

PPCLI FOUNDATION
Financial Statements
For the Year Ended December 31, 2014
(Unaudited)



PPCLI FOUNDATION

For the Soldier, the Wounded, the Fallen and their Families

Financial Statements of

PPCLI FOUNDATION

Year ended December 31, 2014

(Unaudited)

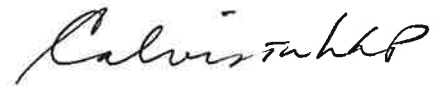
REVIEW ENGAGEMENT REPORT

To the Members of the PPCLI Foundation

We have reviewed the statement of financial position of PPCLI Foundation as at December 31, 2014 and the statements of revenue and expenditures, changes in fund balances and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Foundation.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.



Professional Accountants

Calgary, Canada
March 2, 2015

CALVISTA LLP
PROFESSIONAL ACCOUNTANTS

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PPCLI FOUNDATION

Statement of Financial Position

As at December 31, 2014 (with comparative data for December 31, 2013)

(Unaudited)

	2014	2013
Assets		
Current assets		
Cash	\$ 130,387	\$ 154,058
Accounts receivable	85,408	2,322
GST recoverable	7,624	1,781
Prepaid expenses	2,054	23,128
	<u>225,473</u>	<u>181,289</u>
Investments, at fair value (note 3)	30,652	-
Capital assets		
Property and equipment (note 4)	-	79
Intangible assets (note 5)	4,524	3,589
	<u>4,524</u>	<u>3,668</u>
	<u>\$ 260,649</u>	<u>\$ 184,957</u>
Liabilities and Members' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4,000	\$ 6,980
Accrued donation payable	62,308	-
Deferred contributions (note 6)	35,164	48,261
	<u>101,472</u>	<u>55,241</u>
Members' equity		
Settlement property (note 5)	1	1
Fund balances		
General fund	128,524	129,715
Designated fund (note 3)	30,652	-
	<u>159,177</u>	<u>129,716</u>
	<u>\$ 260,649</u>	<u>\$ 184,957</u>

See accompanying notes to financial statements

Signed on behalf of the Trustees


Trustee


Trustee

PPCLI FOUNDATION

Statement of Revenue and Expenditures

Year ended December 31, 2014 (with comparative data for the year ended December 31, 2013)

(Unaudited)

	General Fund	Designated Fund	Total 2014	Total 2013
Revenue				
Donations	\$ 40,104	\$ -	\$ 40,104	\$ 37,785
Government grants and programs	237,308	-	237,308	-
Partnerships and major gifts	128,625	30,652	159,277	136,020
Events (note 8)	364,010	-	364,010	162,209
Investment interest	2,245	-	2,245	812
	<u>772,292</u>	<u>30,652</u>	<u>802,944</u>	<u>336,826</u>
Expenditures				
Events (note 8)	312,891	-	312,891	91,567
Communications and public relations	2,349	-	2,349	22,755
Bank and service fees	7,170	-	7,170	1,398
Professional fees				
Consultant	47,938	-	47,938	37,125
Bookkeeper	8,943	-	8,943	7,088
Legal	4,113	-	4,113	-
Executive director	2,949	-	2,949	-
Reviews and audits	4,381	-	4,381	7,350
Supplies and equipment				
Computers and software	1,928	-	1,928	4,778
Office supplies	1,744	-	1,744	1,374
Insurance	1,844	-	1,844	1,407
Telephone	1,771	-	1,771	1,350
Travel	885	-	885	4,611
Amortization/depreciation	507	-	507	1,919
	<u>399,413</u>	<u>-</u>	<u>399,413</u>	<u>182,722</u>
Excess of revenue over expenditures before gifts to eligible donees	365,879	30,652	396,531	154,104
Gifts to eligible donees				
PPCLI Regimental Fund	319,168	-	319,168	41,378
Hamilton Gault Memorial Fund	26,902	-	26,902	15,000
Military Family Resource Centres	19,500	-	19,500	-
Amputee Coalition of Canada	5,000	-	5,000	12,127
Wounded Warriors Canada	3,500	-	3,500	-
CFPSA – Hospital Comfort Fund	-	-	-	3,000
Canada Company (Operation Husky)	-	-	-	4,500
	<u>374,070</u>	<u>-</u>	<u>374,070</u>	<u>76,005</u>
Excess (deficiency) of revenue over expenditures	\$ (1,191)	\$ 30,652	\$ 29,461	\$ 78,099

See accompanying notes to financial statements.

PPCLI FOUNDATION

Statement of Changes in Fund Balances

Year ended December 31, 2014 (with comparative data for year ended December 31, 2013)

(Unaudited)

	General Fund	Designated Fund	Total 2014	Total 2013
Balance, December 31, 2013	\$ 129,715	\$ -	\$ 129,715	\$ 51,616
Excess of revenue over expenditures	365,879	30,652	396,531	154,104
Gifts to eligible donees	(374,070)	-	(374,070)	(76,005)
Balance, December 31, 2014	\$ 128,524	\$ 30,652	\$ 159,176	\$ 129,715

PPCLI FOUNDATION

Statement of Cash Flows

Year ended December 31, 2014 (with comparative data for year ended December 31, 2013)

(Unaudited)

	2014	2013
Operations		
Excess of revenue over expenditures	\$ 29,461	\$ 78,099
Non-cash expenditures	507	1,919
Change in non-cash working capital items	(21,624)	16,659
	8,344	96,677
Investing:		
Capital assets	(1,363)	(2,424)
Investments	(30,652)	-
	(32,015)	(2,424)
Increase (decrease) in cash	(23,671)	94,253
Cash, beginning of year	154,058	59,805
Cash, end of year	\$ 130,387	\$ 154,058

See accompanying notes to financial statements.

PPCLI FOUNDATION

Notes to the Financial Statements

As at and for the year ended December 31, 2014

(Unaudited)

1. Formation of the PPCLI Foundation

The Foundation is an independent and autonomous entity created by an irrevocable Deed of Trust on August 27, 2010. The deed was made between Princess Patricia's Canadian Light Infantry and the original trustees of the Foundation. Under the deed, the Foundation operates with the following charitable purposes:

- (a) To fund and carry out activities and programs to support and care for Canadian Military service personnel and former military service personnel in need.
- (b) To promote the efficiency of the armed forces of the Crown;
- (c) To fund and carry out activities and programs to establish and preserve monuments relating to military service by Canadian soldiers and service personnel; and
- (d) To make gifts to qualified donees.

Effective February 7, 2011 the Foundation was granted registered charitable status by Canada Revenue Agency. Therefore, under section 1491(i) of the Income Act, the Foundation is exempt from the payment of income tax.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with accounting standards for not-for-profit organizations.

In the opinion of the management of the Foundation the statements are prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

(a) Revenue recognition

The Foundation follows the deferred method of accounting for contributions.

Unrestricted contributions are recognized as revenue in the year in which the funds were received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue of the appropriate fund in which the related expenses are expected to be incurred.

(b) Financial year

As set out in Article II of the By-laws of the Foundation its financial year is the calendar year.

PPCLI FOUNDATION

Notes to the Financial Statements, page 2

(c) Fund accounting

The establishment and maintenance of funds requires the approval of the board of trustees of the Foundation.

The General Fund contains the assets, liabilities, revenues and expenditures related to the Foundation's operating activities.

The Designated Fund contains the assets, liabilities, revenues and expenditures related to the Centennial Legacy Fund, the initial permanent endowment fund of the Foundation. The investments in this fund are managed by the board of trustees of the Foundation and the gifts granted for the needs of the military community are at the discretion of the board of trustees of the Foundation. The annual grants from this endowment fund are limited to a percentage of the market value of the invested funds.

In 2013 the Board approved the cessation of the use of the Heroes Hockey Challenge Fund. On cessation of this fund all amounts related to the Heroes Hockey Challenge Fund were transferred to the General Fund.

(d) Property and equipment

Property and equipment are recorded at cost. Amortization is recorded using a method and rate intended to amortize the cost of assets over their useful lives. The computer equipment is amortized on a straight-line basis over three years.

(e) Financial instruments

The Foundation classifies all financial instruments as trading and carries them at fair value. Unrealized gains and losses on trading assets are recognized as a component of equity and reflected on the statement of financial position as such. The fair value of financial instruments is based on current interest rates, quoted market values, and the pricing of financial instruments with comparable terms.

(f) Inventory

During the financial year the Foundation held no inventory of goods for resale. In years in which such items may be held, those items will be valued at the lower of cost or net realized value.

(g) Contributed materials and services

The Foundation records at fair value those contributed materials and services for which fair value can be reliably determined and that would otherwise be purchased for use.

Volunteers have contributed numerous hours to assist the Foundation in carrying out its activities. Due to the difficulty of determining the fair value of these contributed services, they are not recognized in the financial statements.

Contributions of works of art, artifacts and books are normally not recognized in the financial statements due to the difficulty of determining the fair value of these items.

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Notes to the Financial Statements, page 3

3. Investments

In 2014 a donor contributed \$35,652 for the establishment of the initial permanent endowment fund, the Centennial Legacy Fund.

At December 31, 2014 the investments of the Centennial Legacy Fund were interest-bearing deposits.

4. Property and equipment

	2014	2013
Computers	\$ 630	\$ 630
Less accumulated amortization	(630)	(551)
	\$ —	\$ 79

5. Intangible assets

	2014	2013
Legal fees	\$ 5,125	\$ 5,125
Less accumulated amortization	(5,125)	(4,697)
	—	428
Trademark	4,523	3,160
Settlement property	1	1
	\$ 4,524	\$ 3,589

The Foundation incurred legal costs for the preparation of the deed of trust and charitable registration which were amortized over three years. The Foundation registered a trademark on the Canadian House of Heroes name and logo to conduct fundraising events.

At the time of the execution of the deed of trust the settler, Lieutenant-General R.R. Crabbe, Colonel of the Regiment, gave and transferred unto the trustees a silver coin (the "settlement property"). The silver coin, duly mounted and framed, is held at the office of the Foundation. The trustees acknowledged the receipt from the settler of such settlement property, which is to be held upon and agreed subject to the trusts hereof. The trustees, subject to the provisions of the deed of trust, agreed to accept such further, substituted or additional property, which the settler or any other person or persons may donate or settle on the trust.

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Notes to the Financial Statements, page 4

6. Deferred contributions for future operations

	2014	2013
Frezenberg Commemoration Youth Program	\$ 31,670	\$ 5,470
Princess Patricia Personal Legacy Stone Project	3,994	—
<i>Forging a Nation: Canada Goes to War</i> Centennial Art Show	—	34,291
PPCLI 100 th Anniversary Commemoration – 2014	—	5,000
Heroes Hockey Challenge 2014 Edmonton	—	3,500
	\$ 35,164	\$ 48,261

7. Financial instruments

The Foundation's financial instruments consist of cash, accounts receivable, investments, accounts payable and accrued liabilities, all of which are reported at fair value. Due to their short-term nature, the carrying value of these financial instruments approximates their fair value.

8. Gifts in kind

During the year, contributors and volunteers provided materials, services and volunteer time for the PPCLI 100th Anniversary Commemoration. The total amount of materials, services and volunteer time has been estimated at \$435,033. The value of the contributed materials and services and the volunteer has not been recognized in the financial statements as the materials and services would not otherwise have been purchased and volunteer time value is not recognized.

PPCLI FOUNDATION

Notes to the Financial Statements, page 5

9. Additional information to comply with the disclosure requirement of the Charitable Fundraising Act and Regulation

- Gross contributions received were – \$800,699 (2013: \$336,014)
- Gross contributions and interest received were used as follows:
 - Operating and event expenses – \$402,406 (2013: \$180,803)
 - Gift to the PPCLI Regimental Fund exceeded 10% of the gross contributions – \$319,168 (2013: \$41,378)
 - Other gifts to eligible donees – \$51,402 (2013: \$34,627)
 - Excess of revenue over expenditures – \$29,461 (2013: \$78,099)
- Fundraising is a responsibility of a volunteer committee of the Foundation. The Foundation does not engage third parties for the purpose of soliciting contributions. Expenditures of \$347,503 (2013: \$136,496), including \$316,391 (2013: \$91,567) of the event expenditures, were incurred to obtain contributions.
- \$0 (2013: \$0) was paid as remuneration to employees whose principal duties involved fundraising.