

**CANADIAN PARAPLEGIC ASSOCIATION (NL) FOUNDATION, INC**  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

**CANADIAN PARAPLEGIC ASSOCIATION (NL) FOUNDATION, INC**  
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## INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Paraplegic Association (NL) Foundation, Inc

### *Qualified Opinion*

I have audited the financial statements of Canadian Paraplegic Association (NL) Foundation, Inc, which comprise the statement of financial position as at March 31, 2021, and the statements of operations, 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 my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Canadian Paraplegic Association (NL) Foundation, Inc as at March 31, 2021 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 (ASNPO).

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Canadian Paraplegic Association (NL) Foundation Inc derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the entity and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, current assets and net assets as at March 31, 2021.

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

### *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 ASNPO, 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting

**INDEPENDENT AUDITOR'S REPORT, continued**

process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 organization'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 organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the organization 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.
- ♦ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the organization to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

**INDEPENDENT AUDITOR'S REPORT, continued**

I 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 I identify during my audit.



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**DOUGLAS M. KIRBY**  
**CHARTERED PROFESSIONAL**  
**ACCOUNTANT**

St. John's, NL, Canada  
June 28, 2021

**CANADIAN PARAPLEGIC ASSOCIATION (NL) FOUNDATION, INC**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
Ticket sales	\$ 56,939	\$ 310,357
Canada Emergency Business Account income	4,583	-
Payroll subsidy	-	3,705
	<b>61,522</b>	<b>314,062</b>
<b>EXPENDITURES</b>		
Advertising and promotion	487	1,202
Bad debts	-	60
Bank charges	2,003	3,253
Commissions	3,142	11,139
Delivery, freight and express	8,227	50,796
Insurance	5,816	6,527
Licenses	437	817
Office	26,155	32,175
Printing	948	1,780
Prizes	43,472	80,358
Professional fees	4,025	4,025
Rent	2,243	8,469
Salaries and related benefits	581	123,010
Telephone	7,834	14,110
Travel	-	367
	<b>105,370</b>	<b>338,088</b>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>\$ (43,848)</b>	<b>\$ (24,026)</b>

See accompanying notes to the financial statements





**CANADIAN PARAPLEGIC ASSOCIATION (NL) FOUNDATION, INC**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 61,457	\$ 85,483
Deficiency of revenues over expenditures	(43,848)	(24,026)
<b>BALANCE, END OF YEAR</b>	\$ 17,609	\$ 61,457

See accompanying notes to the financial statements



**CANADIAN PARAPLEGIC ASSOCIATION (NL) FOUNDATION, INC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenditures	\$ (43,848)	\$ (24,026)
Changes in non-cash working capital		
Increase in accounts receivable	(581)	-
Decrease (increase) in prepaid expenses	6,684	(218)
Decrease in accounts payable and accrued liabilities	(4,564)	(2,212)
Increase in deferred revenue	15,417	-
	<b>(26,892)</b>	<b>(26,456)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Advances from (to) controlling entity	(10,693)	2,887
	<b>(37,585)</b>	<b>(23,569)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>76,708</b>	<b>100,277</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 39,123</b>	<b>\$ 76,708</b>
<b>CASH AND CASH EQUIVALENTS CONSISTS OF:</b>		
Cash and cash equivalents	\$ 79,123	\$ 76,708
Canada Emergency Business Account loan	(40,000)	-
	<b>\$ 39,123</b>	<b>\$ 76,708</b>

See accompanying notes to the financial statements



**CANADIAN PARAPLEGIC ASSOCIATION (NL) FOUNDATION, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2021**

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**1. NATURE OF OPERATIONS**

Canadian Paraplegic Association (NL) Foundation, Inc (the "Foundation") is a not-for-profit organization that raises funds to assist physically challenged persons. This organization was incorporated under the laws of the Province of Newfoundland and Labrador, and is exempt from income taxes pursuant to Section 149(1)(f) of the Income Tax Act of Canada.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of presentation**

These financial statements have been prepared within the framework of Canadian accounting standards for not-for-profit organizations.

**(b) Accounting estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

**(c) Financial instruments**

The organization's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, Canada Emergency Business Account loan, and deferred revenue. Unless otherwise noted it is management's opinion that the organization is not exposed to significant interest, currency or credit risks.

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred. The financial instruments measured at amortized cost are cash and cash equivalents, receivables, and payables and accruals.

**(d) Cash and cash equivalents**

Cash and cash equivalents are defined as cash on hand, cash on deposit with financial institutions, net of bank overdrafts, net of the Canada Emergency Business Account loan, net of cheques issued and outstanding at the reporting date.

**CANADIAN PARAPLEGIC ASSOCIATION (NL) FOUNDATION, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

**(e) Revenue recognition**

Revenue from donations and other fundraising revenue, is recognized in the accounts of the Foundation in the year in which it is received. Donations representing non-monetary transactions are recorded at fair market value as determined by management.

Grant revenue (in the form of a wage subsidy) is recognized in the year in which the related expenses are incurred.

**(f) Contributed services**

Directors and volunteers contribute many hours to assist the Foundation in the governance of its operations and programs. Because of the difficulty in assessing the number of hours and their fair value, contributed services are not recognized in the financial statements.

**3. CANADA EMERGENCY BUSINESS ACCOUNT LOAN**

A line of credit, a Canada Emergency Business Account (CEBA) loan, has been authorized by Royal Bank of Canada to a maximum of \$60,000 and is interest-free, secured by the Government of Canada. At year-end \$60,000 of the line of credit has been used. Which, subject to certain terms and conditions, is 25% forgivable. The forgivable portion is being amortized to revenue over the term of the loan.

**4. DEFERRED REVENUE**

	<b>2021</b>	<b>2020</b>
Canada Emergency Business Account loan - forgivable portion	\$ 15,417	\$ -

**CANADIAN PARAPLEGIC ASSOCIATION (NL) FOUNDATION, INC**  
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**5. RELATED PARTY TRANSACTIONS**

The company is related to the Spinal Cord Injury Newfoundland and Labrador Inc by virtue of common control. The Foundation operates for the purpose of accumulating funds to help support the activities of the Spinal Cord Injury Newfoundland and Labrador Inc. Transactions and balances with these related parties are as follows:

	<b>2021</b>	<b>2020</b>
Expenses		
Office expense including administrative fees	\$ 24,000	\$ 24,000
Rental expense	2,243	7,475
	<b>\$ 26,243</b>	<b>\$ 31,475</b>
Due to Spinal Cord Injury Newfoundland and Labrador Inc.	\$ 2,129	\$ 12,822

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

**6. COVID-19**

On March 11, 2020, the World Health Organization assessed the coronavirus outbreak (COVID-19) as a pandemic. The outbreak has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The extent to which COVID-19 impacts the future financial results of the Foundation will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and actions taken to contain the virus or its impact, among others.