



PPCLI FOUNDATION

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

Financial Statements of

PPCLI FOUNDATION

Year ended December 31, 2015

(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, 2015 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 accounting standards for not-for-profit organizations.



Chartered Professional Accountants

Calgary, Canada

March 18, 2016

PPCLI FOUNDATION

Statement of Financial Position

As at December 31, 2015 (with comparative data for December 31, 2014)

(Unaudited)

	2015	2014
Assets		
Current assets		
Cash	\$ 95,268	\$ 130,387
Accounts receivable	1,920	85,408
GST recoverable	1,820	7,624
Prepaid expenses	2,030	2,054
	<u>101,038</u>	<u>225,473</u>
Investments, at fair value (note 3)	37,024	30,652
Capital assets		
Intangible assets (note 4)	6,553	4,524
	<u>\$ 144,615</u>	<u>\$ 260,649</u>
Liabilities and Members' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4,253	\$ 4,000
Accrued donation payable	--	62,308
Deferred contributions (note 5)	10,090	35,164
	<u>14,343</u>	<u>101,472</u>
Commitments (note 7)		
Members' equity		
Settlement property (note 4)	1	1
Fund balances		
General Fund	93,247	128,524
Centennial Legacy Fund (note 3)	37,024	30,652
	<u>130,272</u>	<u>159,177</u>
	<u>\$ 144,615</u>	<u>\$ 260,649</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, 2015 (with comparative data for the year ended December 31, 2014)

(Unaudited)

	General Fund	Centennial Legacy Fund	Total 2015	Total 2014
Revenue				
Donations	\$ 18,572	\$ 2,979	\$ 21,551	\$ 40,104
Government grants and programs	15,000	--	15,000	237,308
Partnerships and major gifts	--	--	--	159,277
Events (note 8)	86,738	--	86,738	364,010
Investment income	752	3,690	4,442	2,245
	121,062	6,669	127,731	802,944
Expenditures				
Events (note 8)	60,276	--	60,276	312,891
Bank and service fees	2,544	297	2,841	7,170
Professional fees				
Consultant	36,736	--	36,736	47,938
Fund-raising	10,250	--	10,250	--
Bookkeeper	4,119	--	4,119	8,943
Legal	2,465	--	2,465	4,113
Executive director	--	--	--	2,949
Review and audit	9,174	--	9,174	4,381
Supplies and equipment				
Computers and software	1,840	--	1,840	1,928
Office supplies	963	--	963	1,744
Insurance	2,408	--	2,408	1,844
Telephone	692	--	692	1,771
Communications and public relation	--	--	--	2,349
Travel and other	572	--	572	885
Amortization/depreciation	--	--	--	507
	132,039	297	132,336	399,413
Excess (deficiency) of revenue over expenditures before gifts to eligible donees	(10,977)	6,372	(4,605)	403,531
Gifts to eligible donees				
PPCLI Regimental Fund	(19,300)	--	(19,300)	(319,168)
Wounded Warriors Canada	(5,000)	--	(5,000)	--
Hamilton Gault Memorial Fund	--	--	--	(26,902)
Military Family Resource Centers	--	--	--	(19,500)
Amputee Coalition of Canada	--	--	--	(5,000)
Other charities	--	--	--	(3,500)
	(24,300)	--	(24,300)	(384,070)
Excess (deficiency) of revenue over expenditures	\$ (35,277)	\$ 6,372	\$ (28,905)	\$ 29,461

See accompanying notes to financial statements.

PPCLI FOUNDATION

Statement of Changes in Fund Balances

Year ended December 31, 2015 (with comparative data for year ended December 31, 2014)

(Unaudited)

	General Fund	Centennial Legacy Fund	Total 2015	Total 2014
Balance, December 31, 2014	\$ 128,524	\$ 30,652	\$ 159,176	\$ 129,715
Excess (deficiency) of revenue over expenditures before gifts to eligible donees	(10,977)	6,372	(4,605)	403,531
Gifts to eligible donees	(24,300)	—	(24,300)	(374,070)
Balance, December 31, 2015	\$ 93,247	\$ 37,024	\$ 130,271	\$ 159,176

PPCLI FOUNDATION

Statement of Cash Flows

Year ended December 31, 2015 (with comparative data for year ended December 31, 2014)

(Unaudited)

	2015	2014
Operations		
Excess (deficiency) of revenue over expenditures	\$ (28,905)	\$ 29,461
Non-cash expenditures	--	507
Change in non-cash working capital items	72,425	(21,624)
	<u>43,520</u>	<u>8,344</u>
Investing		
Capital assets	(2,029)	(1,363)
Centennial Legacy Fund		
Donations	(2,979)	(30,652)
Increase in value of investments	(3,393)	---
	<u>(8,401)</u>	<u>(32,015)</u>
Increase (decrease) in cash	(35,119)	(23,671)
Cash, beginning of year	130,387	154,058
Cash, end of year	<u>\$ 95,268</u>	<u>\$ 130,387</u>

See accompanying notes to financial statements.

PPCLI FOUNDATION

Notes to the Financial Statements

As at and for the year ended December 31, 2015

(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 as a public foundation by Canada Revenue Agency. Therefore, under section 149 (1) (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 Canadian 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 deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue in the period 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 related expenditures 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.

(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 Centennial Legacy Fund contains the assets, liabilities, revenues and expenditures related to 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.

(d) Capital assets

Property and equipment are recorded at cost. Depreciation is recorded using rates and methods intended to amortize the cost of assets over their estimated useful lives. The computer equipment has been fully amortized using the straight line method over three years.

Intangible capital assets are recorded at cost when they meet the definition of an asset as provided in the *CPA Canada Handbook – Accounting Part III*. Intangible capital assets with a determinate life are amortized over their estimated useful life on the straight line basis. Intangible capital assets with an indefinite life are not amortized. Intangible capital assets are reviewed annually to determine if there are any events or circumstances that indicate their value may be impaired, and if so, the asset would be written down to fair value.

(e) Financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments and mutual funds that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized as unrealized gains or losses in the statement of operations.

The financial assets measured at amortized cost include cash, accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities. The financial assets measured at fair value include investments that hold in equity instruments.

(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.

3. Investments

In 2014 a donor contributed \$35,652 for the establishment of an initial permanent endowment fund, Centennial Legacy Fund. At December 31, 2015 all amounts in this fund are invested in a balanced equity fund.

The investments in this fund are managed by the board of trustees of the Foundation who have engaged an investment manager. 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.

4. Intangible assets

	2015	2014
Trademarks	\$ 6,552	\$ 4,523
Settlement property	1	1
	\$ 6,553	\$ 4,524

The Foundation has incurred legal costs to register trademarks on the Canadian House of Heroes and the Heroes Hockey Challenge name and logo.

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 held upon and agreed subject to the trusts hereof.

To December 31, 2015 the Foundation has incurred certain legal and other costs to establish *For the Soldier Institute* and have it make application for a fund raising casino. Because these costs are not expected to represent a direct future benefit to the Foundation and therefore do not meet the definition of an asset as described in Note 2(d), the costs have been reflected as legal expenses in the statement of revenue and expenditures.

5. Deferred contributions for future operations

	2015	2014
Veteran Affairs Community Engagement Partnership Fund	\$ 10,000	\$ --
Princess Patricia Personal Legacy Stone Project	90	3,494
Frezenberg Commemoration Youth Program	--	31,670
	<u>\$ 10,090</u>	<u>\$ 35,164</u>

6. Financial instruments

The Foundation's financial instruments consist of cash, accounts receivable, investments, accounts payable and accrued liabilities, all of which are reported at amortized cost other than investments which are carried at fair value as described in note 3. Due to their short-term nature, the carrying value of these financial instruments approximates their fair value.

Management has determined that the Foundation is not exposed to significant credit or interest rate risk, but does have some market risk due to the nature of investments held. This risk is managed by implementation of an investment policy recommended by the Finance Committee and approved by the Board of Trustees which limits the nature of investments held.

7. Commitments

In 2015 the Foundation engaged a fund raising consultant to assist in an assessment of a multi-year development plan and to update the Foundation case for support. At December 31, 2015 the Foundation is committed to pay \$10,250 in 2016 pursuant to the terms of the contract.

In 2014 the Trustees committed to a gift to the Vimy Foundation in the amount of \$10,000. This gift, expected to be paid in 2016, is for the purchase of a tree in the grove of remembrance adjacent to the Education Centre to be constructed at Vimy Ridge and opened on the 100th Anniversary of the battle.

8. Gifts in kind

In 2014, contributors and volunteers provided materials, services and volunteer time for the PPCLI 100th Anniversary Commemoration. The total amount of materials, services and volunteer time was estimated at \$453,000. The value of these contributed materials and services and the volunteer time were not recognized in the financial statements as the materials and services would not otherwise have been purchased and volunteer time value is never recognized.

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

- Gross contributions received - \$124,041 (2014 - \$800,699)
- Operating and event expenses - \$132,336 (2014 - \$399,413)
- Gift to the PPCLI Regimental Fund exceeded 10% of gross contributions - \$19,300 (2014 - \$319,168)
- Other gifts to eligible donees - \$5,000 (2014 - \$51,402)
- Excess (deficiency) of revenue over expenditures - \$(28,905) (2014 - \$29,461)
- Fundraising is a responsibility of a Volunteer Committee of the Foundation. The Foundation does not engage third parties for the purpose of soliciting contributions
- \$0 (2014: \$0) was paid as remuneration to employees whose principle duties involved fundraising