
Financial statements of Paralympic Foundation of Canada

March 31, 2018

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Independent Auditor's Report

To the Members of
Paralympic Foundation of Canada

We have audited the accompanying financial statements of Paralympic Foundation of Canada, which comprise the statement of financial position as at March 31, 2018, and the statements of revenue and expenses, changes in fund balances 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 audit 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 Paralympic Foundation of Canada as at March 31, 2018, 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.



Chartered Professional Accountants
Licensed Public Accountants
August 28, 2018

Paralympic Foundation of Canada

Statement of financial position

As at March 31, 2018

| | Notes | 2018 | 2017 |
|---|-------|----------------|----------------|
| | | \$ | \$ |
| Assets | | | |
| Current assets | | | |
| Cash | | 407,615 | 526,935 |
| Accounts receivable | | 430,265 | 34,421 |
| Prepaid expenses | | 1,050 | 3,645 |
| | | 838,930 | 565,001 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | 13,305 | 4,856 |
| Due to Canadian Paralympic Committee | 5 | 200,036 | 280,482 |
| | | 213,341 | 285,338 |
| Fund balances | | | |
| Unrestricted – General Administration Fund | | 320,990 | 279,663 |
| Externally restricted – Circle of Champions Fund | | 36,011 | — |
| Externally restricted – Fall Campaign Fund | | 21,827 | — |
| Externally restricted – ImagiNation Campaign Fund | | 246,761 | — |
| | | 625,589 | 279,663 |
| | | 838,930 | 565,001 |

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

Approved by the Board

 , Director

 , Director

Paralympic Foundation of Canada
Statement of revenue and expenses
Year ended March 31, 2018

| | | | | | 2018 | 2017 |
|--|-----------------------------|--------------------------|--------------------|---------------------------|------------------|----------------|
| | General Administration Fund | Circle of Champions Fund | Fall Campaign Fund | ImagiNation Campaign Fund | Total | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenue | | | | | | |
| General donations | 112,489 | — | — | — | 112,489 | 171,181 |
| Circle of Champions | — | 93,296 | — | — | 93,296 | 130,765 |
| Campaigns | — | — | 26,529 | — | 26,529 | 38,585 |
| Events | 221,180 | — | — | — | 221,180 | 102,539 |
| Cause marketing | 84,477 | — | — | — | 84,477 | 99,659 |
| ImagiNation | — | — | — | 784,408 | 784,408 | — |
| In-kind contributions | 2,087 | — | — | — | 2,087 | — |
| | 420,233 | 93,296 | 26,529 | 784,408 | 1,324,466 | 542,729 |
| Expenses | | | | | | |
| Administration | 124,624 | 14,585 | 4,702 | 34,629 | 178,540 | 111,691 |
| Excess of revenue over expenses before contribution to Canadian Paralympic Committee | 295,609 | 78,711 | 21,827 | 749,779 | 1,145,926 | 431,038 |
| Contribution to Canadian Paralympic Committee | 254,282 | 42,700 | — | 503,018 | 800,000 | 250,000 |
| Excess of revenue over expenses | 41,327 | 36,011 | 21,827 | 246,761 | 345,926 | 181,038 |

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

Paralympic Foundation of Canada
Statement of changes in fund balances
Year ended March 31, 2018

| | | | | | 2018 | 2017 |
|---------------------------------|--|--|--|---|---------|---------|
| | General Administration Fund Unrestricted | Circle of Champions Fund Externally restricted | Fall Campaign Fund Externally restricted | ImagiNation Campaign Fund Externally restricted | Total | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance, beginning of year | 279,663 | — | — | — | 279,663 | 98,625 |
| Excess of revenue over expenses | 41,327 | 36,011 | 21,827 | 246,761 | 345,926 | 181,038 |
| Balance, end of year | 320,990 | 36,011 | 21,827 | 246,761 | 625,589 | 279,663 |

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

Paralympic Foundation of Canada

Statement of cash flows

Year ended March 31, 2018

| | Notes | 2018 | 2017 |
|---|-------|------------------|---------|
| | | \$ | \$ |
| Operating activities | | | |
| Excess of revenue over expenses | | 345,926 | 181,038 |
| Changes in non-cash operating working capital items | 4 | (465,246) | 263,948 |
| | | (119,320) | 444,986 |
| Net (decrease) increase in cash | | (119,320) | 444,986 |
| Cash, beginning of year | | 526,935 | 81,949 |
| Cash, end of year | | 407,615 | 526,935 |

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

Paralympic Foundation of Canada

Notes to the financial statements

March 31, 2018

1. Organization

Paralympic Foundation of Canada (the "Foundation") was established to help ensure that the programs, equipment and people are in place to propel more Canadians with a disability all the way from the playground to the paralympic podium. The Foundation raises funds to solely support the programs and activities of the Canadian Paralympic Committee.

The Foundation was incorporated under the *Canada Corporations Act* on February 19, 2015, without share capital. The Foundation is a public foundation registered under the *Income Tax Act* (Canada) effective June 12, 2015, and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

2. Significant accounting policies

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

Fund accounting

The accounts of the Foundation are maintained in accordance with the principles of fund accounting. Resources received and expended are classified for accounting and reporting purposes into funds according to objectives specified externally by donors or internally by the Board.

(i) General Administration Fund

The General Administration Fund accounts for all the Foundation's programs and administrative activities that relate to undesignated funds.

(ii) Circle of Champions Fund

The Circle of Champions Fund was established to support targeted initiatives including coaching, training and innovation and equipment.

(iii) Fall Campaign Fund

The Fall Campaign Fund was established to support targeted community-level initiatives including Parasport Jumpstart Fund, Paralympic Schools Week, FUNdamentals Physical Literacy Resource and Find a Sport / Activity / Club online resource.

(iv) ImagiNation Campaign Fund

The ImagiNation Campaign Fund was established to help make sport more accessible and available to all through Early Athlete Development and Next Generation Athlete Development.

Revenue recognition

- (i) The Foundation follows the restricted fund method of accounting, wherein contributions related to general operations are recognized as revenue of the General Administration Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. All other restricted contributions are recognized as revenue of the appropriate restricted fund. Restricted contributions, for which the Foundation has no corresponding restricted fund, are deferred and recognized as revenue in the General Administration Fund in the year in which the related expenses are incurred.

2. Significant accounting policies (continued)

Revenue recognition (continued)

- (ii) Donations are recognized as received. Donated services and materials which would normally be purchased by the Foundation are accounted for at their estimated fair values. Pledges are not recorded until collected.

Financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value. The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash which is measured at fair value.

Donations in kind

The Foundation receives in-kind contributions from partnerships. The in-kind contributions are for auditing fees and are recorded as revenue and expenses in the year they are utilized.

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 revenue and expenses during the year. Major estimates and assumptions made by management include the collectability of amounts receivable and the establishment of the amount of accrued liabilities. Actual results could differ from these estimates.

3. Capital management

The Foundation's objectives in managing capital are:

- a) to ensure that sufficient financial resources are in place to deliver on priorities set by the Board of Directors during its strategic plan review;
- b) to safeguard the Foundation's ability to continue as a charitable organization and meet the objectives of the different funds;
- c) to invest funds in financial instruments in accordance with its investment policy; and
- d) to manage donations with external restrictions that specify conditions for the use of financial resources.

Capital consists of the General Administration Fund, the Circle of Champions Fund, the Fall Campaign Fund and the ImagiNation Campaign Fund balances. There have been no changes to the Foundation's capital requirements and its overall strategy for capital remains unchanged since the preceding period. The Foundation has complied with requirements respecting restricted donations.

The Foundation monitors its capital by reviewing various financial metrics, including cash flow variances to forecasts and budgets.

4. Changes in non-cash operating working capital items

| | 2018 | 2017 |
|--|------------------|---------|
| | \$ | \$ |
| Accounts receivable | (395,844) | (8,872) |
| Prepaid expenses | 2,595 | (3,645) |
| Accounts payable and accrued liabilities | 8,449 | 4,017 |
| Due to Canadian Paralympic Committee | (80,446) | 272,448 |
| | (465,246) | 263,948 |

5. Related party transactions

Canadian Paralympic Committee (the "Committee"), a separate not-for-profit organization, is responsible for all aspects of Canada's involvement in the paralympic movement, including the Summer and Winter Games and controls the Foundation.

The Committee provides the Foundation with support in regard to human resources, the amount of which could be estimated to \$275,795 (\$168,106 in 2017).

As at March 31, 2018, the Foundation has an amount payable of \$200,036 (\$280,482 in 2017) to the Committee. For the year ended March 31, 2018, the Foundation contributed an amount of \$800,000 (\$250,000 in 2017) to the Committee.