



Grant Thornton

Financial Statements

Canadian Council of Provincial and Territorial
Sport Federations

December 31, 2017

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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, 2017, 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 this revenue 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, 2017 and December 31, 2016, assets as at December 31, 2017 and December 31, 2016 and fund balances as at January 1, 2017 and 2016 and December 31, 2017 and 2016. Our audit opinion on the financial statements for the year ended December 31, 2016 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, 2017, 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.

Other matter

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedule 1 is presented for purposes of additional information and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

Markham, Canada
May 9, 2018



Chartered Professional Accountants
Licensed Public Accountants

Canadian Council of Provincial and Territorial Sport Federations

Statement of Financial Position

As at December 31 2017 2016

Assets

Current		
Cash	\$ 2,130,165	\$ 1,811,843
Short-term investments (Note 4)	259,111	96,167
Accounts receivable	165,909	87,895
Prepaid expenses	<u>7,072</u>	<u>-</u>
	2,562,257	1,995,905
Life insurance plans	310,883	288,704
Restricted investments (Note 5)	<u>10,626,284</u>	<u>9,362,424</u>
	<u>\$ 13,499,424</u>	<u>\$ 11,647,033</u>

Liabilities

Current		
Grants payable	\$ 2,138,958	\$ 1,683,397
Accounts payable and accrued liabilities	40,830	30,968
Deferred revenue	<u>175</u>	<u>-</u>
	2,179,963	1,714,365
Life insurance beneficiaries	<u>310,883</u>	<u>288,704</u>
	<u>2,490,846</u>	<u>2,003,069</u>


Fund balances

General fund	165,223	105,337
Restricted funds (Note 6)	<u>10,843,355</u>	<u>9,538,627</u>
	<u>11,008,578</u>	<u>9,643,964</u>
	<u>\$ 13,499,424</u>	<u>\$ 11,647,033</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	2017 Total	2016 Total
Revenue				
Donations to amateur sport	\$ 5,391,826	\$ 1,274,888	\$ 6,666,714	\$ 4,660,603
Investment income	14,952	409,346	424,298	199,806
Gift in kind donations	243,024	-	243,024	234,695
Administration charges	123,904	-	123,904	95,714
Grant revenue	16,414	-	16,414	788,052
Membership fees	16,100	-	16,100	23,800
Life insurance donation premium	-	9,924	9,924	9,917
	<u>5,806,220</u>	<u>1,694,158</u>	<u>7,500,378</u>	<u>6,012,587</u>
Expenses				
Grants to provincial and territorial sport organizations				
Sport British Columbia	1,450,465	-	1,450,465	1,787,969
Sport Manitoba	885,858	-	885,858	1,286,848
Sport New Brunswick	175,808	-	175,808	76,020
Sport Newfoundland and Labrador	181,472	-	181,472	97,584
Sport Nova Scotia	259,301	-	259,301	198,192
Sport4Ontario	654,532	-	654,532	31,675
Sport Prince Edward Island	93,725	113,385	207,110	184,700
Sask Sport Inc.	1,860,123	261,997	2,122,120	982,547
Sport Yukon	94,843	-	94,843	20,095
Life insurance premiums	-	9,924	9,924	9,917
	<u>5,656,127</u>	<u>385,306</u>	<u>6,041,433</u>	<u>4,675,547</u>
Administration and audit fees	88,920	2,600	91,520	141,659
Loss on sale of investments	1,287	1,524	2,811	94
	<u>90,207</u>	<u>4,124</u>	<u>94,331</u>	<u>141,753</u>
	<u>5,746,334</u>	<u>389,430</u>	<u>6,135,764</u>	<u>4,817,300</u>
Excess of revenue over expenses	<u>\$ 59,886</u>	<u>\$ 1,304,728</u>	<u>\$ 1,364,614</u>	<u>\$ 1,195,287</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	2017 Total	2016 Total
Fund balances, beginning of year	\$ 105,337	\$ 9,538,627	\$ 9,643,964	\$ 8,448,677
Excess of revenue over expenses	<u>59,886</u>	<u>1,304,728</u>	<u>1,364,614</u>	<u>1,195,287</u>
Fund balances, end of year	<u>\$ 165,223</u>	<u>\$ 10,843,355</u>	<u>\$ 11,008,578</u>	<u>\$ 9,643,964</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

2017

2016

Increase (decrease) in cash

Operating

Excess of revenue over expenses	<u>\$ 1,364,614</u>	<u>\$ 1,195,287</u>
Net change in non-cash working capital items		
Accounts receivable	(78,014)	23,429
Prepaid expenses	(7,072)	-
Grants payable	455,561	574,020
Accounts payable and accrued liabilities	9,862	(1,980)
Deferred revenue	<u>175</u>	<u>-</u>
	<u>1,745,126</u>	<u>1,790,756</u>

Investing

Purchase of short-term investments	(259,111)	(96,167)
Proceeds from short-term investments	96,167	45,895
Purchase of restricted investments	(1,525,858)	(1,393,825)
Proceeds from restricted investments	<u>261,998</u>	<u>203,374</u>
	<u>(1,426,804)</u>	<u>(1,240,723)</u>

Increase in cash during the year

318,322 550,033

Cash

Beginning of year	<u>1,811,843</u>	<u>1,261,810</u>
End of year	<u>\$ 2,130,165</u>	<u>\$ 1,811,843</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, 2017

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 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 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.

Canadian Council of Provincial and Territorial Sport Federations

Notes to the Financial Statements

December 31, 2017

2. Summary of significant accounting policies (continued)

Fund accounting (continued)

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.

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.

Canadian Council of Provincial and Territorial Sport Federations

Notes to the Financial Statements

December 31, 2017

3. Objectives, policies and procedures for managing capital (continued)

CCPTSF ensures that appropriate controls are in place over the use of grants once receipted 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.

4. Short-term investments

The short-term investments are cashable guaranteed investment certificates bearing interest at between 0.50% and 2.00% and maturing between March 13 and May 31, 2018 (2016 - 0.50%, May 17 and May 31, 2017) of \$233,849 (2016 - \$45,997) and securities donated at year end of \$25,262 (2016 - \$50,170).

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% (2016 - 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, 2016	Revenue	Expenses	December 31, 2017
Sask Sport Inc.				
Saskatchewan Sport Legacy Fund	\$ 9,362,424	\$ 1,537,306	\$ 273,446	\$ 10,626,284
Sport Prince Edward Island				
2009 PEI Canada Games Fund	161,645	156,852	115,984	202,513
Sport Yukon				
Father Mouchet Scholarship Fund	<u>14,558</u>	<u>-</u>	<u>-</u>	<u>14,558</u>
	<u>\$ 9,538,627</u>	<u>\$ 1,694,158</u>	<u>\$ 389,430</u>	<u>\$ 10,843,355</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:

2018	\$ 5,019,715
2019	1,212,643
2020	1,168,040
2021	1,613,038
2022	<u>1,612,848</u>
	<u>\$ 10,626,284</u>

Canadian Council of Provincial and Territorial Sport Federations

Notes to the Financial Statements

December 31, 2017

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, 2017, the allowance for doubtful accounts is \$Nil (2016 - \$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. CCPTSF's interest rate cash flow risk is limited to its variable interest bearing investments. 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, 2017

	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	\$ 1,450,465	\$ 772,118	\$ -	\$ 167,957	\$ 174,129	\$ -	\$ 242,352	\$ 648,819	\$ 93,725	\$ 1,827,893	\$ 14,368	\$ -	\$ 5,391,826
Gift in kind donations	-	113,649	-	-	882	-	10,105	5,734	-	32,209	80,645	-	243,024
Grant revenue	-	-	-	9,422	-	5	-	-	-	6,987	-	-	16,414
Investment income	3,934	235	487	72	-	-	922	562	228	8,512	-	-	14,952
Administration charges	72,536	10,779	-	2,621	7,591	-	6,137	23,465	650	125	-	-	123,904
Membership fees	-	-	31,800	-	-	-	-	-	-	-	-	(15,700)	16,100
	<u>1,526,935</u>	<u>896,781</u>	<u>32,287</u>	<u>180,072</u>	<u>182,402</u>	<u>5</u>	<u>259,516</u>	<u>679,580</u>	<u>94,603</u>	<u>1,875,726</u>	<u>95,013</u>	<u>(15,700)</u>	<u>5,806,220</u>
Expenditures													
Grants to provincial and territorial sport organizations													
Sport British Columbia	1,450,465	-	-	-	-	-	-	-	-	-	-	-	1,450,465
Sport Manitoba	-	885,856	-	-	-	-	-	-	-	-	-	-	885,856
Sport New Brunswick	-	-	-	175,808	-	-	-	-	-	-	-	-	175,808
Sport Newfoundland and Labrador	-	-	-	-	181,472	-	-	-	-	-	-	-	181,472
Sport Nova Scotia	-	-	-	-	-	-	259,301	-	-	-	-	-	259,301
Sport4Ontario	-	-	-	-	-	-	-	654,532	-	-	-	-	654,532
Sport Prince Edward Island	-	-	-	-	-	-	-	-	93,725	-	-	-	93,725
Sask Sport Inc.	-	-	-	-	-	-	-	-	-	1,860,123	-	-	1,860,123
Sport Yukon	-	-	-	-	-	-	-	-	-	-	94,843	-	94,843
	<u>1,450,465</u>	<u>885,856</u>	<u>-</u>	<u>175,808</u>	<u>181,472</u>	<u>-</u>	<u>259,301</u>	<u>654,532</u>	<u>93,725</u>	<u>1,860,123</u>	<u>94,843</u>	<u>-</u>	<u>5,656,127</u>
Administration and audit fees	23,677	7,536	40,105	3,861	930	5	215	11,772	650	15,603	266	(15,700)	88,920
Loss on sale of investments	-	-	-	-	-	-	-	-	-	-	1,170	-	1,287
	<u>1,474,142</u>	<u>893,511</u>	<u>40,105</u>	<u>179,669</u>	<u>182,402</u>	<u>5</u>	<u>259,516</u>	<u>666,304</u>	<u>94,375</u>	<u>1,875,726</u>	<u>96,279</u>	<u>(15,700)</u>	<u>5,746,334</u>
Excess (deficiency) of revenue over expenses	52,793	3,270	(7,818)	403	-	-	-	12,276	228	-	(1,266)	-	59,886
Fund balances, beginning of year	-	(5,049)	42,621	39,831	-	17,395	-	5,686	880	-	3,973	-	105,337
Fund balances, end of year	<u>\$ 52,793</u>	<u>\$ (1,779)</u>	<u>\$ 34,803</u>	<u>\$ 40,234</u>	<u>\$ -</u>	<u>\$ 17,395</u>	<u>\$ -</u>	<u>\$ 17,962</u>	<u>\$ 1,108</u>	<u>\$ -</u>	<u>\$ 2,707</u>	<u>\$ -</u>	<u>\$ 165,223</u>

See accompanying notes to the financial statements.