



# PPCLI FOUNDATION

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

Consolidated Financial Statements of

PPCLI FOUNDATION and  
For the Soldier Institute

For the Period Ending December 31, 2017

**CONSOLIDATED PPCLI FOUNDATION**  
December 31, 2017

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# 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, 2017 and the statements of revenue and expenditures, changes in 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 misstatements, whether due to fraud or error.

## Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of PPCLI Foundation as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.



*Chartered Professional Accountants*

*Calgary, Canada  
June 4, 2018*

**PPCLI Foundation**  
**Consolidated Statement of Financial Position**  
As at December 31, 2017  
(Unaudited)

	<b>December 31</b>	December 31
	<b>2017</b>	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 135,438	\$ 111,252
Accounts receivable	-	-
GST Recoverable	2,582	965
Prepaid Expenses	61,038	5,251
	<b>199,058</b>	117,468
INVESTMENTS AT FAIR VALUE (Note 4)	83,352	73,936
INTANGIBLE ASSETS (Note 5)	6,553	6,553
	<b>\$ 288,963</b>	<b>\$ 197,957</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	5,000	5,000
Deferred Contributions (Note 6)	6,543	551
	<b>11,543</b>	5,551
Commitments (Note 7)		
<b>PPCLI FOUNDATION MEMBERS' EQUITY</b>		
Settlement Property	1	1
General Fund	183,732	110,552
For the Soldier Legacy Fund (Note 4)	83,352	73,936
	<b>267,085</b>	184,489
<b>FOR THE SOLDIER INSTITUTE MEMBERS' EQUITY</b>		
Capital	388	388
Excess of revenue over expenditures	9,947	7,529
	<b>10,335</b>	7,917
	<b>\$ 288,963</b>	<b>\$ 197,957</b>

The accompanying notes and schedules to the financial statements are an integral part of this financial statement.

**PPCLI Foundation**  
**Consolidated Statement of Operations**  
For the Year Ended December 31, 2017  
(Unaudited)

	Unrestricted Fund	FTS Legacy Fund	FTSI Fund	<b>Total 2017</b>	Total 2016
<b>REVENUE</b>					
Donations	\$ 14,191	\$ 1,300	\$ -	<b>\$ 15,491</b>	\$ 19,575
Government grants and program	-	-	-	-	10,000
Partnership and major gifts	20,000	-	-	<b>20,000</b>	-
Events	180,679	-	12,610	<b>193,289</b>	115,208
Investment income	429	8,116	-	<b>8,545</b>	1,023
	<b>215,299</b>	<b>9,416</b>	<b>12,610</b>	<b>237,325</b>	<b>145,806</b>
<b>EXPENDITURES</b>					
Events	77,493	-	7,507	<b>85,000</b>	12,289
Professional Fees	7,580	-	113	<b>7,693</b>	17,957
Computers and Software	5,252	-	-	<b>5,252</b>	3,523
Fundraising	1,200	-	2,476	<b>3,676</b>	10,250
Insurance	2,550	-	-	<b>2,550</b>	2,524
Bank and service fees	1,331	-	53	<b>1,384</b>	1,633
Office Supplies	1,090	-	43	<b>1,133</b>	2,884
Hotel & Travel	623	-	-	<b>623</b>	-
	<b>97,119</b>	<b>-</b>	<b>10,192</b>	<b>107,311</b>	<b>51,060</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES BEFORE DONATIONS</b>	<b>118,180</b>	<b>9,416</b>	<b>2,418</b>	<b>130,014</b>	<b>94,746</b>
<b>GIFTS TO ELIGIBLE DONEES</b>					
Veterans Transition Network	(35,000)	-	-	<b>(35,000)</b>	-
Soldier On	(6,000)	-	-	<b>(6,000)</b>	(1,000)
Wounded Warriors	(4,000)	-	-	<b>(4,000)</b>	-
Amputee Coalition of Canada	-	-	-	-	(10,000)
Outward Bound - Veterans Program	-	-	-	-	(10,000)
Vimy Foundation	-	-	-	-	(10,000)
Hamilton Gault Memorial Fund	-	-	-	-	(1,000)
Calgary Military Resource Center	-	-	-	-	(1,000)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>\$ 73,180</b>	<b>\$ 9,416</b>	<b>\$ 2,418</b>	<b>\$ 85,014</b>	<b>\$ 61,746</b>

**PPCLI Foundation**  
**Consolidated Statement of Changes in Fund Balances**  
**For the Year Ended December 31, 2017**  
**(Unaudited)**

	Unrestricted Fund	FTS Legacy Fund	FTSI Fund	<b>Total 2017</b>	Total 2016
Balance, beginning of period	\$ 110,552	\$ 73,936	\$ 7,917	\$ <b>192,405</b>	\$ 130,272
For the Soldier Institute incorporation	-	-	-	-	388
Excess (deficiency) of revenue over expenditures	73,180	9,416	2,418	<b>85,014</b>	61,746
Balance, end of period	183,732	83,352	10,335	<b>277,419</b>	192,406
Foundation members' equity				<b>267,084</b>	184,489
For the Soldier Institute members' equity				<b>10,335</b>	7,917
Equity, end of period				<b>277,419</b>	192,406

**PPCLI Foundation**  
**Consolidated Statement of Cash Flows**  
For the Year Ended December 31, 2017  
(Unaudited)

	<u>December 31</u> <u>2017</u>	<u>December 31</u> <u>2016</u>
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES</b>		
OPERATING		
Excess of Revenue over Operating Expenditures	\$ 85,014	\$ 61,746
Non-Cash Items		
Changes in non-cash operating working capital items (Note 8)	(51,412)	(9,238)
	<u>33,602</u>	<u>52,508</u>
FINANCING		
For the Solider Institute Incorporation	-	388
	-	388
INVESTING		
Proceeds on disposal of property and equipment		
Change in value of investments in For the Soldier Legacy Fund	(8,116)	(562)
Donations to the For the Soldiers Legacy Fund	(1,300)	(1,350)
Transfer from General Fund to the For the Soldier Legacy Fund	-	(35,000)
	<u>(9,416)</u>	<u>(36,912)</u>
<b>NET CASH INFLOW</b>	<b>24,186</b>	<b>15,984</b>
<b>CASH POSITION, BEGINNING OF YEAR</b>	<b>111,252</b>	<b>95,268</b>
<b>CASH POSITION, END OF YEAR</b>	<b>\$ 135,438</b>	<b>\$ 111,252</b>
Restricted Cash	5,334	7,917
<b>UNRESTRICTED CASH</b>	<b>130,104</b>	<b>103,335</b>

## **CONSOLIDATED PPCLI FOUNDATION**

Notes to the Consolidated Financial Statements

Year Ended December 31, 2017

*(Unaudited)*

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### **1. Formation of 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. For the Soldier Institute**

The Foundation promoted and funded the incorporation of *For the Soldier Institute*, a not for profit entity under the Alberta Societies Act. The Institute's stated purpose is to fund and carry out activities to support and care for current and former Canadian military service personnel.

*For the Soldier Institute* is managed by a five-member board of directors; three currently being trustees of the Foundation.

The Institute was granted casino eligibility by Alberta Gaming and Liquor Commission in 2015 and the Institute had its initial casino in June 2016.

The Foundation incurred \$8,905 of legal and other costs to establish *For the Soldier Institute* and support its application for a fund raising casino. Due to the uncertainty of the Foundation realizing any future benefit at the time the costs were incurred, the costs were reflected as an expense in the statement of revenue and expenses in the period the costs were incurred.

### **3. Summary of significant accounting policies**

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

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



## CONSOLIDATED PPCLI FOUNDATION

Notes to the Consolidated Financial Statements

Year Ended December 31, 2017

(Unaudited)

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(a) Consolidated Presentation

The consolidated financial statements include the accounts of PPCLI Foundation and *For the Soldier Institute* as PPCLI Foundation and *For the Soldier Institute* have a common purpose and three of the five directors managing *For the Soldier Institute* are currently trustees of the Foundation.

(b) Revenue recognition

The entities follow 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.

(c) Financial year

PPCLI Foundation and *For the Soldier Institute* 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 Unrestricted Fund contains the assets, liabilities, revenues and expenditures related to the Foundation's operating activities.

For the Soldier Legacy Fund ("FTS Legacy Fund") contains the assets, liabilities, revenues and expenditures of a permanent endowment fund of the Foundation. The investments in FTS Legacy Fund are managed by the board of trustees of the Foundation who have engaged an investment manager. Gifts granted from this endowment fund 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) Property and equipment

- (i) 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.
- (ii) 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

**CONSOLIDATED PPCLI FOUNDATION**  
Notes to the Consolidated Financial Statements  
Year Ended December 31, 2017  
(Unaudited)

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indicate their value may be impaired, and if so, the asset would be written down to fair value.

(e) Financial instruments

The entities initially measure their financial assets and financial liabilities at fair value; thereafter, they measure all financial assets and financial liabilities at amortized cost, except for investments in equity instruments and mutual funds 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 include cash and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities. The financial assets measured at fair value include investments held in equity instruments.

(f) Inventory

During the period the entities 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 entities record 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 contribute many hours to assist in carrying out the entities' activities. Due to the difficulty of determining the fair value of these contributed services, they are not recognized in the combined 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.

**4. Investments**

In 2014 a donor contributed \$30,652 for the establishment of an initial permanent endowment fund, For the Soldier Legacy Fund. In August 2016 the trustees of the Foundation authorized the transfer of \$35,000 from the General Fund to For the Soldier Legacy Fund.

The investments in For the Soldier Legacy Fund are managed by the board of trustees of the Foundation who have engaged an investment manager. All funds are currently invested in a balanced equity fund.

Gifts granted from this endowment fund 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.

**CONSOLIDATED PPCLI FOUNDATION**  
Notes to the Consolidated Financial Statements  
Year Ended December 31, 2017  
(Unaudited)

**5. Intangible assets**

		2017	2016
Trademarks	\$	6,552	\$ 6,552
Settlement Property		1	1
	\$	6,553	\$ 6,553

The Foundation 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.

**6. Deferred contributions for future operations**

	2017	2016
Gun Refurbishment (Wild West Foundation)	\$ 3,750	\$ 3,750
Veterans Affairs Community Engagement Partnership	2,000	2,000
Princess Patricia Personal Legacy Stone Project	792	792
	\$ 6,542	\$ 6,542

**7. Commitments**

During the year, the board agreed to provide support to the Military Museums Foundation in the amount of \$18,220. This donation was distributed subsequent to year end.

**CONSOLIDATED PPCLI FOUNDATION**  
Notes to the Consolidated Financial Statements  
Year Ended December 31, 2017  
*(Unaudited)*

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**8. Schedule of Changes in Working Capital**

	2017	2016
Accounts Receivable	\$ -	\$ 1,920
GST Recoverable	(1,617)	855
Prepaid	(55,787)	(3,221)
Accounts Payable	-	747
Deferred Contributions	5,992	(9,539)
	<b>\$ (51,412)</b>	<b>\$ (9,238)</b>