

# **Concussion Legacy Foundation (Canada) Inc.**

**Financial Statements  
December 31, 2021**

**Crowe BGK S.E.N.C.R.L. | LLP**

Société de comptables professionnels agréés  
Partnership of Chartered Professional Accountants

# **Concussion Legacy Foundation (Canada) Inc.**

**Financial Statements  
December 31, 2021**

---

## **Contents**

Independent Auditor's Report	1 - 3
Statement of Financial Position	4
Statement of Operations and Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 12

**Crowe BGK S.E.N.C.R.L. | LLP**

Société de comptables professionnels agréés  
Partnership of Chartered Professional Accountants

## Independent Auditor's Report

To the Directors of  
Concussion Legacy Foundation (Canada) Inc.

### *Qualified Opinion*

We have audited the financial statements of Concussion Legacy Foundation (Canada) Inc. (the Foundation), which comprise the statement of financial position as at December 31, 2021, 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, except for the possible 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 the Foundation as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, Concussion Legacy Foundation (Canada) Inc. derives revenues from donor contributions the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the accounts of the Concussion Legacy Foundation (Canada) Inc. Therefore we were not able to determine whether any adjustments might be necessary to contributions, excess of revenue over expenditures and cash flows for the years ended December 31, 2020 and December 31, 2021. Our audit engagement report on the financial statements as at and for the year ended December 31, 2020 was qualified for the same matters.

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 qualified audit opinion.

### *Information other than the Financial Statements and Auditor's Report Thereon*

Management is responsible for the other information, which comprises the information included in the annual activity report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover such other information and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, when we read the annual activity report, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### *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.

*Crowe BGK LLP.\**

Chartered Professional Accountants

Montréal, Québec

July 11, 2022

\* By CPA auditor, public accountancy permit No. A126861

# Concussion Legacy Foundation (Canada) Inc.

## Statement of Financial Position As at December 31, 2021

	2021 \$	2020 \$
<b>Assets</b>		
Current		
Cash and cash equivalents	139,192	42,824
Grant receivable	75,000	-
Prepaid expenses	30,435	9,476
	244,627	52,300
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities (note 3)	35,527	15,018
Deferred contributions (note 4)	222,448	44,250
	257,975	59,268
<b>Net assets</b>	(13,348)	(6,968)
	244,627	52,300
Commitment (note 5)		

Approved on behalf of the Board:

\_\_\_\_\_, Director

See accompanying notes.

# Concussion Legacy Foundation (Canada) Inc.

## Statement of Operations and Changes in Net Assets For the Year Ended December 31, 2021

	2021 \$	2020 \$
<b>Revenues</b> (note 8)		
Donations	64,179	49,137
Grants from private organizations	348,690	30,750
Provincial government funding	48,563	115,130
Consulting services	109,691	28,456
	571,123	223,473
<b>Expenses</b>		
Administration	6,798	9,997
Advertising and promotion	23,181	8,043
Documentary production	46,868	-
Insurance	4,645	1,825
Payroll	272,625	-
Professional fees	10,663	10,066
Research donation	8,639	-
Royalties	14,837	-
Subcontractors	137,344	170,693
Telecommunications	3,349	-
Travel	5,044	41,902
Virtual platforms	43,510	-
<b>Deficiency of revenues over expenses</b>	(6,380)	(19,053)
<b>Net assets, beginning of year</b>	(6,968)	12,085
<b>Net assets, end of year</b>	(13,348)	(6,968)

See accompanying notes.

# Concussion Legacy Foundation (Canada) Inc.

## Statement of Cash Flows

For the Year Ended December 31, 2021

	2021 \$	2020 \$
<b>Operating activities</b>		
Deficiency of revenues over expenses	(6,380)	(19,053)
Net change in non-cash items related to operating activities:		
Grant receivable	(75,000)	-
Prepaid expenses	(20,959)	(8,639)
Accounts payable and accrued liabilities	20,509	5,043
Deferred contributions	178,198	19,050
<b>Increase (decrease) in cash and cash equivalents</b>	<b>96,368</b>	<b>(3,599)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>42,824</b>	<b>46,423</b>
<b>Cash and cash equivalents, end of year</b>	<b>139,192</b>	<b>42,824</b>

See accompanying notes.



# Concussion Legacy Foundation (Canada) Inc.

## Notes to Financial Statements December 31, 2021

---

### 1. Status and purpose of the Foundation

The Concussion Legacy Foundation (Canada) Inc. is a not-for-profit organization incorporated under Part III of the Companies Act (Ontario) and is a registered charity under the Income Tax Act. Its purpose is to advance the study, treatment and prevention of the effect of brain trauma in Canadian and other at-risk groups.

### 2. Significant accounting policies

The Foundation applies the Canadian accounting standards for not-for-profit organizations.

Change in accounting policy:

Financial instruments originated or exchanged in a related party transaction

The Foundation applied the amendments to FINANCIAL INSTRUMENTS, Section 3856, relating to the recognition of financial instruments originated or exchanged in a related party transaction.

Under these new requirements such a financial instrument is initially measured at cost, which is determined depending on whether the instrument has repayment terms.

Subsequent measurement depends on the initial method used and is usually at cost less any reduction for impairment.

The adoption of these new requirements had no impact on the Foundation's financial statements.

Cash and cash equivalents:

The Foundation's policy is to present bank balances, including bank indebtedness with balances that fluctuate frequently from being positive to overdrawn, under cash and cash equivalents.

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 they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Provincial government fundings are recognized as restricted contributions to increase sport concussion awareness and education programs in Ontario.

Restricted contributions consist of grants from private organizations and unrestricted contributions consist of donations.

Consulting services are recognized when the services have been provided, the price has been established or is determinable, and collection is reasonably assured.

# Concussion Legacy Foundation (Canada) Inc.

## Notes to Financial Statements December 31, 2021

---

### 2. Significant accounting policies (continued)

#### Contributed services:

Volunteers contribute many hours per year to assist the Foundation in delivering its services. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

#### Financial instruments:

##### *Initial measurement*

The Foundation initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Foundation is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of a financial asset or liability in a related party transaction that has repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, its cost is determined using the consideration transferred or received by the Foundation in the transaction.

##### *Subsequent measurement*

The Foundation subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at cost or amortized cost include cash and cash equivalents and grant receivable.

Financial liabilities measured at cost or amortized cost include accounts payable and accrued liabilities.

##### *Impairment*

For financial assets measured at cost or amortized cost, the Foundation determines whether there are indications of possible impairment. When there are, and the Foundation determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

# Concussion Legacy Foundation (Canada) Inc.

## Notes to Financial Statements December 31, 2021

---

### 2. Significant accounting policies (continued)

Use of estimates:

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from the estimated amounts. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. The main estimates relate to the accrued liabilities and deferred contributions.

Comparative figures:

Certain figures for 2020 have been reclassified to make their presentation identical to that adopted in 2021.

### 3. Accounts payable and accrued liabilities

	2021 \$	2020 \$
Trade accounts payable	26,027	6,018
Accrued liabilities	9,500	9,000
	35,527	15,018

# Concussion Legacy Foundation (Canada) Inc.

## Notes to Financial Statements December 31, 2021

---

### 4. Deferred contributions

Deferred contributions represent unspent resources externally restricted for expenses related to the subsequent period. Changes in the deferred contributions balance are as follows:

	2021 \$	2020 \$
<b>The deferred contributions are for the following activities:</b>		
Team Up, Brains & Brawn challenges, HelpLine	50,010	44,250
Rowan's Legacy project	81,438	-
Project Enlist	75,000	-
Brain autopsies	16,000	-
	<b>222,448</b>	<b>44,250</b>
	2021 \$	2020 \$
Balance, beginning of year	44,250	25,200
Plus: Amount received in the year	222,448	44,250
	<b>266,698</b>	<b>69,450</b>
Less: Amount recognized as revenue in the year	(44,250)	(25,200)
Balance, end of year	<b>222,448</b>	<b>44,250</b>

### 5. Commitment

The Foundation entered into an affiliation agreement with the Concussion Legacy Foundation Inc. (hereafter "CLF") which grants the Foundation the exclusive right to advance the mission in Canada. Under the agreement, the Foundation is required to pay a 15% royalty on the first \$280,000 of contributions earned and 1.5% on the contributions exceeding this amount. CLF may grant, in its sole discretion, a waiver from royalty payments for specific activities undertaken by the Foundation in Canada. Under the terms of this affiliation agreement an amount of \$14,837 in royalties was paid during the year, as per note 6 (nil in 2020).

# Concussion Legacy Foundation (Canada) Inc.

## Notes to Financial Statements December 31, 2021

---

### 6. Related party transactions

The following table summarizes the Foundation's related party transactions for the year:

	2021 \$	2020 \$
<b>Income</b>		
<b>Not-for-profit organization with significant influence</b>		
Consulting services <sup>(a)</sup>	59,691	14,956
Grant <sup>(a)</sup>	32,643	-
<b>Expenses</b>		
<b>Not-for-profit organization with significant influence</b>		
Royalties <sup>(a)</sup>	14,837	-
<b>Executive director compensation</b>		
Subcontracting expense	63,750	10,000

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

- a) The Concussion Legacy Foundation Inc. (CLF) has a significant influence on the Foundation due to the exclusive right granted under an affiliation agreement to advance the mission in Canada.

### 7. Financial instruments

#### Financial risks

The significant risks arising from financial instruments to which the Foundation is exposed as at December 31, 2021 are detailed below.

#### Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable.

# Concussion Legacy Foundation (Canada) Inc.

## Notes to Financial Statements December 31, 2021

---

### 8. Summary of contributors

	2021 \$	2020 \$
Corporate	29,274	12,500
Foundations	4,060	30,340
Individuals	30,845	6,297
	64,179	49,137