributed materials are recognized at their fair value in the statement of operations.

Cash and cash equivalents

- c) Cash and cash equivalents include amounts on deposit with financial institutions and term deposits that mature within three months from the date of acquisition. Cash and cash equivalents exclude term deposits that are unavailable for current use because they are pledged as security.

Financial instruments

- d) The organization initially measures 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 and accounts receivable.

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

CATHOLIC KIDS NET INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Financial instruments impairment

- e) Financial assets measured at cost or amortized cost are tested for impairment if there are indications of possible impairment. The amount of the write-down is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement, either directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment loss not been recognized previously. The amount of the reversal is recognized in the Statement of Operations.

Tangible capital assets of a small NPO

- f) In accordance with Canadian accounting standards for not-for-profit organizations, Catholic Kids Net Inc. qualifies as a small organization as defined in the *CPA Handbook* for purposes of reporting capital assets. Accordingly, the organization has opted to report tangible capital assets as expenses in the year they are purchased. Proceeds from the disposition of tangible capital assets are reported as revenue in the year they are sold. No amortization is recorded, nor are the tangible capital assets reported on the statement of financial position.

Management's use of estimates


- g) In preparing financial statements in accordance with Canadian accounting standards for not-for-profit organizations, management must make estimates such as the reported amounts of revenues and expenses for the year. Actual results may differ from these estimates.

3. RESTRICTED CASH

	<u>2020</u>	<u>2019</u>
Unrestricted cash	\$ 29,570	\$ 61,993
Restricted cash		
Externally restricted cash - deferred registrations	55	341
Internally restricted cash - Capital budget	<u>30,000</u>	<u>-</u>
Total Cash	<u>\$ 59,625</u>	<u>\$ 62,334</u>

4. TANGIBLE CAPITAL ASSETS

There were no Tangible capital asset purchases in 2020 (2019 - \$6,543) that were charged to the organization's expenditures during the year. The tangible capital assets held by the organization consist of tents worth \$5,878, and scene and set construction worth \$3,636; trailers totaling \$4,324; and a portable shower totaling \$1,465.



CATHOLIC KIDS NET INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

5. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. The significant risks are detailed below.

Credit risk:

The organization is exposed to credit risk with respect to accounts receivable and Goods and Services Tax recoverable.

Liquidity risk:

The organization is exposed to liquidity risk with respect to its accounts payable and accrued liabilities.

6. RESTRICTIONS ON NET ASSETS

The board has internally restricted \$30,000 for the purchase and upkeep of capital assets owned by Catholic Kids Net Inc. and/or capital improvements made to the leased camp lands.

7. SUBSEQUENT EVENT

The province of Alberta has been in a public health emergency due to the pandemic related to COVID-19 since March 17, 2020. Certain restrictions are imposed on gatherings and camps. Catholic Kids Net Inc. is following the advice and requirements of the Public Health Agency of Canada and of the Chief Medical Officer of Health of Alberta.

Catholic Kids Net Inc. plans to hold its' summer camps in 2021 under a modified format which will adhere to the health measures imposed by Alberta Health Authorities.

8. COMPARATIVE INFORMATION

Certain comparative amounts have been reclassified to conform with the current year presentation.