

Red Deer Public School District Foundation
Financial Statements
August 31, 2024

Management's Responsibility

To the Board of Red Deer Public School District Foundation:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Foundation. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Foundation's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

February 28, 2025



Chief Executive Officer

To the Board of Red Deer Public School District Foundation:

Qualified Opinion

We have audited the financial statements of Red Deer Public School District Foundation (the "Foundation"), which comprise the statement of financial position as at August 31, 2024, and the statements of revenue and expenses, changes in 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at August 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

The predecessor auditor was not able to obtain sufficient appropriate audit evidence over completeness of fundraising activities. Accordingly, the predecessor auditor was unable to determine whether adjustments to the results of operations and cash flows might be necessary for 2023. The predecessor auditor's opinion on the financial statements for the year ended August 31, 2023 was modified accordingly because of the possible effects of this limitation in scope. As a result, our opinion on the current year's results of operations and cash flows is modified because of the possible effects of this matter on the comparability of the current year's figures and the comparative information..

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 Statements 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 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 qualified opinion.

Other Matter

The financial statement for the year ended August 31, 2023 were audited by another auditor who expressed a modified opinion on those statements on January 19, 2024 for the reasons described in the Basis for Qualified opinion paragraph.

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 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 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 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 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 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 Foundation'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 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 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 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 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.

Lethbridge, Alberta

February 28, 2025

MNP LLP

Chartered Professional Accountants

MNP

Red Deer Public School District Foundation
Statement of Financial Position

As at August 31, 2024

	2024	2023
Assets		
Current		
Cash (Note 2)	796,044	792,936
Accounts receivable	1,895	1,221
	797,939	794,157
Liabilities		
Current		
Accounts payable and accruals	32,216	35,369
Fund Balances		
Unrestricted	110,598	94,385
Externally restricted (Note 3)	655,125	664,403
	765,723	758,788
	797,939	794,157

Approved on behalf of the Board



Director

Red Deer Public School District Foundation
Statement of Revenue and Expenses and Changes in Fund Balances

For the year ended August 31, 2024

	<i>Unrestricted Fund</i>	<i>Restricted Fund</i>	2024	2023
Revenue				
Fundraising	16,964	308,654	325,618	391,984
Interest	31,687	8,231	39,918	37,007
Operating grant	30,000	-	30,000	30,100
	78,651	316,885	395,536	459,091
Expenses				
Advertising	-	-	-	537
Bank charges and interest	132	-	132	205
Insurance	1,515	-	1,515	1,456
Dues and fees	14,384	79,422	93,806	288,542
Postage	53	-	53	14
Professional fees	4,113	-	4,113	4,113
Salaries and benefits	16,962	66,839	83,801	83,908
Supplies	24,702	148,643	173,345	98,024
Transportation	-	8,815	8,815	-
Travel	577	22,444	23,021	33,402
	62,438	326,163	388,601	510,201
Excess (deficiency) of revenue over expenditures	16,213	(9,278)	6,935	(51,110)
Fund balances, beginning of year	94,385	664,403	758,788	809,898
Fund balances, end of year	110,598	655,125	765,723	758,788

The accompanying notes are an integral part of these financial statements

Red Deer Public School District Foundation
Statement of Cash Flows
For the year ended August 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating		
Cash received from government, public or other support	354,943	396,962
Cash paid for program service expenses	(307,820)	(479,659)
Cash paid for employees	(83,801)	(83,908)
Cash paid for interest	(132)	(205)
Cash receipts from interest	39,918	37,007
Increase (decrease) in cash resources	3,108	(129,803)
Cash resources, beginning of year	792,936	922,739
Cash resources, end of year	796,044	792,936

The accompanying notes are an integral part of these financial statements

Red Deer Public School District Foundation

Notes to the Financial Statements

For the year ended August 31, 2024

1. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Nature of activities

The Red Deer Public School District Foundation (the "Foundation") was incorporated under the Societies Act of the Province of Alberta on November 15, 1983 to provide funds for the advance of education and other charitable purpose beneficial to the community. The Foundation is a registered charity to issue charity donation receipts and is exempt from income tax in accordance with the Income Tax Act.

Basis of presentation

The financial statements of the Foundation have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

Contributed services

The foundation benefits from donated services in the form of volunteer time. The value of these contributed volunteer services have not been reflected in these statements.

The foundation receives donations of gifts-in-kind for equipment, supplies, and services. The Foundation has not included the value of these goods and services in these financial statements.

Financial instruments

The Foundation recognizes financial instruments at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions.

The unrestricted fund accounts for the Foundation's administrative activities and receipt and use of unrestricted contributions.

The restricted fund accounts for contributions made for a specific purpose.

Revenue recognition

Restricted contributions related to general operations are recognized as revenue in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the unrestricted funds in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

All interest income is recognized when earned as revenue. Interest related to the lottery is restricted to the lottery fund as required by agreement, all other interest income is recorded in the unrestricted fund.

Red Deer Public School District Foundation

Notes to the Financial Statements

For the year ended August 31, 2024

1. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty (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 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 period.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

2. Cash

Included in cash are business operating accounts which bear interest of prime rate minus 2.25%. An effective interest rate of 2.95%

Cash includes restricted cash as noted in Note 3.

3. Restricted fund project balances

	2024	2023
Finish Line Program	7,216	2,638
Bright Start Program	23,864	32,164
Reading College	410,744	384,143
50/50 Lottery	149,684	164,537
Step Up Program	53,273	70,993
Indoor Farming Program	-	(316)
Music Plus	344	244
Open Doors	10,000	10,000
Total	655,125	664,403

Notes to Restricted fund project balances

Restricted project balances represent specific commitments and the unallocated net proceeds of various fundraising events. As part of its strategic fundraising efforts, the Foundation works with its stakeholders to determine projects requiring funds. The allocation to various projects are subject to change.

4. Related party transactions

The Foundation received an operating grant from The Red Deer School Division, an organization which operates and maintains the Foundation, for administrative expenses including audit fees, printing, postage, stationary and support staff in the year of \$30,000 (2023 \$32,500). Included in accounts payable is \$30,701 (2023 - \$35,261) owed to the Division.

These transactions were incurred in the normal course of operations and are recorded at the exchange amount which is the amount agreed to and paid by the related parties.

Red Deer Public School District Foundation

Notes to the Financial Statements

For the year ended August 31, 2024

5. Financial instruments

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

The Foundation does have credit risk in accounts receivable of \$1,898 (2023 - \$1,221). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Foundation holds cash at one bank that insures deposits at 100%.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation enters into transactions to purchase goods and services on credit, for which repayment is required at various maturity dates. The Foundation mitigates its exposure to liquidity risk by ensuring that it documents when authorized payments become due.

6. Comparative figures

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