

The Canadian Jesuit Missions
(also known as Canadian Jesuits International)

Financial Statements

June 30, 2020



Independent Auditors' Report

To the Members

The Canadian Jesuit Missions (also known as Canadian Jesuits International)

Qualified Opinion

We have audited the financial statements of **The Canadian Jesuit Missions (also known as Canadian Jesuits International)** (the Organization), which comprise the statement of financial position as at **June 30, 2020 and 2019**, 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.

In our opinion, except for the 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 Organization as at June 30, 2020 and 2019, 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

In common with many not-for-profit organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to the donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended June 30, 2020 and 2019, current assets as at June 30, 2020 and 2019, and fund balances as at July 1 and June 30 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended June 30, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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 Organization 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.

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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

The Canadian Jesuit Missions

(also known as Canadian Jesuits International)

Independent Auditors' Report

Page 2

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 Organization'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 Organization'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 Organization 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.

Clarkson Rouble LLP

Mississauga, Ontario
November 27, 2020

Clarkson Rouble LLP
Chartered Professional Accountants
Licensed Public Accountants



The Canadian Jesuit Missions
(also known as Canadian Jesuits International)

Statement of Financial Position
As at June 30

	2020	2019
Assets		
Current		
Cash and term deposits	\$ 3,191,044	\$ 974,829
Accounts receivable	65,234	12,052
Advances on program expenditure	644,811	454,950
Prepaid expenses	3,132	-
	<u>3,904,221</u>	<u>1,441,831</u>
Investments and advances		
Advances / investments (Note 2)	18,707,019	16,541,223
Other investments (Note 3)	22,876	2,539,284
	<u>18,729,895</u>	<u>19,080,507</u>
	<u>\$22,634,116</u>	<u>\$20,522,338</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 70,282	\$ 74,604
Long Term Debt		
Loan payable (Note 5)	125,122	112,706
	<u>195,404</u>	<u>187,310</u>
Net Assets		
Project restricted fund	16,828,557	15,292,503
Sustainability fund	2,700,000	2,700,000
Unrestricted fund	2,910,155	2,342,525
	<u>22,438,712</u>	<u>20,335,028</u>
	<u>\$22,634,116</u>	<u>\$20,522,338</u>

See accompanying notes to the financial statements

On behalf of the Board:

Director

Director

The Canadian Jesuit Missions
(also known as Canadian Jesuits International)

Statement of Operations
Year Ended June 30

	2020	2019
Revenue		
Contributions	\$ 1,679,953	\$ 1,371,267
Government wage subsidy	75,074	-
Interest income	4,975	3,177
Investment income	2,363,943	1,560,628
Pension income (Note 4)	18,965	21,604
Expense recovery and other income	12,987	993
	<u>4,155,897</u>	<u>2,957,669</u>
Expenses		
Programs - designated projects	1,588,042	2,088,866
Programs - education and awareness	217,682	186,990
Administration	126,358	97,328
Fundraising	120,131	43,198
	<u>2,052,213</u>	<u>2,416,382</u>
Excess of revenue over expenses for the year	\$ 2,103,684	\$ 541,287

See accompanying notes to the financial statements

The Canadian Jesuit Missions
 (also known as Canadian Jesuits International)
Statement of Changes in Net Assets
Year Ended June 30

	Project Restricted Fund	Sustainability Fund	Unrestricted Fund	2020 Total	2019 Total
Balance, beginning of year	\$ 15,292,503	\$ 2,700,000	\$ 2,342,525	\$ 20,335,028	\$ 19,793,741
Excess of revenue over expenses	1,536,054	-	567,630	2,103,684	541,287
Balance, end of year	\$ 16,828,557	\$ 2,700,000	\$ 2,910,155	\$ 22,438,712	\$ 20,335,028

See accompanying notes to the financial statements

The Canadian Jesuit Missions
(also known as Canadian Jesuits International)

Statement of Cash Flows
Year Ended June 30

	2020	2019
Cash provided by operating activities		
Excess of revenue over expenses for the year	\$ 2,103,684	\$ 541,287
Changes in working capital		
Accounts receivable	(53,182)	(4,863)
Advances on program expenditures	(189,861)	197,373
Prepaid expenses	(3,132)	-
Accounts payable and accrued liabilities	(4,322)	8,460
Increase from operating activities	1,853,187	742,257
Investing activities		
Increase in investment portfolio	(2,165,796)	(850,966)
Decrease in other investments	2,516,408	232,843
Increase in loan payable	12,416	7,018
Increase (decrease) from investing activities	363,028	(611,105)
Increase in cash	2,216,215	131,152
Cash and term deposits , beginning of year	974,829	843,677
Cash and term deposits, end of year	\$ 3,191,044	\$ 974,829

See accompanying notes to the financial statements

The Canadian Jesuit Missions

(also known as Canadian Jesuits International)

Notes to Financial Statements

June 30, 2020

The organization was incorporated under The Corporations Act, 1953 of the Province of Ontario without share capital and is a registered charity under the Income Tax Act of Canada, exempt from income taxes in Canada. Its original purpose was to promote and foster interest in and furnish assistance to missions conducted by The Jesuit Fathers of Upper Canada. It has evolved into a Jesuit organization committed to the service of faith and promotion of justice with a preferential option for the poor and marginalized members of the human community.

1. Summary of accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are summarized as follows:

a) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations are recorded as revenue when received. Grants are recorded as deferred revenue if they have not been spent for the specific purposes for which they were intended by the end of the current fiscal year.

b) Programs and funds

Programs are recorded as an expense in these financial statements upon the transfer of funds and confirmation of the expenditure to various agencies and/or members of The Canadian Jesuit Missions (also known as Canadian Jesuits International, "CJI").

Project Restricted Fund - These funds represent donations that have been designated by the donors for specific projects.

Sustainability Fund - This fund has been set up by the board as a restricted capital fund to generate investment income to support annual operations.

c) Financial Instruments

Financial instruments

An Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Organization subsequently measures all its financial assets and liabilities at amortized cost except for its investment portfolio, other investments, annuities and loan payable which are measured at fair value. Changes in fair value are recognized in net income.

The Canadian Jesuit Missions
(also known as Canadian Jesuits International)
Notes to Financial Statements
June 30, 2020

1. Summary of accounting policies (continued)

Financial assets measured at amortized cost include cash, accounts receivable and advances on program expenditures.

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

Equity investments that are quoted in an active market are measured at fair value. The Organization has elected to measure its investment portfolio, other investments, and annuities in their entirety at fair value, as it was felt to more accurately reflect the true value of these instruments. The Organization has also elected to measure the deferred annuities and loan payable at fair market value to correspond with the related investment balance.

Transaction costs

The Organization recognizes its transaction costs in net income in the period incurred except for financial instruments that will not be subsequently measured at fair value. The carrying amount of these instruments are adjusted by the transaction costs that are directly attributable to their issuance.

d) Allocation of expenses

The Canadian Jesuit Missions engages in various programs. The costs for these programs include the costs of personnel and other expenses that are directly related to providing the program. The Canadian Jesuit Missions also incurs payroll expenses that are common to the administration and fundraising for the Organization and each of its programs. The Organization allocates certain of its payroll expenses on the basis of estimated time spent on each function. This basis is applied consistently each year.

e) Measurement Uncertainty

The preparation of the Organization's financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates included in the financial statements relate to certain accrued liabilities.

The Canadian Jesuit Missions

(also known as Canadian Jesuits International)

Notes to Financial Statements
June 30, 2020

2. Advances / investments

Advances/pooled funds consist of funds that were previously entrusted to the corporation The Jesuit Fathers of Upper Canada, and were transferred to the corporation Fonds Casot on December 4, 2018. With the creation of a new province now known as "Jesuits of Canada" changes were made in the way that they manage finances and accounting. The corporation The Jesuit Fathers of Upper Canada, managed funds entrusted by The Canadian Jesuit Missions (also known as Canadian Jesuits International) and various other organizations. CJI entrusted this corporation with money for administration and management purposes. To continue to provided this service the funds originally entrusted to the corporation Jesuit Fathers of Upper Canada were transferred to the corporation Fonds Casot, a corporation whose main object was to support the French Canada Province and whose main object is now to support the Province of Canada. Acknowledgments of debt were signed on the date of transfer between CJI and Fonds Casot.

As per the terms of the agreements with Fonds Casot, each loan bears interest on an annual basis at a rate equal to the return generated by the fund that is made up of all units invested by Fonds Casot and held with CIBC Mellon. Interest is capitalized annually unless otherwise instructed by CJI, and such interest shall become part of the advance. The advances are renewed automatically from year to year for a period of one year unless CJI provides written notice requesting repayment in full or in part at least 30 days in advance.

3. Other Investments

	2020	2019
UMC Mutual Fund Trust	\$ 22,186	\$ 2,538,466
IG Wealth Management	690	818
	<hr/>	<hr/>
	\$ 22,876	\$ 2,539,284

4. Related Party Transactions

Jesuits of Canada operates throughout Canada a number of ministries, projects and apostolates as separate entities. Some of these entities are separately incorporated and/or registered as charitable organizations under the Income Tax Act. Others are neither incorporated nor registered. The Jesuits of Canada has the authority to exercise significant influence over each of the entities. The Canadian Jesuit Missions (also known as Canadian Jesuits International) is one of those entities as indicated in Note 1. During the year, CJI received \$18,965 (2019 - \$21,604) in pension income from The Jesuit Fathers of Upper Canada which administered the English Canada Province.

The Canadian Jesuit Missions
(also known as Canadian Jesuits International)

Notes to Financial Statements
June 30, 2020

5. Loan Payable

The loan payable consists of funds that are held on behalf of Jesuit Missions in Jamaica. The loaned funds have been included in the investment/advances entrusted to Fonds Casot and accrues interest on an annual basis as outlined in Note 2, and such interest is capitalized annually and becomes part of the loan. The funds are payable on demand. It is management's opinion that no repayment will be made during the next fiscal year.

6. Commitments

The organization has extended the lease agreement with Loretto College until December 31, 2021. The lease agreement includes an option to extended until December 31, 2024. The previous lease term ended on December 31, 2019. The minimum lease payments until the end of the lease term are as follows:

2022	\$ 10,508
2023	5,306
	<hr/>
	\$ 15,814

7. Financial instruments

The Canadian Jesuit Missions is exposed to various risks through its financial assets instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at the balance sheet date.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Canadian Jesuit Missions's credit risk is primarily attributable to its accounts receivable and investments/advances.

The accounts receivable amounts disclosed in the balance sheet are net of allowance for doubtful accounts, estimated by The Canadian Jesuit Missions's management based on previous experience and its assessment of the current economic environment. Actual exposure to credit losses have been minimal in the past due to the nature of its accounts receivable. Contributions are not recorded in receivables unless collection is reasonably assured. The allowance for doubtful accounts is \$Nil (2019 - \$Nil).

The Canadian Jesuit Missions

(also known as **Canadian Jesuits International**)

Notes to Financial Statements

June 30, 2020

7. Financial instruments (continued)

The Advances held by Fonds Casot (Note 2) are also subject to credit risk, should Fonds Casot be unable to repay the advances upon 30 days written notice by The Canadian Jesuit Missions. The amount of Advances disclosed on the balance sheet and held by Fonds Casot on behalf of The Canadian Jesuit Missions is significant, however the risk of financial loss is considered unlikely. Fonds Casot manages funds entrusted not only by The Canadian Jesuit Missions but also various other organizations.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Organization expects to meet these obligations as they come due by generating sufficient cash flows from operations. There has been no change in the risk assessment from the prior period.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is mainly exposed to interest rate risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income securities held by The Canadian Jesuit Missions.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or the issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk on its investment/advances held by Fonds Casot and invested with CIBC Mellon (Note 2).

The Canadian Jesuit Missions
(also known as Canadian Jesuits International)
Statement of Operations and Changes in Net Assets - By Programs
Year Ended June 30

	Darjeeling	Zambia	Jamaica	Diaspora	Greatest Needs Projects	General	2020 Total	2019 Total
Revenue								
Contributions	\$ 155,743	\$ 44,396	\$ 15,129	\$ 644,307	\$ 673,242	\$ 147,136	\$ 1,679,953	\$ 1,371,267
Interest income	-	-	-	-	-	-	-	3,177
Investment income	1,071,279	48,481	7,874	32,270	537,913	671,101	2,368,918	1,560,628
Pension income	11,007	7,958	-	-	-	-	18,965	21,604
Federal wage Subsidy	-	-	-	-	-	75,074	75,074	-
Program and other income	-	-	-	-	-	12,987	12,987	993
	1,238,029	100,835	23,003	676,577	1,211,155	906,298	4,155,897	2,957,669
Expenses								
Programs - designated projects	633,110	40,150	24,176	343,690	392,904	154,012	1,588,042	2,088,866
Programs - education and awareness	-	-	-	-	-	217,682	217,682	186,990
Administrative	-	-	-	-	-	126,358	126,358	97,328
Fundraising	-	-	-	-	-	120,131	120,131	43,198
Handling fees	177,518	8,420	1,368	5,604	86,605	(279,515)	-	-
	810,628	48,570	25,544	349,294	479,509	338,668	2,052,213	2,416,382
Excess (deficiency) of revenue over expenses	427,401	52,265	(2,541)	327,283	731,646	567,630	2,103,684	541,287
Program balance, beginning of year	8,955,867	458,704	111,587	964,310	4,802,035	5,042,525	20,335,028	19,793,741
Program balance, end of year	\$ 9,383,268	\$ 510,969	\$ 109,046	\$ 1,291,593	\$ 5,533,681	\$ 5,610,155	\$ 22,438,712	\$ 20,335,028