

Financial statements of

Canadian Paralympic Committee

March 31, 2017

Canadian Paralympic Committee

March 31, 2017

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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, 2017 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, 2017, 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 17, 2017

Canadian Paralympic Committee

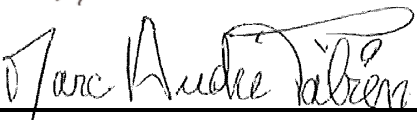
Statement of financial position as at March 31, 2017

	2017	2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents (Note 3)	2,103,308	2,787,576
Accounts receivable (Note 4)	1,678,947	492,303
In-kind contributions receivable	-	344,460
Prepaid expenses	176,832	1,501,889
	3,959,087	5,126,228
Capital assets (Note 5)	177,573	206,400
Intangible assets (Note 6)	75,751	99,510
	4,212,411	5,432,138
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	660,234	1,631,948
Deferred revenue - Current	1,082,090	1,113,411
Deferred in-kind contributions (Note 8)	-	344,460
	1,742,324	3,089,819
Deferred revenue	750,860	318,750
Deferred contributions related to capital and intangible assets (Note 9)	253,324	305,910
Lease inducement (Note 11)	60,274	66,971
	2,806,782	3,781,450
Commitment (Note 12)		
Net assets		
Unrestricted	1,405,629	1,650,688
	4,212,411	5,432,138

On behalf of the Board



Director



Director

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

Canadian Paralympic Committee

Statement of revenue and expenses year ended March 31, 2017

	2017	2016
	\$	\$
Revenue		
Government contributions (Note 10)	6,095,163	6,349,007
Sponsorships	4,401,754	1,873,647
Other	311,550	192,573
Interest	13,687	12,182
Amortization of deferred contributions related to capital and intangible assets (Note 9)	116,618	187,824
Write-off of deferred contributions related to capital and intangible assets (Note 9)	-	69,544
In-kind contributions (Note 8)	2,932,539	1,303,292
	13,871,311	9,988,069
Expenses		
Administration and leadership	1,194,398	1,324,119
Write-off of capital and intangible assets	-	69,544
Amortization of capital and intangible assets	116,618	187,824
Communications	3,488,842	1,807,635
Franchise Holders Working Group	223,309	216,700
Games	2,784,646	1,406,574
High performance	1,642,773	1,889,071
Paralympic development	431,888	679,188
Partnership	1,301,357	971,989
Utilized value, in-kind contributions (Note 8)	2,932,539	1,303,292
	14,116,370	9,855,936
(Deficiency) excess of revenue over expenses	(245,059)	132,133

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

Canadian Paralympic Committee

Statement of changes in net assets year ended March 31, 2017

	Invested in capital and intangible assets	Unrestricted	Total	
			2017	2016
	\$	\$	\$	\$
Balance, beginning of year	-	1,650,688	1,650,688	1,518,555
(Deficiency) excess of revenue over expenses	-	(245,059)	(245,059)	132,133
Amortization of capital and intangible assets	116,618	(116,618)	-	-
Purchase of capital and intangible assets	64,032	(64,032)	-	-
Increase of deferred contributions related to capital and intangible assets	(64,032)	64,032	-	-
Amortization of deferred contributions related to capital and intangible assets	(116,618)	116,618	-	-
Balance, end of year	-	1,405,629	1,405,629	1,650,688

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

Canadian Paralympic Committee

Statement of cash flows year ended March 31, 2017

	2017	2016
	\$	\$
Operating activities		
(Deficiency) excess of revenue over expenses	(245,059)	132,133
Items not affecting cash		
Write-off capital assets	-	50,815
Write-off intangible assets	-	18,729
Amortization of capital assets	50,140	51,251
Amortization of intangible assets	66,478	136,573
Amortization of deferred contributions related to capital and intangible assets	(116,618)	(187,824)
	(245,059)	201,677
Changes in non-cash operating working capital items (Note 14)	(432,512)	(1,614,315)
	(677,571)	(1,412,638)
Financing activities		
Increase in deferred contributions related to capital and intangible assets (Note 9)	64,032	201,819
Write-off of deferred contributions related to capital and intangible assets (Note 9)	-	(69,544)
Increase in lease inducement (Note 11)	(6,697)	66,971
	57,335	199,246
Investing activities		
Acquisition of capital assets	(21,313)	(188,826)
Acquisition of intangible assets	(42,719)	(12,993)
	(64,032)	(201,819)
Net cash outflow	(684,268)	(1,415,211)
Cash and cash equivalents, beginning of year	2,787,576	4,202,787
Cash and cash equivalents, end of year	2,103,308	2,787,576

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

Canadian Paralympic Committee

Notes to the financial statements

March 31, 2017

1. Purpose of the organization

The Canadian Paralympic Committee (the "Organization") was incorporated under the Canada Corporations Act on April 1, 1982 as a not-for-profit organization and was continued under the Canada Not-for-Profit Corporations Act on July 25, 2014. The Organization 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 and services

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%

Leasehold improvements are amortized over the term of the lease.

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Canadian Paralympic Committee

Notes to the financial statements

March 31, 2017

2. Significant accounting policies (continued)

Revenue recognition

The Organization follows the deferral method of accounting for revenue. Unrestricted contributions 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.

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.

Lease inducement

Lease inducements are initially recorded at cost and amortized over the term of the lease.

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

	2017	2016
	\$	\$
Cash	2,098,278	2,782,604
Guaranteed investment certificates	5,030	4,972
	2,103,308	2,787,576

The effective interest rate of the guaranteed investment certificates is 1.15% (2016 - 1.15%). Due to the nature of these investments, the Organization is not exposed to any significant interest, currency or credit risks.

4. Accounts receivable

	2017	2016
	\$	\$
Sport Canada	-	2,222
Harmonized Sales Tax receivable	206,761	285,279
Sponsorship and other receivable	1,472,186	204,802
	1,678,947	492,303

Canadian Paralympic Committee

Notes to the financial statements

March 31, 2017

5. Capital assets

			2017	2016
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Office furniture	186,736	86,269	100,467	117,033
Computer equipment	168,476	145,423	23,053	29,136
Leasehold improvements	61,775	7,722	54,053	60,231
	416,987	239,414	177,573	206,400

6. Intangible assets

			2017	2016
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Website development	491,268	415,517	75,751	99,510

7. Line of credit

The Organization has a \$50,000 authorized line of credit which bears interest at prime plus 2.850%, secured by a general security agreement and renewable annually. The line of credit was not used as of March 31, 2017 (2016 - not used).

8. Deferred in-kind contributions

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

	2017	2016
	\$	\$
Balance, beginning of year	344,460	395,428
In-kind contributions received	2,588,079	1,252,324
In-kind contributions recognized to revenue	(2,932,539)	(1,303,292)
Balance, end of year	-	344,460

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:

	2017	2016
	\$	\$
Balance, beginning of year	305,910	361,459
Contributions received	64,032	201,819
Write-off of deferred contributions related to capital and intangible assets	-	(69,544)
Contributions recognized to revenue	(116,618)	(187,824)
Balance, end of year	253,324	305,910

Canadian Paralympic Committee

Notes to the financial statements

March 31, 2017

10. Government contributions

Contributions received from the Government of Canada are subject to specific terms and conditions regarding the expenses 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, 2017 consist of the following:

	2017	2016
	\$	\$
Sport Canada	5,873,463	5,877,307
Sport Canada - Franchise Holders Working Group	221,700	216,700
Ministry of Heritage	-	100,000
Ministry Tourism, Culture and Sport	-	100,000
Accessibility Directorate of Ontario	-	55,000
	6,095,163	6,349,007

A Contribution Agreement between the Committee and Sport Canada exists for the period from April 1, 2016 to March 31, 2017. General administration, governance expenses, salaries, fees and benefits and operations/programming are allocated to programs according to management's best estimate based on project activities. The schedule of funding and disbursements from the Sport Canada Support Program for the period are:

	Budget approved by Sport Canada	Actuals
	\$	\$
Funding ⁽¹⁾	6,175,100	6,175,100
Disbursements ⁽²⁾		
Administration	581,700	556,834
Governance	69,730	71,240
Staff Salaries	1,980,000	2,653,688
Operating Programming	3,530,670	4,244,626
Official languages	13,000	67,270
	6,175,100	7,593,658

⁽¹⁾ Sport Canada revenue reconciliation

	2017
	\$
Approved Funding received for 2016-2017	6,175,100
Less 2016-2017 additions to capital assets	(64,032)
Less amounts deferred as at March 31, 2017	(96,125)
Plus amounts recognized as revenue from 2015-2016 deferred revenue	80,220
Amount recognized as revenue	6,095,163

Canadian Paralympic Committee

Notes to the financial statements

March 31, 2017

10. Government contributions (continued)

(2) Sport Canada expenses reconciliation

	2017
	\$
Actual disbursements for 2016-2017	7,593,658
Less 2016-2017 additions to capital assets	(64,032)
Less amounts deferred as at March 31, 2017	(96,125)
Plus amounts recognized as revenue from 2015-2016 deferred revenue	80,220
Amount recognized as expenses	7,513,721

11. Lease Inducement

	2017		2016
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Lease Inducement	66,971	6,697	60,274
			66,971

12. Commitment

The Organization leases certain office equipment under operating leases which expires up until 2025. Future lease payments over the next five years are as follows:

	\$
2018	291,354
2019	291,354
2020	291,354
2021	293,958
2022	301,770
	1,469,790

13. 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.

Canadian Paralympic Committee

Notes to the financial statements

March 31, 2017

14. Changes in non-cash operating working capital items

	2017	2016
	\$	\$
Accounts receivable	(1,186,644)	281,874
Prepaid expenses	1,325,057	(1,046,921)
Accounts payable and accrued liabilities	(971,714)	(578,795)
Deferred revenue	400,789	(270,473)
	(432,512)	(1,614,315)

15. Related party

The primary purpose of the Paralympic foundation of Canada (the "Foundation") is 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 Organization. The Foundation is controlled by the Organization.

The Foundation is a public foundation and is exempt from income taxes and is able to issue donation receipts for income tax purposes.

The Organization's financial statements have not been prepared on a consolidated basis. The balance sheet, statement of revenue and expenses and statement of cash flows are summarized as follow:

	2017	2016
	\$	\$
Balance sheet		
Current assets		
Assets	565,001	107,498
Current liabilities		
Liabilities	285,338	8,873
Fund balances		
Unrestricted - General Administration Fund	279,663	13,371
Externally restricted - Circle of Champions Fund	-	53,317
Externally restricted - Fall Campaign Fund	-	31,937
	279,663	98,625
	565,001	107,498
Statement of revenue and expenses		
Revenue	542,729	107,569
Expenses	11,691	8,944
Excess of revenue over expenses before contribution to the Organization	531,038	98,625
Contribution to the Organization	250,000	-
Excess of revenue over expenses	281,038	98,625

Canadian Paralympic Committee

Notes to the financial statements

March 31, 2017

16. Related party (continued)

	2017	2016
	\$	\$
Statement of cash flows		
Operating	444,986	81,949
Net cash inflow	444,986	81,949

The Organization provides the Foundation support with the human resources, marketing and communications, as well as finance and administration, the amounts of which could be estimated to the following:

	2017	2016
	\$	\$
Salary	168,106	171,291
General expenses	-	78,172
	168,106	249,463

At March 31, 2017, the Organization has an amount receivable of \$280,482 (2016 - \$7,000) from the Foundation and an amount payable of \$Nil (2016 - \$23,549) to the Foundation. For the year ended March 31, 2017, the Organization received a contribution of \$250,000 (2016 - \$Nil) from the Foundation. The contribution was drawn from the Circle of Champions Fund (\$184,082), the Fall Campaign Fund (\$59,999) and the General Administration Fund (\$5,919).

16. Comparative figures

In certain instances, the corresponding amounts have been reclassified to conform to the financial statement presentation adopted in the current year.