

FINANCIAL STATEMENTS
December 31, 2014
(prepared without audit)

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Draft

Paddle Canada
Pagayer Canada
Financial Statements
December 31, 2014

REVIEW ENGAGEMENT REPORT

To the Members of Paddle Canada Pagayer Canada:

We have reviewed the statement of financial position of Paddle Canada Pagayer Canada as at December 31, 2014 and the statements of operations and 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 Organization.

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
Licenced Public Accountants
Authorized to practice public accounting by the Institute of Chartered Professional Accountants of Ontario

Perth, Ontario
April 19, 2015.

Paddle Canada Pagayer Canada
Balance Sheet
(prepared without audit)

December 31	2014	2013
	\$	\$
Assets		
Current Assets		
Cash	10,370	55,111
Accounts receivable (net of allowance)	3,697	2,313
Government taxes receivable	--	4,730
Prepaid expenses	5,602	5,584
	19,669	67,738
Capital Assets (note 2)	6,629	6,805
Other Assets		
Incorporation	125	125
	26,423	74,668
Liabilities		
Current Liabilities		
Bank indebtedness (note 3)	15,250	--
Accounts payable	4,966	8,657
Government taxes payable	10,192	6,899
Deferred revenues	20,500	33,001
	50,908	48,557
Fund Balances		
Bill Mason Scholarship (note 4)	15,746	14,951
Unrestricted	(40,231)	11,160
	(24,485)	26,111
	26,423	74,668

On Behalf of the Board:

_____, Director

Paddle Canada Pagayer Canada
Statement of Income and Retained Earnings
(prepared without audit)

For the year ended December 31	Budget	2014	2013
	\$	\$	\$
Revenues			
Certification	162,500	137,927	135,733
Projects			
- Ontario Tourism	88,500	28,480	70,707
- Transport Canada	--	--	20,545
- Paddle Smart	149,915	135,381	69,979
- National Search & Rescue	--	3,812	10,877
- KEEN	10,000	10,842	--
- Donations and special projects	500	--	27
Water Walker Film Festival	2,000	1,194	2,388
Memberships	7,000	15,101	7,408
Rapid Media Magazine	1,100	1,489	1,112
Website advertising	12,000	7,519	7,300
Miscellaneous revenue	100	661	658
	433,615	342,406	326,734
Expenditures			
Direct Costs			
Projects - Ontario Tourism	83,500	27,230	65,771
- Transport Canada	--	--	28,925
- Paddle Smart	141,641	143,839	67,997
- National Search & Rescue	--	2,859	10,900
- KEEN	7,925	10,842	--
- Donations and special projects	6,000	400	13,710
Water Walker Film Festival	150	--	125
Memberships	6,500	9,233	4,816
Rapid Media magazine	18,900	21,123	21,150
Certification	5,000	1,918	2,515
PDC - Canoeing	2,500	1,565	1,634
- River Kayaking	500	--	--
- Sea Kayaking	1,000	--	1,220
- Stand Up Paddling	1,000	727	770
	274,616	219,736	219,533
Operating Expenses			
Amortization	--	1,745	1,347
Finance			
Bad debts (recovery)	--	(125)	7,867
Bank charges and interest	1,700	14,758	2,197
Occupancy			
Insurance	19,810	19,568	17,928
Rent	6,000	10,432	1,604
Travel and meeting expense	8,000	5,722	5,485
Office			
Computer and office supplies	3,750	6,272	4,212
Marketing	8,000	9,973	2,264
Telephone	3,235	3,749	3,856
Website development and maintenance	9,450	13,477	7,283
Professional fees	6,000	9,945	5,415
Staff wages and benefits	86,150	77,807	58,616
Worker's compensation	600	738	585
	152,695	174,061	118,659

The accompanying notes are an integral part of these financial statements.

Paddle Canada Pagayer Canada
Statement of Income and Retained Earnings
(prepared without audit)

<u>For the year ended December 31</u>	Budget	2014	2013
	\$	\$	\$
Net (Expenditures) Revenues from Operations	6,304	(51,391)	(11,458)
Bill Mason Scholarship Revenue	1,000	1,795	358
Bill Mason Scholarship Expense	(1,000)	(1,000)	(1,000)
	--	795	(642)
Net (Expenditures) Revenues for the Year	6,304	(50,596)	(12,100)
Fund Balances, Beginning of Year	26,111	26,111	38,211
Fund Balances, End of Year	32,415	(24,485)	26,111

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The accompanying notes are an integral part of these financial statements.

Paddle Canada Pagayer Canada
Statement of Cash Flows
(prepared without audit)

For the year ended December 31	2014	2013
	\$	\$
Cash Flows Provided From:		
Operating Activities		
Net expenditures for the year	(50,596)	(12,100)
Add Items Not Involving Cash		
Amortization	1,745	1,347
	(48,851)	(10,753)
Net Change in Non-Cash Working Capital Balances Related to Operations		
Accounts receivable	(1,384)	55,506
Government taxes receivable	4,730	3,307
Prepaid expenses	(18)	(1,351)
Accounts payable	(3,691)	(16,400)
Government taxes payable	3,293	1,970
Deferred revenues	(12,501)	29,251
	(9,571)	72,283
Investing Activities		
Acquisition of capital assets	(1,569)	(4,261)
Change in Cash and Equivalents, During the Year	(59,991)	57,269
Cash and Equivalents, Beginning of Year	55,111	(2,158)
Cash and Equivalents, End of Year	(4,880)	55,111
Cash and Equivalents Represented By:		
Cash and outstanding items	10,370	55,111
Bank indebtedness	(15,250)	--
	(4,880)	55,111

The accompanying notes are an integral part of these financial statements.

Paddle Canada Pagayer Canada
Notes to the Financial Statements
(prepared without audit)

December 31, 2014

Nature of Business

Paddle Canada Pagayer Canada is located in Kingston, Ontario and is an organization created to promote and teach safe, enjoyable paddling for all Canadians regardless of abilities, culture, or age, to develop positive attitudes towards a healthy environment and to provide an understanding of and appreciation for the canoe and kayak in our Canadian heritage. Paddle Canada Pagayer Canada is a not-for-profit organization and is a registered charity in the Income Tax Act and as such is exempt from corporate income taxes.

1. Significant Accounting Policies

The Organization follows Canadian generally accepted accounting standards applied within the framework of the accounting policies summarized below:

Revenue Recognition

The Organization follows the Restricted Fund method for accounting for contributions. The Organization ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expensed for that purpose.

The operating fund reports the contributions received and expenses incurred relating to the day to day operations of the organization.

The restricted fund reports resources that are available to be used for the purposes specified by the donor.

The investment in capital assets fund reports the assets, liabilities, revenues and expenses relating to the capital assets.

Expense Recognition

Expenditures are recognized according to the accrual basis of accounting in that the expenditures are recorded as incurred as a result of receipt of goods and services and the creation of a legal obligation to pay.

Capital Assets and Amortization

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization will be provided on the declining balance basis as follows:

Equipment	20%
Computer Equipment	30%

Investments

Investments are recorded at the lower of cost and market value.

Paddle Canada Pagayer Canada
Notes to the Financial Statements
(prepared without audit)

December 31, 2014

1. Significant Accounting Policies / continued

Donated Services

No amounts are reflected in the statements for donated services since no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant amounts of their time to the organization and its fundraising activities.

Deferred Revenue

The Organization receives amounts for which services have yet to be performed. These amounts are recognized as revenues in the fiscal year the related expenditures are incurred or services performed.

Financial Instruments

All financial instruments are initially recognized at fair value on the balance sheet. The Organization has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net earnings.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Organization classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables, lien notes payable and accounts payable as other financial liabilities.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting standards for private enterprises 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 expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. Capital Assets

	2014		2013	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Equipment	6,570	2,312	4,258	5,322
Computer Hardware	3,643	1,272	2,371	1,483
	10,213	3,584	6,629	6,805

Paddle Canada Pagayer Canada
Notes to the Financial Statements
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December 31, 2014

3. Demand Loan

The Royal Bank demand loan (prime + 1.75%), has a current balance of \$15,250 with a credit limit of \$20,000. At December 31, 2013, the balance was \$Nil.

4. Scholarships

The Bill Mason Scholarship fund provides educational assistance through scholarships to successful applicants.

5. Risk Management

In the normal course of operations, the Organization is exposed to a variety of financial risks which are actively managed by the Organization.

The Organizations's financial instruments consist of cash, accounts receivable and accounts payable. The fair values of cash, accounts receivable and accounts payable approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

The Organization's exposure to and management of risk has not changed materially from December 31, 2013.

Credit Risk

Credit risk arises from the possibility that the entities to which the Organization provides services to may experience difficulty and be unable to fulfill their obligations. The Organization is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Organization does not have a significant exposure to any individual customer or counter party. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

Interest Rate Risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Organization is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash and cash equivalents and operating loan. Changes in variable interest rates could cause unanticipated fluctuations in the Organization's operating results.

Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet its obligations as they fall due. The Organization requires working capital to meet day-to-day operating activities. Management expects that the Organization's cash flows from operating activities will be sufficient to meet these requirements
