
Financial statements of Paralympic Foundation of Canada

March 31, 2021

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Independent Auditor's Report

To the members of
Paralympic Foundation of Canada

Opinion

We have audited the financial statements of Paralympic Foundation of Canada (the "Foundation"), which comprise the statement of financial position as at March 31, 2021, and the statements of revenue and expenses, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Foundation 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 opinion.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 GAAS 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 GAAS, 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 Foundation's internal control.
- 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 Foundation'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 Foundation 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
August 11, 2021

Paralympic Foundation of Canada

Statement of financial position

As at March 31, 2021

	Notes	2021 \$	2020 \$
Assets			
Current assets			
Cash		510,710	778,824
Accounts receivable		60,311	151,619
Prepaid expenses		280	3,031
		571,301	933,474
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		5,551	5,616
Due to Canadian Paralympic Committee	5	470	216,923
		6,021	222,539
Fund balances			
Unrestricted – General Administration Fund		453,848	623,158
Externally restricted – Fall Campaign Fund		80,442	67,641
Externally restricted – ImagiNation Campaign Fund		990	136
Externally restricted – High Performance Fund		30,000	20,000
		565,280	710,935
		571,301	933,474

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, 2021

	General Administration Fund Unrestricted	Fall Campaign Fund Externally restricted	ImagiNation Campaign Fund Externally restricted	High Performance Fund Externally restricted	2021 Total	2020 Total
	\$	\$	\$	\$	\$	\$
Revenue						
General donations	426,883	—	—	—	426,883	203,631
ImagiNation	—	—	296,345	—	296,345	791,672
Events	134,831	—	—	—	134,831	392,221
High Performance	—	—	—	50,000	50,000	20,000
Circle of Champions	—	—	—	—	—	35,358
Fall Campaign	—	17,595	—	—	17,595	25,104
Cause marketing	16,907	—	—	—	16,907	111,467
In-kind contributions	14,896	—	—	—	14,896	22,754
	593,517	17,595	296,345	50,000	957,457	1,602,206
Expenses						
Administration	57,827	4,794	491	—	63,112	241,146
Excess of revenue over expenses before contributions to Canadian Paralympic Committee	535,690	12,801	295,854	50,000	894,345	1,361,060
Contributions to Canadian Paralympic Committee	—	—	1,000,000	40,000	1,040,000	1,200,000
Excess (deficiency) of revenue over expenses	535,690	12,801	(704,146)	10,000	(145,655)	161,060

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, 2021

	General Administration Fund Unrestricted	Fall Campaign Fund Externally restricted	ImagiNation Campaign Fund Externally restricted	High Performance Fund Externally restricted	2021 Total	2020 Total
Notes	\$	\$	\$	\$	\$	\$
Balance, beginning of year	623,158	67,641	136	20,000	710,935	549,875
(Deficiency) excess of revenue over expenses	535,690	12,801	(704,146)	10,000	(145,655)	161,060
Internal transfers	(705,000)	—	705,000	—	—	—
Balance, end of year	453,848	80,442	990	30,000	565,280	710,935

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

Paralympic Foundation of Canada

Statement of cash flows

Year ended March 31, 2021

	Notes	2021 \$	2020 \$
Operating activities			
Deficiency (excess) of revenue over expenses		(145,655)	161,060
Changes in non-cash operating working capital items	4	(122,459)	156,868
		(268,114)	317,928
Net (decrease) increase in cash		(268,114)	317,928
Cash, beginning of year		778,824	460,896
Cash, end of year		510,710	778,824

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

1. Mission of the Foundation

The Paralympic Foundation of Canada's (the "Foundation") mission is to ensure that the people, programs and equipment are in place so that Canadians with a disability can be active in sport - in their communities and all the way 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. 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.

(a) General Administration Fund

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

(b) Fall Campaign Fund

The fall campaign fund was established to capture revenues generated through PFC's annual fall fundraising campaign to support PFC's mission of creating more opportunities for Canadians with a disability to participate in sport.

(c) 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.

(d) High Performance Fund

The High Performance Fund was established to provide support for elite equipment and high performance athlete programming.

2. Accounting policies (continued)

Revenue recognition

The Foundation follows the restricted fund method of accounting, wherein donations 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 donations are recognized as revenue of the appropriate restricted fund.

Restricted donations, 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.

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

Financial instruments

Financial instruments include, cash, accounts receivable, accounts payable and accrued liabilities and due to Canadian Paralympic Committee.

Financial assets and liabilities are initially recognized at fair value. Subsequently all financial instruments are measured at amortized cost, except for cash, which is measured at fair value.

Related party transactions in the normal course of business are measured at the exchange amount.

Interest earned and accrued is included in interest revenue.

Donations in kind

The Foundation receives in-kind donations from partnerships. The in-kind donations 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 revenues and expenses during the reporting period. Major estimates and assumptions made by management include the collectability of accounts 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.

3. Capital management (continued)

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 flows and variances to forecasts and budgets.

4. Additional information relating to the statement of cash flows

	2021	2020
	\$	\$
Changes in non-cash operating working capital items		
Accounts receivable	91,308	74,763
Prepaid expenses	2,751	(3,020)
Accounts payable and accrued liabilities	(65)	(33,902)
Due to Canadian Paralympic Committee	(216,453)	119,027
	(122,459)	156,868

5. Related party transactions

Canadian Paralympic Committee (the "Organization"), 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.

As per the master service agreement between the Organization and the Foundation, the Organization provides the Foundation with support in regard to human resources, which amounts to \$269,485 (\$254,508 in 2020).

As at March 31, 2021, the Foundation has an amount payable of \$470 (\$216,923 in 2020) to the Organization. For the year ended March 31, 2021, the Foundation contributed an amount of \$1,040,000 (\$1,200,000 in 2020) to the Organization.

6. Interfund transfers

The Foundation supports the strategic initiatives of the Canadian Paralympic Committee. The ImagiNation fund was created to support both early athlete development initiatives as well as the Government of Canada Next Generation Athlete program, through which the Government of Canada provides \$1 Million annually in matching funds. The internal funds transfers for 2021 and 2020 reflect the Foundation's direction by Canadian Paralympic Committee on the most critical priorities areas of focus.

7. COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic, which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 are unknown at this time and it is not possible to reliably estimate the impact that the length and severity of the pandemic will have on the financial results and condition of the Foundation in future periods.