

Financial statements of the

**Canadian Paralympic  
Committee**

March 31, 2014

# Canadian Paralympic Committee

March 31, 2014

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## Independent Auditor's Report

To the Members of the  
Canadian Paralympic Committee

We have audited the accompanying financial statements of the Canadian Paralympic Committee, which comprise the statement of financial position as at March 31, 2014, and the statements of revenue and expenses, 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Canadian Paralympic Committee as at March 31, 2014, 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.

*Deloitte LLP*

Chartered Professional Accountants, Chartered Accountants  
Licensed Public Accountants

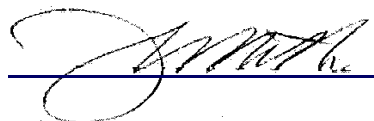
August 19, 2014

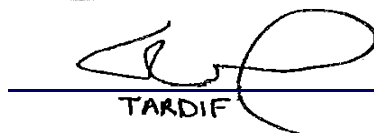
# Canadian Paralympic Committee

## Statement of financial position as at March 31, 2014

	2014	2013
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents (Note 3)	2,915,335	2,523,251
Accounts receivable (Note 4)	1,994,446	528,951
In-kind contributions receivable	387,250	362,580
Prepaid expenses	52,306	13,810
	<b>5,349,337</b>	<b>3,428,592</b>
Capital assets (Note 5)	126,307	150,113
Intangible assets (Note 6)	225,132	265,851
	<b>5,700,776</b>	<b>3,844,556</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	2,254,682	1,182,898
Deferred revenue	1,281,929	436,775
Deferred in-kind contributions (Note 8)	387,250	362,580
	<b>3,923,861</b>	<b>1,982,253</b>
Deferred contributions related to capital and intangible assets (Note 9)	351,439	415,964
	<b>4,275,300</b>	<b>2,398,217</b>
Net assets		
Unrestricted net assets	1,425,476	1,446,339
	<b>5,700,776</b>	<b>3,844,556</b>

On behalf of the Board

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
TARDIF  
Director

# Canadian Paralympic Committee

## Statement of revenue and expenses year ended March 31, 2014

	2014	2013
	\$	\$
<b>Revenue</b>		
Government contributions (Note 10)	6,018,930	6,382,928
Sponsorships	2,618,720	1,364,520
Other	188,339	488,481
Interest	23,544	28,662
Amortization of deferred contributions related to capital and intangible assets (Note 9)	222,456	219,284
In-kind contributions (Note 8)	764,838	823,114
	<b>9,836,827</b>	<b>9,306,989</b>
<b>Expenses</b>		
Administration and leadership	1,224,950	1,386,969
Amortization of capital and intangible assets	222,456	219,284
Communications	1,953,651	1,564,364
Franchise Holders Working Group	376,684	206,473
Games	1,704,233	1,531,144
High performance	1,377,261	1,004,997
Paralympic development	1,274,452	1,543,510
Partnership	959,165	902,497
Utilized value, in-kind contributions (Note 8)	764,838	823,114
	<b>9,857,690</b>	<b>9,182,352</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(20,863)</b>	<b>124,637</b>

# Canadian Paralympic Committee

## Statement of changes in net assets year ended March 31, 2014

	Invested in capital and intangible assets	Unrestricted	<u>Total</u>	
			2014	2013
	\$	\$	\$	\$
<b>Balance, beginning of year</b>	-	1,446,339	1,446,339	1,321,702
Excess (deficiency) of revenue over expenses	-	(20,863)	(20,863)	124,637
Amortization of capital and intangible assets	(222,456)	222,456	-	-
Purchase of capital and intangible assets	157,931	(157,931)	-	-
Increase of deferred contributions related to capital and intangible assets	(157,931)	157,931	-	-
Amortization of deferred contributions related to capital and intangible assets	222,456	(222,456)	-	-
<b>Balance, end of year</b>	-	1,425,476	1,425,476	1,446,339

# Canadian Paralympic Committee

## Statement of cash flows year ended March 31, 2014

	2014	2013
	\$	\$
Net inflow (outflow) of cash related to the following activities:		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	(20,863)	124,637
Items not affecting cash		
Amortization of capital assets	36,221	43,179
Amortization of intangible assets	186,235	176,105
Amortization of deferred contributions related to capital and intangible assets	(222,456)	(219,284)
	(20,863)	124,637
Changes in non-cash operating working capital items (Note 13)	412,947	(636,336)
	392,084	(511,699)
<b>Financing</b>		
Increase in deferred contributions related to capital and intangible assets (Note 9)	157,931	219,561
<b>Investing</b>		
Acquisition of capital assets	(12,415)	(27,999)
Acquisition of intangible assets	(145,516)	(191,562)
	(157,931)	(219,561)
Net cash inflow (outflow)	392,084	(511,699)
Cash and cash equivalents, beginning of year	2,523,251	3,034,950
<b>Cash and cash equivalents, end of year</b>	<b>2,915,335</b>	<b>2,523,251</b>



# Canadian Paralympic Committee

## Notes to the financial statements

March 31, 2014

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### 1. Purpose of the organization

The Canadian Paralympic Committee (the "Organization") is incorporated under the Canada Corporations Act as a not-for-profit organization and is a Registered Canadian Amateur Athletic Association under the Income tax Act and, as such, is exempt from income taxes. The Organization is recognized by the International Paralympic Committee and is responsible for all aspects of Canada's involvement in the Paralympic movement, including the Summer and Winter Games.

### 2. Significant accounting policies

#### *Basis of presentation*

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

#### *Financial instruments*

The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash and cash equivalents, which are measured at fair value. Realized and unrealized changes in fair value are recognized in the statement of revenue and expenses.

#### *Fair value*

The fair value of accounts receivable, in-kind contributions receivable and accounts payable and accrued liabilities approximate their carrying value due to their short-term maturity. It is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

#### *Contributed goods*

The Organization records the value of contributed goods and services when a fair value can be reasonably estimated and when the goods and services would normally be purchased by the Organization.

The Organization receives in-kind contributions from different partners. These are mainly travel vouchers. In-kind contributions are recorded at fair value in the year vouchers are granted as an in-kind contribution receivable and as deferred in-kind contributions. The in-kind contributions are recorded as revenue and expenses in the year they are utilized.

#### *Capital assets and intangible assets*

Capital assets and purchased or internally developed intangible assets are recorded at cost. These assets are amortized based on their estimated useful life on a declining-balance basis using the following rates:

Office furniture	20%
Computer equipment	55%
Website development	55%
Spatial mapping database	55%

Leasehold improvements are amortized over the term of the lease.

#### *Revenue recognition*

The Organization follows the deferral method of accounting for revenue. Unrestricted contribution are recognized as revenue in the year in received or receivable if the amount to be received can be reasonably assured. Restricted contributions are deferred and are recognized as revenue in the year in which it is earned or the related expenses are incurred.

# Canadian Paralympic Committee

## Notes to the financial statements

March 31, 2014

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### 2. Significant accounting policies (continued)

#### *Revenue recognition (continued)*

Externally restricted contributions used to purchase depreciable capital or intangible assets are deferred and amortized over the life of the related asset.

Sponsorships for multi-year agreements are deferred and recognized as revenue on a straight-line basis over the terms of the agreements.

#### *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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates. Assumptions are used in estimating the collectibility of accounts receivable, the useful life of capital and intangible assets and the amount of accrued liabilities.

### 3. Cash and cash equivalents

	2014	2013
	\$	\$
Cash	2,910,469	2,523,251
Guaranteed investment certificates	4,866	-
	<b>2,915,335</b>	<b>2,523,251</b>

The effective interest rate of the guaranteed investment certificates is 0.80%. Due to the nature of these investments, the Organization is not exposed to any significant interest, currency or credit risks.

### 4. Accounts receivable

	2014	2013
	\$	\$
Sport Canada	34,018	-
HST receivable	217,195	97,538
Sponsorship and other receivable	1,743,233	431,413
	<b>1,994,446</b>	<b>528,951</b>

### 5. Capital assets

	2014			2013
	Cost	Accumulated amortization	Net book value	Net value
	\$	\$	\$	\$
Office furniture	73,029	39,377	33,652	42,064
Computer equipment	103,494	83,453	20,041	24,536
Leasehold improvements	108,992	36,378	72,614	83,513
	<b>285,515</b>	<b>159,208</b>	<b>126,307</b>	<b>150,113</b>

# Canadian Paralympic Committee

## Notes to the financial statements

March 31, 2014

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### 6. Intangible assets

	2014		2013
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Website development	241,750	109,104	132,646
Spatial mapping database	459,351	366,865	92,486
	<b>701,101</b>	<b>475,969</b>	<b>225,132</b>

### 7. Line of credit

The Organization has a \$50,000 authorized line of credit which bears interest at prime plus 2.0%, is secured by a general security agreement and is renewable annually. The line of credit was not used as of March 31, 2014 (2013 - \$NIL).

### 8. Deferred in-kind contributions

The movement of the deferred in-kind contributions is as follows:

	2014	2013
	\$	\$
<b>Balance, beginning of year</b>	<b>362,580</b>	390,694
In-kind contributions received	789,508	795,000
In-kind contributions recognized to revenue	(764,838)	(823,114)
<b>Balance, end of year</b>	<b>387,250</b>	362,580

### 9. Deferred contributions related to capital and intangible assets

Deferred contributions related to capital and intangible assets represent the unamortized amount of the contributions received and used for the purchase or development of the capital and intangible assets. The changes in the deferred contributions balance for the year are as follows:

	2014	2013
	\$	\$
Balance, beginning of year	415,964	415,687
Contributions received	157,931	79,969
Transfer from deferred contributions	-	139,592
Contributions recognized to revenue	(222,456)	(219,284)
<b>Balance, end of year</b>	<b>351,439</b>	415,964

# Canadian Paralympic Committee

## Notes to the financial statements

March 31, 2014

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### 10. Government contributions

Contributions received from the Government of Canada are subject to specific terms and conditions regarding the expenditures of the funds. The Organization's records are subject to audit by the Government of Canada to identify instances, if any, in which amounts charged against contributions, have not complied with the agreed terms and conditions and which, therefore, would be refundable to the Government of Canada. In the event that adjustments to prior years' contributions are requested, they would be recorded in the year in which the Government of Canada requests the adjustments.

Government contributions for the year ended March 31, 2014 consist of the following:

	2014	2013
	\$	\$
Sport Canada	5,443,070	5,975,630
Sport Canada - Franchise Holders Working Group	375,860	207,298
Accessibility Directorate of Ontario	200,000	200,000
	<b>6,018,930</b>	<b>6,382,928</b>

### 11. Commitment

The Organization has leased premises in Ottawa. The lease agreement expires on September 30, 2015. The monthly payments are \$13,827 or \$165,924 annually.

### 12. Capital management

The Organization defines its capital as its net assets, which are subject to a general security agreement signed under the line of credit arrangement. Management's objectives, when managing capital, are to safeguard the Organization's ability to continue as a going concern, so that it can continue to provide services in accordance with its mission and to manage grants and contributions with external restrictions that comply with the conditions for using the financial resources. The Organization monitors its capital by reviewing various financial metrics, including cash flows and variances to forecasts and budgets.

Capital management objectives, policies and procedures are unchanged since the preceding year.

The Organization has complied with all the capital requirements, including the requirements respecting external restrictions.

### 13. Changes in non-cash operating working capital items

	2014	2013
	\$	\$
Accounts receivable	(1,465,495)	(89,196)
Prepaid expenses	(38,496)	91,527
Accounts payable and accrued liabilities	1,071,784	7,861
Deferred revenue	845,154	(646,528)
	<b>412,947</b>	<b>(636,336)</b>

### 14. Related party

In June 2013, the Board of Directors of the Canadian Paralympic Foundation decided to wind up the Foundation. The wind up process is still ongoing at this moment. Any remaining assets after payments of its liabilities shall be distributed to the Canadian Paralympic Committee.

The Canadian Paralympic Committee Board of Directors has approved the creation of a new foundation that will be created in the 2014/2015 fiscal year.