
FINANCIAL STATEMENTS

**THE CANADIAN CATHOLIC ORGANIZATION
FOR DEVELOPMENT AND PEACE**

August 31, 2019



Tél./Tel: 514-729-3221
Télec./Fax: 514-593-8711

www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
1100, boulevard Crémazie Est
Bureau 805
Montréal QC H2P 2X2 Canada

Independent Auditor's Report

To the Members of the National Council of Canadian Catholic Organization for Development and Peace

Qualified Opinion

We have audited the financial statements of Canadian Catholic Organization for Development and Peace (the Organization), which comprise the balance sheet as at August 31, 2019, and the statements of revenues and expenses, changes in net assets 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 paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at August 31, 2019, and its results of operations 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 revenues from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, 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 fundraising revenues, deficiency of revenues over expenses, and cash flows from operations for the years ended August 31, 2019 and 2018, current assets as at August 31, 2019 and 2018, and net assets as at September 1, 2017 and 2018, and August 31, 2018 and 2019. Our audit opinion on the financial statements for the year ended August 31, 2018 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.

Independent Auditor's Report

Responsibilities of Management and Those Charged with Governance 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.

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.

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.



Independent Auditor's Report

- 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.

BDO Canada S.R.L./S.E.N.C.R.L./LLP ⁽¹⁾

Montréal, Québec
December 3, 2019

⁽¹⁾ CPA auditor, CA, public accountancy permit No. A112419

**THE CANADIAN CATHOLIC ORGANIZATION
FOR DEVELOPMENT AND PEACE**

BALANCE SHEET

as at August 31, 2019

	2019	2018
ASSETS		
Current assets		
Cash	3,136,298	4,107,339
Investments (note 2)	20,762,648	18,691,148
Accounts receivable (note 3)	897,557	4,035,251
Amount receivable from an estate (note 4)	2,297,482	2,272,224
Prepaid expenses	117,277	38,198
Amounts paid in advance on projects	614,877	644,806
	27,826,139	29,788,966
Mutual funds linked to non-repayable loans	70,777	108,249
Investments linked to Solidarity Fund	7,110,350	6,334,350
Capital assets (note 5)	78,038	122,451
	\$ 35,085,304	\$ 36,354,016
LIABILITIES		
Current liabilities		
Accounts payable (note 6)	1,228,683	1,270,953
Deferred contribution - Estate (note 4)	1,908,417	1,893,543
Deferred contributions - Development programs (note 7)	13,825,739	15,289,044
	16,962,839	18,453,540
Non-repayable loans	6,799	40,930
	16,969,638	18,494,470
NET ASSETS		
Invested in capital assets	78,038	122,451
Internally restricted	10,060,859	10,925,339
Restricted for endowment purposes	1,245,051	1,215,198
Solidarity Fund	7,262,665	6,515,610
Unrestricted	(530,947)	(919,052)
	18,115,666	17,859,546
	\$ 35,085,304	\$ 36,354,016

SIGNED ON BEHALF THE BOARD:

_____, Director

_____, Director

CANADIAN CATHOLIC ORGANIZATION FOR DEVELOPEMENT AND PEACE

STATEMENT OF CHANGES IN NET ASSETS

for the year ended August 31, 2019

	Internally restricted											Total
	Restricted for the orientation assembly	Restricted for emergency relief programs	Restricted for reserve fund	Other funds internally restricted	Temporary special fund	International commitments fund (note 12)	Total of internally restricted funds	Invested in capital assets	Restricted for endowment purposes	Solidarity Fund	Unrestricted	
Balance as at September 1, 2017	74,563	552,718	2,500,000	639,662	1,653,588	8,613,612	14,034,143	120,118	1,174,638	4,088,098	(121,453)	19,295,544
Internally restricted funds (note 8)	25,000	-	-	(639,662)	-	-	(614,662)	-	-	-	614,662	-
Reduction of international commitments (note 12)	-	-	-	-	-	(1,493,706)	(1,493,706)	-	-	-	1,493,706	-
Deficiency of revenues over expenses	1,699	(552,718)	-	-	(449,417)	-	(1,000,436)	(69,211)	-	-	(2,834,423)	(3,904,070)
Endowment contributions	-	-	-	-	-	-	-	-	13,792	2,334,350	-	2,348,142
Interest	-	-	-	-	-	-	-	-	26,768	93,162	-	119,930
Investment in capital assets	-	-	-	-	-	-	-	71,544	-	-	(71,544)	-
Balance as at August 31, 2018	101,262	-	2,500,000	-	1,204,171	7,119,906	10,925,339	122,451	1,215,198	6,515,610	(919,052)	17,859,546
Internally restricted funds (note 8)	25,000	-	-	-	-	-	25,000	-	-	-	(25,000)	-
Reduction of international commitments (note 12)	-	-	-	-	-	(644,997)	(644,997)	-	-	-	644,997	-
Deficiency of revenues over expenses	2,367	-	-	-	(246,850)	-	(244,483)	(48,804)	-	-	(227,501)	(520,788)
Endowment contributions	-	-	-	-	-	-	-	-	1,445	776,000	-	777,445
Interest	-	-	-	-	-	-	-	-	28,408	152,315	-	180,723
Use for programs	-	-	-	-	-	-	-	-	-	(181,260)	-	(181,260)
Investment in capital assets	-	-	-	-	-	-	-	4,391	-	-	(4,391)	-
Balance as at August 31, 2019	\$ 128,629	\$ -	\$ 2,500,000	\$ -	\$ 957,321	\$ 6,474,909	\$ 10,060,859	\$ 78,038	\$ 1,245,051	\$ 7,262,665	\$ (530,947)	\$ 18,115,666

**CANADIAN CATHOLIC ORGANIZATION
FOR DEVELOPEMENT AND PEACE**

STATEMENT OF REVENUES AND EXPENSES

for the year ended August 31, 2019

	2019	2018
Revenues (<i>Schedule A</i>)	34,260,797	33,090,083
Expenses		
International Programs (<i>Schedule B</i>)		
International development programs - Unrestricted	7,213,830	10,034,555
International development programs - Restricted	20,872,676	20,175,640
	28,086,506	30,210,195
Programs in Canada (<i>Schedule C</i>)		
Popular commitment program	2,144,404	2,594,272
Advocacy program	33,824	53,496
Communications program	1,027,690	1,113,784
Philanthropic development program	185,181	379,186
Québec sans frontières	180,671	234,663
	3,571,770	4,375,401
Governance and general operations (<i>Schedule D</i>)		
Governance	514,662	559,521
General management and administrative services	1,771,348	1,703,748
Other expenses	956,810	1,465,385
	3,242,820	3,728,654
	34,901,096	38,314,250
Deficiency of revenues over expenses before other elements	(640,299)	(5,224,167)
Gain on disposal of investments	434,280	438,279
Change in unrealized (loss) gain on investments	(314,769)	881,818
Deficiency of revenues over expenses	\$ (520,788)	\$ (3,904,070)

**THE CANADIAN CATHOLIC ORGANIZATION
FOR DEVELOPMENT AND PEACE**

STATEMENT OF CASH FLOWS

for the year ended August 31, 2019

	2019	2018
Operating activities		
Deficiency of revenues over expenses	(520,788)	(3,904,070)
Items not affecting cash		
Amortization of capital assets	48,804	69,211
Gain on disposal of investments	(434,280)	(438,279)
Change in unrealized loss (gain) on investments	314,769	(881,818)
Use of Solidarity Fund for programs	(181,260)	-
	(772,755)	(5,154,956)
Change in non-cash working capital components <i>(note 10)</i>	1,538,454	(2,308,405)
Cash provided from (used in) operating activities	765,699	(7,463,361)
Investing activities		
Net change in cash included in investments	(1,787,957)	1,374,180
Acquisitions of investments	(20,402,427)	(16,400,085)
Proceeds from disposal of investments	19,499,867	14,656,200
Acquisition of capital assets	(4,391)	(71,544)
Cash used in investing activities	(2,694,908)	(441,249)
Financing activity		
Endowment contributions	958,168	2,468,072
Cash provided from the financing activity	958,168	2,468,072
Decrease in cash and cash equivalents	(971,041)	(5,436,538)
Cash - beginning of year	4,107,339	9,543,877
Cash - end of year	\$ 3,136,298	\$ 4,107,339

THE CANADIAN CATHOLIC ORGANIZATION FOR DEVELOPMENT AND PEACE

NOTES TO FINANCIAL STATEMENTS

for the year ended August 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES

The Canadian Catholic Organization for Development and Peace, incorporated under Part II of the Canada Corporations Act, is a charity organization that contributes through its humanitarian actions to solving social problems throughout the world. On May 26, 2014, the Organization obtained its articles of continuance under Section 211 of the Canada Not-for-Profit Corporations Act. The organization is recognized as a registered charity under the Income Tax Act.

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations applying the accounting policies described below. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of financial statements, notes to financial statements and schedules. The most significant estimates relate to the impairment of financial assets measured at amortized cost and the useful lives of capital assets. Actual results could differ from these estimates.

Financial instruments

Financial assets and liabilities are initially recognized at fair value, except for financial assets created or acquired or financial liabilities issued or assumed in connection with related party transactions accounted for at their carrying amount or their exchange amount.

Subsequently, financial assets and liabilities are measured at amortized cost with the exception of investments in equity instruments quoted in an active market which are measured at fair value, as well as investments in bonds that the Organization irrevocably designated to be measured at fair value. Changes in fair value are recognized in the statement of revenues and expenses in the period in which they occur.

Financing fees and transaction costs related to financial instruments measured at fair value are expensed when engaged. Those related to financial instruments measured at amortized cost are accounted for as an increase or a decrease in the initial fair value of these instruments.

THE CANADIAN CATHOLIC ORGANIZATION FOR DEVELOPMENT AND PEACE

NOTES TO FINANCIAL STATEMENTS

for the year ended August 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

When there are any indications of impairment arising from causes specific to the issuers, then any significant adverse changes in the expected timing or amount of future cash flows from financial assets measured at amortized cost will result in a write-down of their carrying amount, which is recognized in the statement of revenues and expenses. Whenever a subsequent improvement occurs, an impairment loss previously recorded is subject to a reversal up to the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. This reversal is accounted for in the statement of revenues and expenses.

Financial instruments measured at amortized cost include cash, amounts receivable from Share Lent and estate, advances and other receivables, accounts payable, salaries payable and non-repayable loans.

Financial instruments measured at fair value include mutual funds units, investments in shares and bonds that are listed in an active market.

Cash and cash equivalents

Cash and cash equivalents consist of cash balances.

Capital assets

Capital assets are carried at cost and are amortized according to their useful life using the straight-line method over the following periods:

Computer hardware	3 years
Office equipment	5 years
Leasehold improvements	Term of lease

Capital assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount could exceed the total undiscounted cash flows resulting from their use and eventual disposal. An impairment loss equal to the excess of the carrying amount over the fair value is recognized when it is determined that the carrying amount is not recoverable.

THE CANADIAN CATHOLIC ORGANIZATION FOR DEVELOPMENT AND PEACE

NOTES TO FINANCIAL STATEMENTS

for the year ended August 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Description of restricted net assets and endowments

Endowments

The Organization has 10 endowment funds. Income from these funds is included in the fund itself and a percentage of the gains generated is used to finance development projects, when the amounts generated are significant enough to be used.

Solidarity of Development and Peace

Created in September 2016, the Solidarity of Development and Peace Fund is intended to finance, from the interest earned on the cumulative capital, the development of projects in line with the four thematic axes and humanitarian assistance. Although similar to an endowment fund in its form and operation, a covenant in the agreement provides that capital can be used before expiry of the term if authorized by the parties. Revenues generated by the Solidarity Fund's capital are used the following year of their realization to fund the operations of the organization, as well as to finance the regular programming and/or the humanitarian assistance projects, according to the will expressed by the contributors.

Restrictions

Capital assets

Net assets invested in capital assets include the amortized cost of computer hardware, office equipment and leasehold improvements that are used by the Organization to fulfill its mission.

Restricted for the Orientation Assembly

This allocation of net assets aims to finance the Orientation Assembly, which occurs every five years. A transfer of \$25,000 is made annually from the unrestricted fund. Interest revenues generated from unused amounts increase the balance of the fund over the years.

THE CANADIAN CATHOLIC ORGANIZATION FOR DEVELOPMENT AND PEACE

NOTES TO FINANCIAL STATEMENTS

for the year ended August 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Description of restricted net assets and endowments (cont'd)

Restricted for emergency relief programs

To ensure that the Organization continues its work in emergency relief, these restricted net assets aim to cover the possibility that, for a given fiscal year, administrative costs generated by the campaigns for emergency relief would not be sufficient to cover the operational costs associated with managing each of those emergencies.

Restricted for reserve fund

This fund is the unallocated reserve of the Organization and represents the amount that would be required to cover a portion of the operations in case of termination of its activities.

Other internally restricted funds

These funds include internally restricted amounts related with the institutional relaunch fund, the institutional evaluation fund and other development funds.

Temporary special fund

This temporary fund includes amounts related with a major donation received by the Organization in the 2013 and 2014 fiscal years, as well as the related investment income. The cumulated amounts in this fund are mainly used to finance projects in the Middle East and initiatives internationally.

International commitments fund

This fund is comprised of deferred contributions and internal restrictions related to the international development program, and of project reductions or cancellations to ensure that these amounts will be used for the international program in the future.

THE CANADIAN CATHOLIC ORGANIZATION FOR DEVELOPMENT AND PEACE

NOTES TO FINANCIAL STATEMENTS

for the year ended August 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Contribution and revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue during the year the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amounts to be received can be reasonably estimated and collection is reasonably assured.

Contributions from Share Lent, fundraising activities and other donations that are not subject to restrictions are recognized as revenues when received or receivable by the Organization or its agents. Contributions subject to restrictions are recorded as deferred contributions, and they are recognized as revenue when used according to the restrictions imposed by the donors.

The Organization enters into contracts with the Canadian Government, more specifically with Global Affairs Canada (GAC) for the funding of projects in various countries, including the International Humanitarian Assistance (IHA). The portion of contributions relating to development programs is recognized as revenues to the extent that related expenses are incurred. The remaining portion of the contributions, related to the recovery of general expenses, management fees and procurement fees that are applicable to the Organization are recognized as revenues in accordance with the provisions of each contract.

Contributions received as endowments and interest generated by these contributions are recognized as a direct increase of net assets received as endowments.

Investment transactions are recorded on a trade-date basis. Interest income is recognized based on the elapsed time. Dividend income is recognized when it is legally payable to the Organization. Revenues from mutual fund units are recorded at the time of distribution.

**THE CANADIAN CATHOLIC ORGANIZATION
FOR DEVELOPMENT AND PEACE**

NOTES TO FINANCIAL STATEMENTS

for the year ended August 31, 2019

2. INVESTMENTS

	2019	2018
Measured at fair value		
Cash	6,072,232	4,284,275
Bonds, 1.75% to 3.80%, maturing between 2019 and 2029 (cost \$10,043,795; \$7,602,995 in 2018)	10,226,490	7,345,368
Shares (cost \$8,685,792; \$9,447,864 in 2018)	9,389,603	10,553,973
Mutual funds units (cost \$1,506,632; \$1,807,205 in 2018)	2,184,673	2,841,882
	27,872,998	25,025,498
Investments linked to Solidarity Fund	(7,110,350)	(6,334,350)
	\$ 20,762,648	\$ 18,691,148

3. ACCOUNTS RECEIVABLE

	2019	2018
Share Lent	793,082	3,347,994
Accrued interest	-	47,384
Sales taxes	62,832	78,753
Advances and other receivables	41,643	561,120
	\$ 897,557	\$ 4,035,251

4. AMOUNTS RECEIVABLE FROM AN ESTATE

The Organization has been designated as the liquidator of an estate whose moveable and immoveable property was sold for a total consideration of \$2,183,630. As at August 31, 2019, this amount, as well as the accumulated interest income amounting to \$113,852 (\$83,558 in 2018) are held in a trust account. The Organization will collect the amount of \$2,297,482 only when it receives the tax clearance from the government authorities.

THE CANADIAN CATHOLIC ORGANIZATION FOR DEVELOPMENT AND PEACE

NOTES TO FINANCIAL STATEMENTS

for the year ended August 31, 2019

4. AMOUNTS RECEIVABLE FROM AN ESTATE (cont'd)

Under the donor's wishes, proceeds resulting from the sale of moveable and immoveable property, as well as the interest income generated from this amount, net of the related expenses, shall be used for the sole purpose of financing construction and school development training projects for underprivileged ethnic villages, more specifically in Asia. As the purpose of the donation is restricted, the amount of \$2,297,482 has been recorded as a deferred contribution as at August 31, 2019, net of expenses totaling \$389,065 as at August 31, 2019 (\$378,681 in 2018), incurred by the Organization and directly related to the estate.

5. CAPITAL ASSETS

			2019	2018
	Accumulated		Net	Net
	Cost	amortization	value	value
Computer hardware	1,030,800	1,011,443	19,357	42,818
Office equipment	594,956	572,658	22,298	33,235
Leasehold improvements	362,522	326,139	36,383	46,398
	\$ 1,988,278	\$ 1,910,240	\$ 78,038	\$ 122,451

6. ACCOUNTS PAYABLE

	2019	2018
Accounts payable	675,111	160,217
Salaries, employee benefits and vacations payable	521,180	769,110
Accrued liabilities	32,392	341,626
	\$ 1,228,683	\$ 1,270,953

As at August 31, 2019 and 2018, government remittances amounted to \$16,365 and \$17,389 respectively.

**CANADIAN CATHOLIC ORGANIZATION
FOR DEVELOPEMENT AND PEACE**

NOTES TO FINANCIAL STATEMENTS

for the year ended August 31, 2019

7. DEFERRED CONTRIBUTIONS - DEVELOPMENT PROGRAMS

	2018			2019
	Total	Amounts received	Recognized revenues	Total
Paul Gérin-Lajoie Foundation				
for International Cooperation	67,820	-	(67,820)	-
Government of Québec	53,895	434,269	(325,239)	162,925
AHI Program GAC	4,416,232	15,602,817	(15,218,344)	4,800,705
Democratic Republic of Congo				
Program	413,107	3,537,673	(2,637,462)	1,313,318
Project - Catholic Women's League	-	67,996	(52,996)	15,000
Project - Canadian Foodgrains Bank	97,736	-	-	97,736
Québec sans frontières	86,226	176,886	(170,224)	92,888
Emergency relief programs				
Haïti Program	247,623	8,581	(68,450)	187,754
Syria Program	1,602,300	21,920	(841,236)	782,984
Philippines Program	879,338	19,835	(569,680)	329,493
Nepal Program	537,999	3,970	(225,797)	316,172
Africa Program	4,030,414	91,698	(1,014,926)	3,107,186
Bangladesh Program	783,847	116,873	(270,076)	630,644
Other special appeals	2,072,507	160,987	(244,560)	1,988,934
	\$ 15,289,044	\$ 20,243,505	\$(21,706,810)	\$ 13,825,739

8. INTERNALLY RESTRICTED FUNDS

During the year, the National Council of the Organization restricted amounts of \$25,000 for the orientation assembly fund. The Organization cannot use these restricted amounts without prior consent of the National Council. During the year 2017-2018, the National Council decided to cancel the restriction for the amount of \$29,066, \$200,000 and \$410,596 included in the institutional evaluation fund, the institutional renewal fund and other activities, respectively.

THE CANADIAN CATHOLIC ORGANIZATION FOR DEVELOPMENT AND PEACE

NOTES TO FINANCIAL STATEMENTS

for the year ended August 31, 2019

9. SHARE LENT - PREVIOUS LENT

Contributions from Share Lent are recognized as revenues when received by agents and these confirm the amount to the Organization. Contributions whose confirmations are received late are recognized in the Previous Lent section.

10. CHANGE IN NON-CASH WORKING CAPITAL COMPONENTS

	2019	2018
Accounts receivable	3,137,694	(89,117)
Amount receivable from an estate	(25,258)	(17,152)
Amount receivable from Global Affairs Canada (GAC)	-	1,117,361
Prepaid expenses	(79,079)	27,144
Amounts paid in advance on projects	29,929	(644,806)
Accounts payable	(42,270)	545,509
Deferred contribution - Estate	14,874	12,715
Deferred contributions - Development programs	(1,463,305)	(3,260,059)
Non-repayable loans	(34,131)	-
	\$ 1,538,454	\$ (2,308,405)

11. PENSION PLAN

The pension plan for employees of the Organization is a defined contribution plan covering all salaried employees of the Organization who meet eligibility requirements as specified in the plan agreement. The Organization is required to contribute 5% of the employees' gross earnings. The Organization contributed an amount of \$229,024 during the year (\$251,897 in 2018). This contribution is recorded in the statement of revenues and expenses.

THE CANADIAN CATHOLIC ORGANIZATION FOR DEVELOPMENT AND PEACE

NOTES TO FINANCIAL STATEMENTS

for the year ended August 31, 2019

12. CONTRACTUAL OBLIGATIONS

The Organization is committed under long-term leases expiring between April 2020 and September 2023 for a total amount of \$1,090,311. The minimum rental payments for the next five years are as follows:

2020	\$ 294,081
2021	287,459
2022	285,278
2023	223,025
2024	468

The Organization has also made commitments to partners for international projects up to 2022. An amount of \$15,364,645 is committed under protocol agreements as at August 31, 2019. Of this amount, the contribution of the Organization amounts to \$6,474,909. The remaining balance of the commitments is supported by GAC, donations from the public, other special appeals as well as other donors. Should the Organization not obtain from the donors the required funding needed to carry out these projects, the Organization could withdraw from these commitments. As at August 31, 2019, the National Council approved a resolution to reduce by \$644,997 the amount affected to international programs.

13. RISKS RELATED TO FINANCIAL INSTRUMENTS

The Organization is exposed to the following risks resulting from the financial instruments to which it is a party:

Credit risk

Credit risk is the risk that the Organization incurs financial losses due to the inability of a counterparty to discharge its obligations. The Organization provides credit to dioceses in the normal course of activity, and to other parties as part of investment transactions.

As at August 31, 2019, 37% of receivable balances from Share Lent are due from two dioceses (67% from two diocese in 2018).

The Organization's investment policy provides guidelines and restrictions on acceptable investments which minimize credit risk. The investment policy is reviewed on a regular basis by the Finance and Audit committee.

During the year, the Organization's decreased its exposure to credit risk with respect to the previous year by decreasing its Share Lent receivables.

THE CANADIAN CATHOLIC ORGANIZATION FOR DEVELOPMENT AND PEACE

NOTES TO FINANCIAL STATEMENTS

for the year ended August 31, 2019

13. RISKS RELATED TO FINANCIAL INSTRUMENTS (cont'd)

Interest rate risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument fluctuates due to changes in market interest rates. Fixed-interest instruments present a fair value risk. The Organization's changed its interest rate risk with respect to the previous year by increasing its investments in bonds.

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 an interest rate risk or a currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuers, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investments in quoted shares. The Organization decreased its other price risk with respect to the previous year by decreasing its investments in shares and mutual fund units.

In accordance with the effective investment policy, management ensures that the Organization's assets are managed with a balance between risks and returns on investments. Portfolio managers are required to comply with this policy and must report back annually on the investments' management.

Liquidity risk

Liquidity risk is the risk that the Organization encounters difficulties in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its financial liabilities. During the year, the Organization's exposure to a liquidity risk did not vary significantly.

14. COMPARATIVE FIGURES

Certain figures from the previous year's financial statements have been reclassified to be consistent with the current year's financial statements presentation.

**CANADIAN CATHOLIC ORGANIZATION
FOR DEVELOPEMENT AND PEACE**

SCHEDULE A - REVENUES

for the year ended August 31, 2019

	2019	2018
Share Lent		
Dioceses and parishes	3,147,322	3,415,927
Monthly donations	1,132,691	1,176,626
Regional activities and other	1,783,870	1,636,212
Previous Lent (<i>note 9</i>)	1602,528	508,716
	7,666,411	6,737,481
Government funding - Unrestricted		
Manitoba Council for International Cooperation (MCIC)	60,000	49,000
Fundraising activities		
Estates	1,557,917	2,155,590
Stock donations	211,195	92,360
Annuities and insurance premiums	1,703	1,000
Direct mailing	1,365,271	1,558,128
Unrestricted spontaneous donations	852,214	815,497
Major and corporate donations	203,414	269,866
Other donations	77,593	78,816
	4,269,307	4,971,257
Other sources of revenues		
Interest income - general	260,206	268,662
Use of Solidarity Fund for programs	181,260	-
Cofinancing	52,996	201,748
	494,462	470,410
Government contributions - Restricted		
Emergency relief - Public donations	3,234,725	4,089,005
Emergency relief - Interest income	171,660	231,399
Bilateral programs - IHA GAC	17,855,807	16,297,804
Government of Québec - International programs	325,239	95,155
Québec sans frontières	183,186	148,572
	21,770,617	20,861,935
	\$ 34,260,797	\$ 33,090,083

**CANADIAN CATHOLIC ORGANIZATION
FOR DEVELOPEMENT AND PEACE**

SCHEDULE B - EXPENSES - INTERNATIONAL PROGRAMS

for the year ended August 31, 2019

	2019	2018
International development programs - Unrestricted		
Development programs	6,156,376	8,099,740
Emergency relief program - Front-line	111,300	719,533
Others	52,996	86,190
	6,320,672	8,905,463
Operational costs		
Salaries and social benefits	776,354	941,026
Other operational costs	116,804	188,066
	893,158	1,129,092
	7,213,830	10,034,555
International development programs - Restricted		
Emergency relief program - Public donations	2,691,585	3,408,829
Emergency relief program - Operational costs	513,519	607,304
Bilateral programs - IHA GAC	16,944,651	15,489,637
Temporary special fund programs	275,000	487,100
Government of Québec - International programs	447,921	114,950
Others	-	67,820
	20,872,676	20,175,640
	\$ 28,086,506	\$ 30,210,195

**CANADIAN CATHOLIC ORGANIZATION
FOR DEVELOPEMENT AND PEACE**

SCHEDULE C - EXPENSES - PROGRAMS IN CANADA

for the year ended August 31, 2019

	2019	2018
Popular commitment program		
Salaries and social benefits	1,849,426	1,863,220
Regional office expenses	143,014	309,500
Interns - Youth Program	1,195	28,388
Other operational costs	111,420	198,699
Diocesan Council grants	31,209	83,696
Francophone grants	-	45,000
Others	8,140	65,769
	2,144,404	2,594,272
Advocacy program		
Research and advocacy expenses	33,824	53,496
Communications program		
Operational costs	836,733	856,210
Share Lent - Material and distribution	122,454	147,233
Fall campaign - Material and distribution	68,503	110,341
	1,027,690	1,113,784
Philanthropic development program		
Operational costs	101,526	210,206
Major gifts and planned giving	13,666	9,597
Direct mailing	63,959	55,977
Visibility and notoriety	-	99,575
Others	6,030	3,831
	185,181	379,186
Québec sans frontières	180,671	234,663
	\$ 3,571,770	\$ 4,375,401

**CANADIAN CATHOLIC ORGANIZATION
FOR DEVELOPEMENT AND PEACE**

SCHEDULE D - EXPENSES - GOVERNANCE AND GENERAL OPERATIONS

for the year ended August 31, 2019

	2019	2018
Governance		
National Council and executive committee meetings	114,476	103,142
National Council committees	42,376	43,532
International development committee	3,277	5,392
Regional assemblies	88,004	85,365
Membership fees	107,654	146,751
CCCB Social Justice Fund	120,000	115,000
Other governance expenses	38,875	60,339
	514,662	559,521
General management and administrative services		
Salaries and social benefits	1,482,135	1,312,668
Operational costs	289,213	391,080
	1,771,348	1,703,748
Other expenses		
Amortization of capital assets	48,804	69,211
Structural expenses - Fixed costs	812,772	835,195
Special projects and new initiatives	95,234	559,092
Other activities	-	1,887
	956,810	1,465,385
	\$ 3,242,820	\$ 3,728,654