

**PRINCESS PATRICIA'S CANADIAN LIGHT INFANTRY ASSOCIATION**

**Financial Statements**

**December 31, 2018**

*(Unaudited)*

*Draft for discussion purposes only*


**PRINCESS PATRICIA'S CANADIAN LIGHT INFANTRY ASSOCIATION**  
**Index to Financial Statements**  
**For the Year Ended December 31, 2018**  
*(Unaudited)*

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	Page
REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8

*Draft for discussion purposes only*



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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of Princess Patricia's Canadian Light Infantry Association

We have reviewed the accompanying financial statements of Princess Patricia's Canadian Light Infantry Association, that comprise the statement of financial position as at December 31, 2018 and the statements of operations, changes in net assets 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 misstatement, 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 Princess Patricia's Canadian Light Infantry Association 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.

### Other Matter

The financial statements of Princess Patricia's Canadian Light Infantry Association for the year ended at December 31, 2017 were reviewed by the firm of Calvista LLP, whose practice now operates under BDO Canada LLP, and who expressed an unmodified opinion on those statements on December 31, 2017.

### Chartered Professional Accountants

Calgary, Alberta

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**PRINCESS PATRICIA'S CANADIAN LIGHT INFANTRY ASSOCIATION**

**Statement of Financial Position**

**As at December 31, 2018**

*(Unaudited)*

	2018	2017
<b>Assets</b>		
Current		
Cash	\$ 37,363	\$ 36,293
Restricted cash (Casino account)	98,147	49,956
Prepaid expenses	-	2,100
	<u>\$ 135,510</u>	<u>\$ 88,349</u>
<b>Liabilities and net assets</b>		
Current		
Accounts payable and accrued liabilities	\$ 3,499	\$ 6,000
Deferred contributions (Note 3)	98,147	52,055
Deferred income	765	150
	<u>102,411</u>	<u>58,205</u>
<b>Net assets</b>	<u>33,099</u>	<u>30,144</u>
	<u>\$ 135,510</u>	<u>\$ 88,349</u>

**On behalf of the Board**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**PRINCESS PATRICIA'S CANADIAN LIGHT INFANTRY ASSOCIATION**

**Statement of Operations**

**For the Year Ended December 31, 2018**

*(Unaudited)*

	General Fund	Casino Fund	2018	2017
<b>Revenue</b>				
Casino	\$ -	\$ 27,321	\$ 27,321	\$ 38,404
Memberships	17,677	-	17,677	20,475
Interest	-	-	-	363
Other revenue	15,903	-	15,903	-
	<b>33,580</b>	<b>27,321</b>	<b>60,901</b>	<b>59,242</b>
<b>Expenses</b>				
Travel	23,039	1,176	24,215	5,462
Museum donations	-	10,000	10,000	10,000
Cadets and other donations	68	5,750	5,818	5,480
Office	4,228	890	5,118	2,120
Donation to Hamilton Gault Memorial Fund (Note 4)	-	5,000	5,000	6,500
Casino advisors	-	2,213	2,213	-
Insurance	-	2,100	2,100	1,021
Annual general meeting	1,000	-	1,000	750
Professional fees	1,000	-	1,000	7,623
Telephone	778	16	794	809
Paypal expenses	443	-	443	159
Newsletter and bulletin	-	128	128	150
Interest and bank charges	69	48	117	116
Donation Kipness Centre	-	-	-	5,000
Friends of the colonel Belcher	-	-	-	5,000
Computer and website	-	-	-	630
Donation The Military Museums Foundation	-	-	-	5,000
	<b>30,625</b>	<b>27,321</b>	<b>57,946</b>	<b>55,820</b>
<b>Excess of revenue over expenses</b>	<b>\$ 2,955</b>	<b>\$ -</b>	<b>\$ 2,955</b>	<b>\$ 3,422</b>

**PRINCESS PATRICIA'S CANADIAN LIGHT INFANTRY ASSOCIATION**  
**Statement of Changes in Net Assets**  
**For the Year Ended December 31, 2018**  
*(Unaudited)*

	Total 2018	Total 2017
<b>Net assets - beginning of year</b>	\$ 30,144	\$ 26,722
Excess of revenue over expenses	<u>2,955</u>	<u>3,422</u>
<b>Net assets - end of year</b>	<u>\$ 33,099</u>	<u>\$ 30,144</u>

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**PRINCESS PATRICIA'S CANADIAN LIGHT INFANTRY ASSOCIATION**

**Statement of Cash Flows**

**For the Year Ended December 31, 2018**

*(Unaudited)*

	<b>2018</b>	<b>2017</b>
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses	\$ <b>2,955</b>	\$ 3,422
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	<b>(2,500)</b>	4,000
Deferred revenue	<b>615</b>	(435)
Prepaid expenses	<b>2,100</b>	(1,079)
Deferred contributions	<b>46,091</b>	(38,404)
Restricted cash (Casino account)	<b>(48,191)</b>	39,483
	<b>(1,885)</b>	3,565
Cash flow from operating activities	<b>1,070</b>	6,987
<b>Investing activities</b>		
Term deposit proceeds	-	26,205
<b>Increase in cash flow</b>	<b>1,070</b>	33,192
Cash - beginning of year	<b>36,293</b>	3,101
<b>Cash - end of year</b>	<b>\$ 37,363</b>	\$ 36,293

# PRINCESS PATRICIA'S CANADIAN LIGHT INFANTRY ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2018

(Unaudited)

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### 1. Purpose of the association

Princess Patricia's Canadian Light Infantry Association ("the Association") was established in 1947 as a not-for-profit corporation and continued under the Canada Not-For-Profit Corporations Act in 2014. As a not-for-profit association, the Association is exempt from income tax pursuant to paragraph 149(1)(l) of the Income Tax Act (Canada). The Association's purpose is to provide support to members and veterans of the Princess Patricia's Canadian Light Infantry and their families.

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### 2. Summary of significant accounting policies

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### Revenue recognition

The Association 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.

#### Cash and cash equivalents

Cash and cash equivalents are comprised of cash in bank, cash on hand and short-term, highly liquid investments with original maturities of three months or less and that are subject to an insignificant risk of change in value. The Association currently holds no cash equivalents.

#### Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued, and subsequently measured at amortized cost.

The financial assets measured at cost include cash, casino fund bank account, and term deposits. The financial liabilities measured at cost include accounts payable and accrued liabilities, deferred income, and deferred contributions.

#### Contributed services

The operations of the Association depends on the contribution of time by volunteers. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

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**PRINCESS PATRICIA'S CANADIAN LIGHT INFANTRY ASSOCIATION**

**Notes to Financial Statements**

**Year Ended December 31, 2018**

*(Unaudited)*

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**2. Summary of significant accounting policies *(continued)***

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Estimates included in the preparation of these financial statements include the determination of deferred contributions.

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**3. Deferred contributions**

Contributions from casinos are recognized in revenue in the year in which related expenses are incurred.

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 52,055	\$ 90,460
Related expenditures	(27,321)	(38,405)
Revenue received from casinos	73,413	-
Balance, end of year	<u>\$ 98,147</u>	<u>\$ 52,055</u>

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**4. Controlled not-for-profit entity**

The Hamilton Gault Memorial Fund ("the Fund"), an unincorporated registered charitable organization, is controlled by the Association. The Fund was established in order to carry out the charitable operations of the Association.

A summary of the Fund's financial statements, which have not been consolidated with the Association's, are as follows:

**Statement of financial position**

Assets	\$ 775,656	\$ 822,285
Liabilities	(7,910)	(8,410)
Net assets	<u>\$ 767,746</u>	<u>\$ 813,875</u>

**Statement of operations**

Revenue	\$ (7,819)	\$ 79,085
Expenses	(38,310)	(35,653)
Excess of revenue over expenses	<u>\$ (46,129)</u>	<u>\$ 43,432</u>

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**PRINCESS PATRICIA'S CANADIAN LIGHT INFANTRY ASSOCIATION**

**Notes to Financial Statements**

**Year Ended December 31, 2018**

*(Unaudited)*

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**4. Controlled not-for-profit entity (continued)**

	<u>2018</u>	<u>2017</u>
<b>Statement of cash flow</b>		
Cash flows from (used by) operating activities	\$ (3,794)	\$ 16,502
Cash flows from (used by) investing activities	(85,222)	(13,188)
Cash - beginning of year	<u>55,606</u>	<u>52,292</u>
Cash - end of year	<u>\$ 34,260</u>	<u>\$ 55,606</u>

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