

Alberta Chapter, Canadian Foundation for Poliomyelitis and Rehabilitation
Financial Statements
December 31, 2018

Management's Responsibility

To the Members of Alberta Chapter, Canadian Foundation for Poliomyelitis and Rehabilitation:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Foundation. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Foundation's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

April 11, 2019



Chris Strong, President

To the Board of Alberta Chapter, Canadian Foundation for Poliomyelitis and Rehabilitation:

Opinion

We have audited the financial statements of Alberta Chapter, Canadian Foundation for Poliomyelitis and Rehabilitation (the "Foundation"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Foundation for the year ended December 31, 2017 were audited by another Chartered Professional Accountant who expressed an unmodified opinion on those financial statements on February 13, 2018.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Calgary, Alberta

April 11, 2019

MNP LLP

Chartered Professional Accountants

Alberta Chapter, Canadian Foundation for Poliomyelitis and Rehabilitation Statement of Financial Position

As at December 31, 2018

	2018	2017
Assets		
Current		
Cash	27,454	38,793
Restricted cash	25,131	65,840
Portfolio investments	204,313	202,180
Prepaid expenses	2,116	1,949
	259,014	308,762
Other assets (Note 2)	1	1
	259,015	308,763
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 3)	3,678	3,952
Deferred contributions (Note 4)	25,131	64,720
	28,809	68,672
Net Assets		
Unrestricted	230,206	240,091
	259,015	308,763

The accompanying notes are an integral part of these financial statements

Alberta Chapter, Canadian Foundation for Poliomyelitis and Rehabilitation

Statement of Operations and Changes in Net Assets

For the year ended December 31, 2018

	2018	2017
Revenue		
Casino	39,589	38,768
Pull ticket contributions (Note 5)	22,894	25,342
Interest	2,133	4,209
Donations	400	2,752
	65,016	71,071
Expenses		
Equipment purchases	37,589	43,509
Special assistance grants	17,940	19,590
Administration fees (Note 5)	12,000	12,000
Professional fees	3,675	3,250
Equipment repairs and maintenance	1,695	3,399
Medical	1,031	1,031
Office and general	971	1,296
Casino	-	2,213
Bank charges	-	13
	74,901	86,301
Deficiency of revenue over expenses	(9,885)	(15,230)
Net assets beginning of year	240,091	255,321
Net assets, end of year	230,206	240,091

The accompanying notes are an integral part of these financial statements

Alberta Chapter, Canadian Foundation for Poliomyelitis and Rehabilitation

Statement of Cash Flows

For the year ended December 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	(9,885)	(15,230)
Changes in working capital accounts		
Prepaid expenses	(167)	427
Accounts payable and accrued liabilities	(274)	688
Deferred contributions	(39,589)	28,165
	(49,915)	14,050
Investing		
(Increase) decrease in portfolio investments	(2,133)	69,639
(Decrease) increase in cash resources	(52,048)	83,689
Cash resources, beginning of year	104,633	20,944
Cash resources, end of year	52,585	104,633
Cash resources are composed of:		
Cash	27,454	38,793
Restricted cash	25,131	65,840
	52,585	104,633

The accompanying notes are an integral part of these financial statements

Alberta Chapter, Canadian Foundation for Poliomyelitis and Rehabilitation

Notes to the Financial Statements

For the year ended December 31, 2018

1. Incorporation and nature of the organization

Alberta Chapter, Canadian Foundation for Poliomyelitis and Rehabilitation (the "Foundation") provides specialized equipment, services, and grants to victims of poliomyelitis. The Foundation was incorporated under the Canada Corporation Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Mineral rights

Mineral rights were donated by a member of the Foundation. The rights were recorded at a nominal \$1, and are included in other assets on the statement of financial position.

Income taxes

The Foundation is a not-for-profit organization as defined under section 149(1)(l) of the Income Tax Act (the "Act"), and accordingly it is not subject to income taxes.

Portfolio investments

Portfolio investments with prices quoted in an active market are measured at fair value. Changes in fair value are recorded immediately in the excess (deficiency) of revenues over expenses.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Alberta Chapter, Canadian Foundation for Poliomyelitis and Rehabilitation

Notes to the Financial Statements

For the year ended December 31, 2018

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

The Foundation recognizes its financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions* (refer to Note 5).

At initial recognition, the Foundation may irrevocably elect to subsequently measure any financial instrument at fair value. The Foundation has not made such an election during the year.

The Foundation subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Foundation assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Foundation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Foundation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year deficiency of revenues over expenses.

The Foundation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess (deficiency) in the year the reversal occurs.

3. Accounts payable and accrued liabilities

	2018	2017
Accrued liabilities	3,675	3,250
Due to Alberta-NWT Command, The Royal Canadian Legion	3	702
	3,678	3,952

4. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted by the Alberta Gaming, Liquor and Cannabis Commission. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2018	2017
Balance, beginning of year	64,720	36,555
Amount received during the year	-	64,720
Less: Amount recognized as revenue during the year	(39,589)	(36,555)
	25,131	64,720

Alberta Chapter, Canadian Foundation for Poliomyelitis and Rehabilitation

Notes to the Financial Statements

For the year ended December 31, 2018

5. Related party transactions

During the year, the Foundation received contributions of \$22,894 (2017 - \$25,342) from Alberta-NWT Command, The Royal Canadian Legion ("Command"), related through common management, which is 2% of the charitable portion of pull tickets operations of Royal Canadian Legion Branches in Alberta and the North West Territories.

During the year, the Foundation paid an administrative fee of \$12,000 (2017 - \$12,000) to Alberta-NWT Command, The Royal Canadian Legion Poppy Fund ("Poppy Fund"), related through common management, for the service bureau personnel to process the Foundation's related requests and enquiries.

6. Financial instruments

All significant financial assets, financial liabilities and equity instruments of the Foundation are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk, credit risk, currency risk, liquidity risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Foundation is exposed to interest rate risk with respect to portfolio investments which are subject to floating interest rates ranging from 2.35% to 9.976% (2017 - 2.35% to 9.976%).

7. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.