

FINANCIAL STATEMENTS
December 31, 2016
(prepared without audit)

CONTENTS

Review Engagement Report	1
Statement of Financial Position	2
Statement of Operations and Fund Balances	3 - 4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8

Paddle Canada
Pagaie Canada
Financial Statements
December 31, 2016



22 Wilson Street West | Perth, Ontario | K7H 2M9
Phone: 613-267-6580 | Fax: 613-267-7563
info@allanandpartners.com
www.allanandpartners.com

REVIEW ENGAGEMENT REPORT

To the Members of Paddle Canada Pagaie Canada :

We have reviewed the statement of financial position of Paddle Canada Pagaie Canada as at December 31, 2016 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.

A handwritten signature in black ink, appearing to read "Allan".

Allan and Partners LLP
Chartered Professional Accountants
Licenced Public Accountants

Perth, Ontario
April 28, 2017.

Paddle Canada Pagaie Canada
Balance Sheet
(prepared without audit)

December 31	2016	2015
	\$	\$
Assets		
Current Assets		
Cash	--	43,544
Accounts receivable (net of allowance)	11,475	7,171
Government taxes receivable	60,801	4,027
Prepaid expenses	8,398	8,997
	80,674	63,739
Capital Assets (note 2)	3,887	5,066
Other Assets		
Incorporation	125	125
	84,686	68,930
Liabilities		
Current Liabilities		
Bank indebtedness (note 3)	33,132	--
Accounts payable	23,588	53,984
Government taxes payable	--	3,682
Deferred revenues	47,135	17,981
	103,855	75,647
Fund Balances		
Bill Mason Scholarship (note 4)	13,962	14,852
Unrestricted	(33,131)	(21,569)
	(19,169)	(6,717)
	84,686	68,930

On Behalf of the Board:

_____, Director

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

Paddle Canada Pagaie Canada
Statement of Operations and Fund Balances
(prepared without audit)

For the year ended December 31	Budget	2016	2015
	\$	\$	\$
Revenues			
Certification	173,500	181,038	149,705
Projects			
- Paddle Smart	745,600	907,460	234,507
- National Search & Rescue	--	--	8,400
- Donations and special projects	12,100	20,102	5,228
Water Walker Film Festival	1,300	1,394	1,393
Memberships	20,500	11,657	20,244
Rapid Media Magazine	900	1,373	945
Website advertising	10,000	3,097	7,451
Miscellaneous revenue	300	--	2,976
	964,200	1,126,121	430,849
Expenditures			
Direct Costs			
Projects			
- Paddle Smart	759,206	910,409	236,346
- National Search & Rescue	--	--	8,262
- Donations and special projects	2,500	19,088	5,258
Water Walker Film Festival	200	243	160
Memberships	3,550	2,499	3,996
Rapid Media magazine	20,900	23,778	20,356
Certification	1,000	--	962
PDC			
- Canoeing	5,000	4,029	123
- River Kayaking	500	--	--
- Sea Kayaking	4,000	1,061	--
- Stand Up Paddling	2,000	500	3,977
	798,856	961,607	279,440
Operating Expenses			
Amortization	--	1,179	1,563
Finance			
Bank charges and interest	6,750	5,128	4,535
Occupancy			
Insurance	18,150	19,826	19,354
Rent	3,900	4,875	5,670
Travel and meeting expense	10,750	9,155	2,646
Office			
Computer and office supplies	2,400	5,989	3,883
Marketing	5,000	2,536	5,906
Telephone	990	1,631	2,433
Website development and maintenance	34,750	37,814	9,356
Professional fees	12,000	13,156	18,621
Staff wages and benefits	69,148	72,775	50,079
Worker's compensation	1,200	1,197	855
Trade shows	--	815	7,846
	165,038	176,076	132,747

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

Paddle Canada Pagaie Canada
Statement of Operations and Fund Balances
(prepared without audit)

For the year ended December 31	Budget	2016	2015
	\$	\$	\$
Net (Expenditures) Revenues from Operations	306	(11,562)	18,662
Bill Mason Scholarship Revenue	1,000	110	106
Bill Mason Scholarship Expense	(1,000)	(1,000)	(1,000)
	--	(890)	(894)
Net (Expenditures) Revenues for the Year	306	(12,452)	17,768
Fund Balances, Beginning of Year	(6,717)	(6,717)	(24,485)
Fund Balances, End of Year	(6,411)	(19,169)	(6,717)

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

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

For the year ended December 31	2016	2015
	\$	\$
Cash Flows Provided From:		
Operating Activities		
Net (expenditures) revenues for the year	(12,452)	17,767
Add Items Not Involving Cash		
Amortization	1,179	1,563
	(11,273)	19,330
Net Change in Non-Cash Working Capital		
Balances Related to Operations		
Accounts receivable	(4,304)	(3,474)
Government taxes receivable	(56,774)	(4,027)
Prepaid expenses	599	(3,395)
Accounts payable	(30,396)	49,019
Government taxes payable	(3,682)	(6,510)
Deferred revenues	29,154	(2,519)
	(65,403)	29,094
Change in Cash and Equivalents, During the Year	(76,676)	48,424
Cash and Equivalents, Beginning of Year	43,544	(4,880)
Cash and Equivalents, End of Year	(33,132)	43,544
Cash and Equivalents Represented By:		
Cash and outstanding items	--	43,544
Bank indebtedness	(33,132)	--
	(33,132)	43,544

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

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

December 31, 2016

Nature of Business

Paddle Canada Pagaie 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 Pagaie Canada is a not-for-profit organization 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 Pagaie Canada
Notes to the Financial Statements
(prepared without audit)

December 31, 2016

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

	2016		2015
	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
Equipment	6,570	3,845	2,725
Computer Hardware	3,643	2,481	1,162
	10,213	6,326	3,887

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

December 31, 2016

3. Demand Loan

The Royal Bank demand loan (prime + 1.75%), has a current balance of \$Nil with a credit limit of \$50,000. At December 31, 2015, 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, 2015.

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
