

Fig Tree Charitable Foundation
Financial Statements
For the year ended December 31, 2021

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Fig Tree Charitable Foundation

I have reviewed the accompanying financial statements of Fig Tree Charitable Foundation which comprise the statement of financial position as at December 31, 2021 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 for the Financial Statements

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me 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, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that these financial statements do not present fairly, in all material respects, the financial position of Fig Tree Charitable Foundation as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Isaac Achal Professional Corporation
Chartered Professional Accountant

Chestermere, Alberta
May 13, 2022

Fig Tree Charitable Foundation Statement of Financial Position

As at December 31,

	2021	2020
Assets		
Current		
Cash	19,568	60,912
Account receivable	1,000	-
Goods and service tax recoverable	473	214
Prepaid expenses	-	327
Loan receivable (Note 4)	33,000	-
	54,041	61,453
Long-term		
Loan receivable (Note 4)	40,000	-
Investments (Note 5)	281,213	379,836
Total Assets	375,254	441,289
Liabilities		
Current		
Accounts payable and accruals	9,481	9,779
Source deductions payable	317	1,853
Total Liabilities	9,798	11,632
Net Assets		
Unrestricted net assets	365,456	429,657
Total Liabilities and Net Assets	375,254	441,289

Approved on behalf of the Board

David Park

David Park, Treasurer

Cailee Ellis

Cailee Ellis, Chair

The accompanying notes are an integral part of these financial statements.

Fig Tree Charitable Foundation
Statement of Operations
For the year ended December 31,

	2021	2020
Revenue		
Donations	15,276	14,553
Government grants	4,900	-
Investment income	15,238	14,376
Interest	1,018	1,553
Total revenue	36,432	30,482
Expenses		
General and administrative expense	5,800	3,286
Grants given	41,750	-
Insurance	1,975	1,519
Interest and bank charges	15	60
Office stationary and supplies	-	2,441
Professional fees	5,972	6,019
Program, travel, and meal expense	-	1,322
Rental expense	6,381	8,071
Salaries and consulting	64,879	126,880
Total expenses	126,772	149,598
Deficiency of revenue over expenses from operations	(90,340)	(119,116)
Other income		
Unrealized gain on investments	26,139	6,734
Deficiency of revenue over expenses	(64,201)	(112,382)

The accompanying notes are an integral part of these financial statements.

Fig Tree Charitable Foundation Statement of Changes in Net Assets

For the year ended December 31

	2021	2020
Net assets, beginning of the year	429,657	542,039
Deficiency of revenue over expenses	(64,201)	(112,382)
Net assets, end of the year	365,456	429,657

The accompanying notes are an integral part of these financial statements.

Fig Tree Charitable Foundation
Statement of Cash Flows
For the year ended December 31,

	<i>2021</i>	<i>2020</i>
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	(64,201)	(112,382)
Unrealized gain on investments	(26,139)	(6,734)
	(90,340)	(119,116)
Changes in working capital accounts		
Accounts receivable	(1,000)	2,348
Prepaid expenses	327	(327)
Goods and services tax recoverable	(259)	126
Accounts payable and accruals	(298)	3,579
Source deductions payable	(1,536)	(8,422)
Total cash used in operating activities	(93,106)	(121,812)
Financing		
Loans receivable received (given)	(73,000)	40,000
Investment income reinvested	(15,238)	(14,376)
Long term investment proceeds withdrawn	140,000	100,000
Total cash provided by financing activities	51,762	125,624
(Decrease) increase in cash	(41,344)	3,812
Cash, beginning of year	60,912	57,100
Cash, end of year	19,568	60,912

The accompanying notes are an integral part of these financial statements.

Fig Tree Charitable Foundation

Notes to the Financial Statements

For the year ended December 31, 2020

1. Incorporation and nature of the organization

The Fig Tree Charitable Foundation ("the Foundation") is a registered charity created for the purpose of improving the quality of international development initiatives that come out of the Calgary community and to support a network of organizations to deliver the initiatives. The Foundation is incorporated under the Alberta Societies Act. As a Canadian registered charity, the Foundation is exempt from the payment of income tax under Paragraph 149(1)(f) of the Canada Income Tax Act.

The financial statements for the year ended December 31, 2021, were approved by the board of directors on May 18, 2022.

2. Significant accounting policies

The financial statements of the Foundation have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant estimates and assumptions include the estimated useful lives of capital assets. Actual results could differ from those estimates.

Cash

Cash consists of cash on hand balances with Canadian financial institutions. Cash equivalents consist of short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change of value. The Foundation currently holds no cash equivalents.

Revenue recognition

The Foundation 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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions, if any, are recorded as direct increases in net assets. Investment income, other than fair value adjustments, is recorded on an accrual basis in the period in which it was earned. Unrealized gains or losses resulting from fair value adjustments are recognized in the statement of operations, net of management fees.

Contributed materials and services

Contributed materials are recorded in the financial statements to the extent that the fair value is reasonably determinable, used in the normal course of operations, and would otherwise be purchased. No materials were contributed in the current year and prior year.

The Foundation receives contributions of services each year in carrying out its activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value. It subsequently measures investments in equity securities traded in the open market at fair value, and all other financial assets and financial liabilities at amortized cost.

Financial assets measured at cost are tested for impairment when there are indicators of impairment.

The Foundation recognizes its transaction costs, if any, in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

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

Financial asset impairment

The Foundation assesses impairment of all its financial assets measured at cost or amortized cost. The Foundation groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract, such as a default or delinquency in interest or principal payment, in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Foundation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Foundation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year operations.

The Foundation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the statement of operations in the year the reversal occurs.

Measurement uncertainty

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. Accounts receivables are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

3. COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak a global pandemic. This has resulted in governments placing emergency measures to help combat the spread of COVID-19. These measures, including travel bans, quarantine periods, physical distancing and closure of non-essential services have caused a major disruption to businesses worldwide, resulting in an economic slowdown.

The Foundation has reviewed its budget in response to COVID-19 and have decided to delay or manage some expenses to be incurred to help cash flow during this time. These factors present uncertainty over future cash flows and may have a significant impact on future operations.

COVID-19 has had a significant effect on the financial markets. The Foundation's investments (Note 4) consist of equities held in a fund administered by The Calgary Foundation. While the extent of the impact is unknown, there is no indication on the Foundation's ability to continue as a going concern or in meeting their financial obligations has been significantly impacted.

The Foundation has participated in the Canadian Emergency Wage Subsidy (CEWS) administered by the Government of Canada. The Foundation has received \$nil (2020 - \$2,522) which was netted against salaries and consulting expense on the statement of operations for the year ended December 31, 2021. The Foundation has not participated in any other government assistance programs such as the Canadian Emergency Commercial Rent Subsidy (CECRS) and Canadian Emergency Business Account (CEBA).

4. Loan receivable

On March 1, 2021 the Foundation lent a Canadian registered charity \$40,000. The loan bears interest at 3% per annum, payable semi-annually, is due on demand, and has a maturity date of March 1, 2026. It is anticipated that the charity will repay the loan by end of 2022 and therefore the loan is reclassified as current.

During 2021 the Foundation lent a Canadian registered charity \$33,000. The loan bears interest at 3% per annum, payable semi-annually, is due on demand, and has a maturity date of June 2023.

Fig Tree Charitable Foundation
Notes to the Financial Statements
For the year ended December 31, 2020

5. Investment

The Foundation records its investments at fair value. The investments are managed by The Calgary Foundation as part of a larger diversified portfolio with a view to preserving purchasing power and minimizing volatility.

	2021	2020
Opening Balance	379,836	458,726
Investment income (net of management fee)	15,238	14,376
Unrealized gain	26,139	6,734
Fund withdrawal	(140,000)	(100,000)
	281,213	379,836

6. Related Party

During the year the Foundation paid \$49,972 (2020 - \$33,479) to key management during the year and donations of \$2,040 (2020 - \$nil) were received from the board of directors. These transactions were in the normal course of operations and had been recorded at the exchange amount

7. 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 rate, currency or credit risks arising from these financial instruments except as disclosed below:

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Foundation's main credit risk relates to loan receivable. The Foundation advanced loans to two charities as disclosed in Note 4. There is minimal credit risk as the charities have paid all interest on a timely manner and the Foundation has processes in place to ensure to assess whether the charities are able to make the appropriate repayments.

Liquidity risk

Investments are subject to liquidity risk if the Foundation is required to sell at a time that the market for the investments is unfavourable. Management is charged with managing the investment portfolio and mitigating the exposure to liquidity risk. The Foundation currently has sufficient assets to cover its liabilities and therefore considers the liquidity risk to be minimal.

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 rate risk, interest rate risk and other price risk. The Foundation is mainly exposed to other price risk.

Other price risk

The investments of the Foundation are subject to other price risk as changing interest rates impact the fair market value of the fixed rate investments, and the general economic conditions affect the market value of equity investments.

During the year, the COVID-19 pandemic as disclosed in Note 3 had a significant effect on the financial markets. The other price risk related to the Foundation's equity investments had increased in response to the volatility of the financial market.

Management mitigates these risks through the implementation and monitoring of the board's investment policy and in collaboration with The Calgary Foundation which holds and manages the Foundation's portfolio of investments as described in Note 5.