



Grant Thornton

Financial Statements

Canadian Council of Provincial and Territorial
Sport Federations

December 31, 2013

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Independent Auditor's Report

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To the Members of the
Canadian Council of Provincial and Territorial Sport Federations

We have audited the accompanying financial statements of the Canadian Council of Provincial and Territorial Sport Federations, which comprise the statement of financial position as at December 31, 2013, and the statements of activities, 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 qualified audit opinion.

Basis for qualified opinion

In common with many non-profit organizations, the Canadian Council of Provincial and Territorial Sport Federations derives revenue from donations from the public, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Canadian Council of Provincial and Territorial Sport Federations and we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenditures, assets and fund balances.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* paragraph, the financial statements present fairly, in all material respects, the financial position of the Canadian Council of Provincial and Territorial Sport Federations as at December 31, 2013, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Markham, Canada
May 21, 2014

Chartered Accountants
Licensed Public Accountants

Canadian Council of Provincial and Territorial Sport Federations Statement of Financial Position

As at December 31

2013

2012

Assets

Current

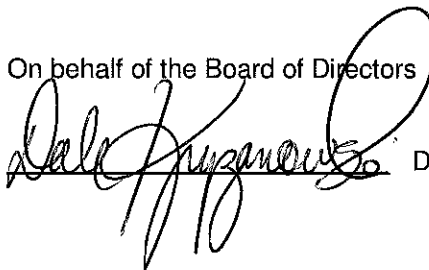
Cash	\$ 970,915	\$ 1,065,000
Short-term investment (Note 3)	15,405	15,252
Accounts receivable	<u>150,307</u>	<u>167,730</u>
	1,136,627	1,247,982
Life insurance plans (Note 4)	234,392	216,761
Restricted investments (Note 5)	<u>6,612,737</u>	<u>6,217,583</u>
	<u>\$ 7,983,756</u>	<u>\$ 7,682,326</u>

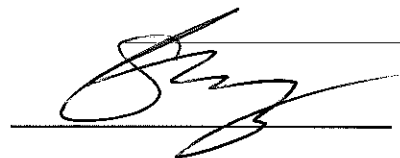
Liabilities

Current

Grants payable	\$ 566,086	\$ 583,033
Accounts payable and accrued liabilities	<u>46,343</u>	<u>40,727</u>
	612,429	623,760
Life insurance beneficiaries (Note 4)	<u>234,392</u>	<u>216,761</u>
	<u>846,821</u>	<u>840,521</u>
Fund balances		
General fund	440,303	484,684
Restricted funds (Note 6)	<u>6,696,632</u>	<u>6,357,121</u>
	<u>7,136,935</u>	<u>6,841,805</u>
	<u>\$ 7,983,756</u>	<u>\$ 7,682,326</u>

On behalf of the Board of Directors

 Director

 Director

Canadian Council of Provincial and Territorial Sport Federations

Statement of Activities

Year ended December 31

	General Fund	Restricted Funds	2013 Total	2012 Total
Revenue				
Donations to amateur sport	\$ 3,252,771	\$ 510,887	\$ 3,763,658	\$ 3,537,119
Gift in kind donations	270,733	-	270,733	138,912
Grant revenue	56,929	92,895	149,824	94,606
Investment income	7,175	325,225	332,400	305,138
Administration charges	66,215	-	66,215	60,540
Membership fees	16,300	-	16,300	12,000
Life insurance donation premium (Note 4)	-	8,561	8,561	9,441
	<u>3,670,123</u>	<u>937,568</u>	<u>4,607,691</u>	<u>4,157,756</u>
Expenses				
Grants to provincial and territorial sport organizations				
Sport British Columbia	1,599,185	-	1,599,185	1,657,350
Sport Manitoba	362,390	-	362,390	220,064
Sport New Brunswick	81,949	-	81,949	98,475
Sport Newfoundland and Labrador	94,279	-	94,279	100,769
Sport North Federation	-	41,500	41,500	-
Sport Nova Scotia	530,323	-	530,323	398,083
Sport Alliance of Ontario	617,532	-	617,532	512,177
Sport Prince Edward Island	23,192	102,000	125,192	39,248
Sask Sport Inc.	189,521	440,958	630,479	268,132
Sport Yukon	22,923	-	22,923	3,500
Life insurance premiums (Note 4)	-	8,561	8,561	9,441
	<u>3,521,294</u>	<u>593,019</u>	<u>4,114,313</u>	<u>3,307,239</u>
Administration and audit fees	196,054	-	196,054	117,618
Loss on sale of investments	2,194	-	2,194	48
	<u>3,719,542</u>	<u>593,019</u>	<u>4,312,561</u>	<u>3,424,905</u>
Excess (deficiency) of revenue over expenses	<u>\$ (49,419)</u>	<u>\$ 344,549</u>	<u>\$ 295,130</u>	<u>\$ 732,851</u>

See accompanying notes and schedules to the financial statements.

Canadian Council of Provincial and Territorial Sport Federations Statement of Fund Balances

Year ended December 31

	General Fund	Restricted Funds	2013 Total	2012 Total
Fund balances, beginning of year	\$ 484,684	\$ 6,357,121	\$ 6,841,805	\$ 6,108,954
Excess (deficiency) of revenue over expenses	(49,419)	344,549	295,130	732,851
Transfers to General Fund	<u>5,038</u>	<u>(5,038)</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 440,303</u>	<u>\$ 6,696,632</u>	<u>\$ 7,136,935</u>	<u>\$ 6,841,805</u>

See accompanying notes and schedules to the financial statements.

Canadian Council of Provincial and Territorial Sport Federations

Statement of Cash Flows

Year ended December 31

2013

2012

Increase (decrease) in cash

Operating		
Excess of revenue over expenses	<u>\$ 295,130</u>	<u>\$ 732,851</u>
Net change in non-cash working capital items		
Accounts receivable	17,423	(80,987)
Grants payable	(16,947)	(271,258)
Accounts payable and accrued liabilities	<u>5,616</u>	<u>10,269</u>
	<u>6,092</u>	<u>(341,976)</u>
	<u>301,222</u>	<u>390,875</u>
Investing		
Purchase of short-term investment	(15,380)	(15,227)
Proceeds from short-term investment	15,227	15,075
Purchase of restricted investments	(836,112)	(880,435)
Proceeds from restricted investments	<u>440,958</u>	<u>203,899</u>
	<u>(395,307)</u>	<u>(676,688)</u>
Decrease in cash during the year	(94,085)	(285,613)
Cash		
Beginning of year	<u>1,065,000</u>	<u>1,350,813</u>
End of year	<u>\$ 970,915</u>	<u>\$ 1,065,000</u>

See accompanying notes and schedules to the financial statements.

Canadian Council of Provincial and Territorial Sport Federations

Notes to the Financial Statements

December 31, 2013

1. Nature of operations

The Canadian Council of Provincial and Territorial Sport Federations (CCPTSF) is a Registered Canadian Amateur Athletic Association (RCAAAA) under the Income Tax Act, and as such, has the authorization to issue tax deductible donation receipts and is not subject to income tax. CCPTSF is incorporated under the Canada Corporations Act.

CCPTSF's mission is to promote amateur athletics by funding programs of national interest through provincial and territorial sport organizations throughout Canada.

2. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

ASNPO requires entities to select policies appropriate for the circumstances from policies provided in these standards. The significant accounting policies selected by CCPTSF and applied in these financial statements are outlined below.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to excess (deficiency) of revenue over expenses as appropriate in the year they become known.

Fund accounting

CCPTSF maintains its accounts in accordance with the principles of fund accounting and follows the restricted fund method of accounting for revenue. Resources are classified for accounting and reporting purposes into funds according to the activity or objective specified.

General Fund

The General Fund includes the unrestricted activities of the National Sport Trust Fund as well as the administrative revenue and expenditures of CCPTSF.

Restricted Funds

The Saskatchewan Sport Legacy Fund was established in 1997 to assist Sask Sport Inc. member organizations in implementing a gift-giving campaign. Donations made to the Sport Legacy Fund must designate the end-use of the donation which could be either for general or specific sporting causes and must be deferred for a minimum period of five years or applied toward a life insurance policy. Following the five year deferral period, the member organization may request the total donation and all accrued interest as a distribution out of the fund.

The Northwest Territories Sport Legacy Fund was established to assist the Sport North Federation in supporting sport.

The 2009 PEI Canada Games Legacy Fund was established from the proceeds of PEI hosting the 2009 Canada Games and is designated to support amateur sport development in PEI.

Canadian Council of Provincial and Territorial Sport Federations

Notes to the Financial Statements

December 31, 2013

2. Summary of significant accounting policies (continued)

Financial instruments

CCPTSF's financial instruments consist of cash, short-term investment, accounts receivable, life insurance plans, restricted investments, grants payable and accounts payable.

Cash, short-term investment and restricted investments are stated at fair value.

Accounts receivable, grants payable and accounts payable are initially recorded at their fair value and, subsequently, at amortized cost.

Life insurance plans are recorded at cash surrender value as amortized cost using the effective interest method is not determinable given the undefined term of the obligation.

Revenue recognition

Donations, grant revenue, administration charges and life insurance donation premium are recorded as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Gift in kind donations are valued at their fair market value when received.

Investment income is recorded over the period earned.

Membership fees are recorded over the membership period.

Policy on the allocation of fundraising and general support expenses

Due to the very limited nature of CCPTSF's fundraising activities, its policy is not to allocate general support expenses to fundraising initiatives.

Objectives, policies and procedures for managing capital

CCPTSF's capital is comprised of the unrestricted general fund and the restricted fund balances.

CCPTSF's objectives when managing capital are to safeguard CCPTSF's ability to continue as a going concern, so that it can continue to promote amateur athletics by funding programs of provincial and territorial sport organizations throughout Canada.

~~The Board of Directors maintains a general fund balance sufficient to meet the annual operating requirements of CCPTSF. CCPTSF has certain capital requirements placed on the restricted funds, which are disclosed separately in Note 6.~~

Canadian Council of Provincial and Territorial Sport Federations

Notes to the Financial Statements

December 31, 2013

3. Short-term investment

The short term investment is a cashable guaranteed investment certificate bearing interest at 0.8%, maturing May 11, 2014 (2012 – 1.0%, maturing May 9, 2013).

4. Life insurance plans

In accordance with the policy of the National Sport Trust Fund, the life insurance plans will be distributed by CCPTSF to the provincial or territorial sport organization where the initial grant was approved.

5. Restricted investments

Restricted investments are managed and invested by Sask Sport Inc. and, with the exception of the Sask Ski Funds, are guaranteed by Sask Sport Inc. to earn an interest rate of 5% (2012 - 5%). These investments are held in trust for the Saskatchewan Sport Legacy Fund. They are comprised of guaranteed investment certificates, bankers acceptances and government bonds.

6. Restricted funds

	December 31, 2012	Revenue	Expenses	Transfers	December 31, 2013
Sask Sport Inc.					
Saskatchewan Sport Legacy Fund	\$ 6,217,583	\$ 844,673	\$ 449,519	\$ -	\$ 6,612,737
Sport North Federation Northwest Territories Sport Legacy Fund	44,038	-	41,500	(2,538)	-
Sport Prince Edward Island 2009 PEI Canada Games Fund	95,500	92,895	102,000	(2,500)	83,895
	<u>\$ 6,357,121</u>	<u>\$ 937,568</u>	<u>\$ 593,019</u>	<u>\$ (5,038)</u>	<u>\$ 6,696,632</u>

The Sport Legacy Funds administered by Sask Sport Inc. are deferred for a minimum period of five years and are available for distribution as follows:

2014	\$ 2,383,493
2015	933,885
2016	1,588,253
2017	870,994
2018	<u>836,112</u>
	<u>\$ 6,612,737</u>

Canadian Council of Provincial and Territorial Sport Federations

Notes to the Financial Statements

December 31, 2013

7. Financial instruments

Transactions in financial instruments may result in CCPTSF assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments.

Credit risk

Credit risk is the risk of financial loss occurring as a result of a counter party to a financial instrument failing to discharge an obligation or commitment that it has entered into with the organization. CCPTSF's main credit risks relate to its accounts receivable.

CCPTSF reduces its exposure to credit risk by monitoring credit risk, adopting policies and procedures to ensure credit is only provided to credit worthy individuals and creating an allowance for doubtful accounts when appropriate. As at December 31, 2013, the allowance for doubtful accounts is \$Nil (2012 - \$Nil). As a result, it is management's opinion that CCPTSF is not exposed to significant credit risk arising from its financial instruments.

Liquidity risk

Liquidity risk is the risk that CCPTSF will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. CCPTSF is exposed to liquidity risk mainly in respect to grants payable and accounts payable.

CCPTSF manages its liquidity risk by forecasting cash flows from operations and investing and financing activities to ensure that it has sufficient funds available to meet current and foreseeable financial obligations. As a result, it is management's opinion that CCPTSF is not exposed to significant liquidity risk arising from its financial instruments.

Interest rate risk

Interest rate price risk is the risk that the fair value of an interest bearing financial instrument will fluctuate due to changes in market interest rates. Interest rate cash flow risk is the risk that the cash flows of CCPTSF will fluctuate due to changes in market interest rates.

CCPTSF's exposure to interest rate price risk is limited to its fixed interest bearing investments and debt. CCPTSF's interest rate cash flow risk is limited to its variable interest bearing investments and debt. It is management's opinion that CCPTSF is not exposed to significant interest rate risks arising from its financial instruments.

Other price risk

CCPTSF is exposed to other price risk on its investments since changes in market prices could result in changes in the fair value of its investments.

Canadian Council of Provincial and Territorial Sport Federations

Schedule of General Fund Revenue, Expenditures and Fund Balances by Province/Territory

December 31, 2013

	British Columbia	Manitoba	National	New Brunswick	Newfoundland and Labrador	North	Nova Scotia	Ontario	Prince Edward Island	Saskatchewan	Yukon	Eliminating Entry	Total
Revenue													
Donations for amateur sport	\$ 1,633,508	\$ 100,518	\$ -	\$ 86,866	\$ 97,851	\$ -	\$ 523,360	\$ 599,922	\$ 22,525	\$ 166,521	\$ 21,700	\$ -	\$ 3,252,771
Gift in kind donations	42,270	204,460	-	152	-	-	-	851	-	23,000	-	-	270,733
Grant revenue	-	56,929	-	-	-	-	-	-	-	-	-	-	56,929
Investment income	2,615	657	360	13	-	-	1,497	-	53	1,980	-	-	7,175
Administration charges	-	8,653	-	-	-	-	8,891	40,187	175	8,309	-	-	66,215
Membership fees	-	-	27,400	-	-	-	-	-	-	-	-	(11,100)	16,300
	<u>1,678,393</u>	<u>371,217</u>	<u>27,760</u>	<u>87,031</u>	<u>97,851</u>	<u>-</u>	<u>533,748</u>	<u>640,950</u>	<u>22,753</u>	<u>199,810</u>	<u>21,700</u>	<u>(11,100)</u>	<u>3,670,123</u>
Expenditures													
Grants to provincial and territorial sport organizations													
Sport British Columbia	1,599,185	-	-	-	-	-	-	-	-	-	-	-	1,599,185
Sport Manitoba	-	362,390	-	-	-	-	-	-	-	-	-	-	362,390
Sport New Brunswick	-	-	-	81,949	-	-	-	-	-	-	-	-	81,949
Sport Newfoundland and Labrador	-	-	-	-	94,279	-	-	-	-	-	-	-	94,279
Sport Nova Scotia	-	-	-	-	-	-	530,323	-	-	-	-	-	530,323
Sport Alliance of Ontario	-	-	-	-	-	-	-	617,532	-	-	-	-	617,532
Sport Prince Edward Island	-	-	-	-	-	-	-	-	23,192	-	-	-	23,192
Sask Sport Inc.	-	-	-	-	-	-	-	-	-	189,521	-	-	189,521
Sport Yukon	-	-	-	-	-	-	-	-	-	-	22,923	-	22,923
	<u>1,599,185</u>	<u>362,390</u>	<u>-</u>	<u>81,949</u>	<u>94,279</u>	<u>-</u>	<u>530,323</u>	<u>617,532</u>	<u>23,192</u>	<u>189,521</u>	<u>22,923</u>	<u>-</u>	<u>3,521,294</u>
Administration and audit fees	70,311	8,782	23,981	1,064	3,572	55	3,425	82,738	2,828	10,289	109	(11,100)	196,054
Loss on sales of investments	-	2,194	-	-	-	-	-	-	-	-	-	-	2,194
	<u>1,669,496</u>	<u>373,366</u>	<u>23,891</u>	<u>83,013</u>	<u>97,851</u>	<u>55</u>	<u>533,748</u>	<u>700,270</u>	<u>26,020</u>	<u>199,810</u>	<u>23,032</u>	<u>(11,100)</u>	<u>3,719,542</u>
Excess (deficiency) of revenue over expenses	8,897	(2,149)	3,779	4,018	-	(55)	-	(59,310)	(3,267)	-	(1,332)	-	(49,419)
Fund balances, beginning of year	311,149	(3,017)	31,778	26,202	-	9,914	-	103,251	829	-	4,578	-	484,684
Transfers from Restricted Funds	-	-	-	-	-	2,538	-	-	2,500	-	-	-	5,038
Fund balances, end of year	<u>\$ 320,046</u>	<u>\$ (5,166)</u>	<u>\$ 35,557</u>	<u>\$ 30,220</u>	<u>\$ -</u>	<u>\$ 12,397</u>	<u>\$ -</u>	<u>\$ 43,941</u>	<u>\$ 62</u>	<u>\$ -</u>	<u>\$ 3,246</u>	<u>\$ -</u>	<u>\$ 440,303</u>

See accompanying notes to the financial statements.