



Financial Statements

Canadian Council of Provincial and Territorial
Sport Federations

December 31, 2015

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Grant Thornton

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, 2015, 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 of revenue over expenses and cash flows from operations for the years ended December 31, 2015 and December 31, 2014, assets as at December 31, 2015 and December 31, 2014 and fund balances as at January 1, 2015 and 2014 and December 31, 2015 and 2014. Our audit opinion on the financial statements for the year ended December 31, 2014 was modified accordingly because of the possible effects of this limitation in scope.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* paragraph, these 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, 2015, 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 6, 2016

Chartered Professional Accountants
Licensed Public Accountants

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

As at December 31

2015

2014

Assets

Current

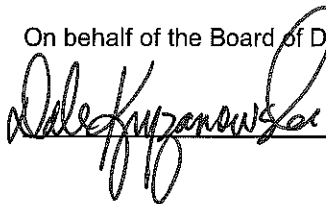
Cash	\$ 1,261,810	\$ 1,210,151
Short-term investments (Note 4)	45,895	45,529
Accounts receivable	<u>111,324</u>	<u>35,020</u>
	1,419,029	1,290,700
Life insurance plans	269,554	252,979
Restricted investments (Note 5)	<u>8,171,973</u>	<u>7,427,901</u>
	<u>\$ 9,860,556</u>	<u>\$ 8,971,580</u>

Liabilities

Current

Grants payable	\$ 1,109,377	\$ 623,221
Accounts payable and accrued liabilities	<u>32,948</u>	<u>32,653</u>
	1,142,325	655,874
Life insurance beneficiaries	<u>269,554</u>	<u>252,979</u>
	<u>1,411,879</u>	<u>908,853</u>
Fund balances		
General fund	98,694	501,636
Restricted funds (Note 6)	<u>8,349,983</u>	<u>7,561,091</u>
	<u>8,448,677</u>	<u>8,062,727</u>
	<u>\$ 9,860,556</u>	<u>\$ 8,971,580</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	2015 Total	2014 Total
Revenue				
Donations to amateur sport	\$ 3,559,394	\$ 782,595	\$ 4,341,989	\$ 4,949,031
Gift in kind donations	82,748	49,403	132,151	236,263
Grant revenue	97,579	153,630	251,209	144,037
Investment income	5,617	143,239	148,856	178,188
Administration charges	94,155	-	94,155	47,597
Membership fees	19,600	-	19,600	21,100
Life insurance donation premium	-	10,433	10,433	9,923
	<u>3,859,093</u>	<u>1,139,300</u>	<u>4,998,393</u>	<u>5,586,139</u>
Expenses				
Grants to provincial and territorial sport organizations				
Sport British Columbia	2,257,257	-	2,257,257	1,645,800
Sport Manitoba	1,167,189	-	1,167,189	1,052,592
Sport New Brunswick	52,093	-	52,093	179,061
Sport Newfoundland and Labrador	78,670	-	78,670	35,307
Sport Nova Scotia	275,235	-	275,235	348,352
Sport Alliance of Ontario	149,395	-	149,395	665,270
Sport Prince Edward Island	20,553	103,468	124,021	109,893
Sask Sport Inc.	152,643	231,007	383,650	445,633
Sport Yukon	19,024	3,000	22,024	-
Life insurance premiums	-	10,433	10,433	9,923
	<u>4,172,059</u>	<u>347,908</u>	<u>4,519,967</u>	<u>4,491,831</u>
Administration and audit fees	89,976	2,500	92,476	167,476
Loss on sale of investments	-	-	-	1,040
	<u>89,976</u>	<u>2,500</u>	<u>92,476</u>	<u>168,516</u>
	<u>4,262,035</u>	<u>350,408</u>	<u>4,612,443</u>	<u>4,660,347</u>
Excess (deficiency) of revenue over expenses	<u>\$ (402,942)</u>	<u>\$ 788,892</u>	<u>\$ 385,950</u>	<u>\$ 925,792</u>

See accompanying notes and schedule to the financial statements.

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

Year ended December 31

	General Fund	Restricted Funds	2015 Total	2014 Total
Fund balances, beginning of year	\$ 501,636	\$ 7,561,091	\$ 8,062,727	\$ 7,136,935
Excess (deficiency) of revenue over expenses	<u>(402,942)</u>	<u>788,892</u>	<u>385,950</u>	<u>925,792</u>
Fund balances, end of year	<u>\$ 98,694</u>	<u>\$ 8,349,983</u>	<u>\$ 8,448,677</u>	<u>\$ 8,062,727</u>

See accompanying notes and schedule to the financial statements.

Canadian Council of Provincial and Territorial Sport Federations Statement of Cash Flows

Year ended December 31	2015	2014
Increase (decrease) in cash		
Operating		
Excess of revenue over expenses	<u>\$ 385,950</u>	<u>\$ 925,792</u>
Net change in non-cash working capital items		
Accounts receivable	(76,304)	115,287
Grants payable	486,156	57,135
Accounts payable and accrued liabilities	<u>295</u>	<u>(13,690)</u>
	<u>410,147</u>	<u>158,732</u>
	<u>796,097</u>	<u>1,084,524</u>
Investing		
Purchase of short-term investments	(45,895)	(45,503)
Proceeds from short-term investments	45,529	15,379
Purchase of restricted investments	(975,079)	(1,044,407)
Proceeds from restricted investments	<u>231,007</u>	<u>229,243</u>
	<u>(744,438)</u>	<u>(845,288)</u>
Increase in cash during the year	51,659	239,236
Cash		
Beginning of year	<u>1,210,151</u>	<u>970,915</u>
End of year	<u>\$ 1,261,810</u>	<u>\$ 1,210,151</u>

See accompanying notes and schedule to the financial statements.

Canadian Council of Provincial and Territorial Sport Federations

Notes to the Financial Statements

December 31, 2015

1. Nature of operations

The Canadian Council of Provincial and Territorial Sport Federations (CCPTSF) is a Registered Canadian Amateur Athletic Association (RCAAA) 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 and has continued under the Canada Not-for-Profit 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 Father J.M. Mouchet Scholarship Fund was established to assist Sport Yukon in providing scholarships to students in the sport and recreation field in Yukon.

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, 2015

2. Summary of significant accounting policies (continued)

Financial instruments

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

Cash, short-term investments 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.

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.

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.

3. 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.

CCPTSF ensures that appropriate controls are in place over the use of the grants once received and given to the Provincial Sport Organizations (PSOs). Prior approval over the use of all grants is performed for all grants before the release of funds.

Canadian Council of Provincial and Territorial Sport Federations Notes to the Financial Statements

December 31, 2015

4. Short-term investments

The short term investments are cashable guaranteed investment certificates bearing interest at 0.65% and maturing between May 15 and May 30, 2016 (2014 - 0.8%, May 13 and May 23, 2015).

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% (2014 - 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

	<u>December 31,</u> <u>2014</u>	<u>Revenue</u>	<u>Expenses</u>	<u>December 31,</u> <u>2015</u>
Sask Sport Inc.				
Saskatchewan Sport Legacy Fund	\$ 7,427,901	\$ 985,512	\$ 241,440	\$ 8,171,973
Sport Prince Edward Island 2009 PEI Canada Games Fund	113,290	153,630	105,968	160,952
Sport Yukon Father Mouchet Scholarship Fund	<u>19,900</u>	<u>158</u>	<u>3,000</u>	<u>17,058</u>
	<u>\$ 7,561,091</u>	<u>\$ 1,139,300</u>	<u>\$ 350,408</u>	<u>\$ 8,349,983</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:

2016	\$ 4,084,184
2017	870,994
2018	836,112
2019	1,212,643
2020	<u>1,168,040</u>
	<u>\$ 8,171,973</u>

Canadian Council of Provincial and Territorial Sport Federations

Notes to the Financial Statements

December 31, 2015

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, 2015, the allowance for doubtful accounts is \$Nil (2014 - \$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, 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, 2015

	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	\$ 1,745,195	\$ 1,086,494	\$ -	\$ 52,845	\$ 78,670	\$ -	\$ 272,889	\$ 140,322	\$ 20,281	\$ 143,624	\$ 19,074	\$ -	\$ 3,559,394
Gift in kind donations	59,021	5,360	-	-	-	-	-	9,073	275	9,019	-	-	82,748
Grant revenue	11,354	75,285	-	-	-	-	-	-	-	10,940	-	-	97,579
Investment income	2,101	183	360	25	-	-	547	-	323	2,078	-	-	5,617
Administration charges	62,220	11,312	-	1,509	3,383	-	4,684	10,932	115	-	-	-	94,155
Membership fees	-	-	31,200	-	-	-	-	-	-	-	-	(11,600)	19,600
	<u>1,879,891</u>	<u>1,178,634</u>	<u>31,560</u>	<u>54,379</u>	<u>82,053</u>	<u>-</u>	<u>278,120</u>	<u>160,327</u>	<u>20,994</u>	<u>165,661</u>	<u>19,074</u>	<u>(11,600)</u>	<u>3,859,093</u>
Expenditures													
Grants to provincial and territorial sport organizations													
Sport British Columbia	2,257,257	-	-	-	-	-	-	-	-	-	-	-	2,257,257
Sport Manitoba	-	1,167,189	-	-	-	-	-	-	-	-	-	-	1,167,189
Sport New Brunswick	-	-	52,093	52,093	78,670	-	-	-	-	-	-	-	52,093
Sport Newfoundland and Labrador	-	-	-	-	-	-	-	-	-	-	-	-	78,670
Sport Nova Scotia	-	-	-	-	-	-	275,235	-	-	-	-	-	275,235
Sport Alliance of Ontario	-	-	-	-	-	-	-	149,395	-	-	-	-	149,395
Sport Prince Edward Island	-	-	-	-	-	-	-	-	20,553	-	-	-	20,553
Sask Sport Inc.	-	-	-	-	-	-	-	-	-	152,643	-	-	152,643
Sport Yukon	-	-	-	-	-	-	-	-	-	-	19,024	-	19,024
	<u>2,257,257</u>	<u>1,167,189</u>	<u>-</u>	<u>52,093</u>	<u>78,670</u>	<u>-</u>	<u>275,235</u>	<u>149,395</u>	<u>20,553</u>	<u>152,643</u>	<u>19,024</u>	<u>-</u>	<u>4,172,059</u>
Administration and audit fees	<u>17,848</u>	<u>8,007</u>	<u>28,430</u>	<u>-</u>	<u>3,383</u>	<u>-</u>	<u>2,885</u>	<u>27,630</u>	<u>255</u>	<u>13,018</u>	<u>120</u>	<u>(11,600)</u>	<u>89,976</u>
	<u>2,275,105</u>	<u>1,175,196</u>	<u>28,430</u>	<u>52,093</u>	<u>82,053</u>	<u>-</u>	<u>278,120</u>	<u>177,025</u>	<u>20,808</u>	<u>165,661</u>	<u>19,144</u>	<u>(11,600)</u>	<u>4,262,035</u>
Excess (deficiency) of revenue over expenses	(395,214)	3,438	3,130	2,286	-	-	-	(16,698)	186	-	(70)	-	(402,942)
Fund balances, beginning of year	<u>395,214</u>	<u>(8,646)</u>	<u>37,408</u>	<u>36,042</u>	<u>-</u>	<u>12,387</u>	<u>-</u>	<u>24,497</u>	<u>553</u>	<u>-</u>	<u>4,171</u>	<u>-</u>	<u>501,636</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ (5,208)</u>	<u>\$ 40,538</u>	<u>\$ 38,328</u>	<u>\$ -</u>	<u>\$ 12,397</u>	<u>\$ -</u>	<u>\$ 7,799</u>	<u>\$ 739</u>	<u>\$ -</u>	<u>\$ 4,101</u>	<u>\$ -</u>	<u>\$ 98,694</u>

See accompanying notes to the financial statements.