

**Spina Bifida and Hydrocephalus  
Association of Canada  
Financial Statements  
April 30, 2018**

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**Independent Auditors' Report**

To the Board of Directors of Spina Bifida and Hydrocephalus Association of Canada

We have audited the accompanying financial statements of Spina Bifida and Hydrocephalus Association of Canada, which comprise the statement of financial position as at April 30, 2018, and the statements of operations, changes in fund balances 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.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Basis for Qualified Opinion*

In common with many charitable organizations, the Organization derives part of its revenues from donations, fundraising and internal programs, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to donations, fundraising and internal program revenue, excess (deficiency) of revenues over expenses for the year, current assets and fund balances.

*Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Spina Bifida and Hydrocephalus Association of Canada as at April 30, 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.

Winnipeg, Canada  
September 20, 2018

Chartered Professional Accountants

**Spina Bifida and Hydrocephalus Association of Canada**  
**Statement of Operations**

Year ended April 30

2018

2017

	General Fund	Research Fund	Scholarship Fund	Total	Total
<b>Revenues</b>					
Unifor Canada	\$ 43,262	\$ -	\$ -	\$ 43,262	\$ 50,298
Corporate and foundation	13,542	-	-	13,542	23,476
Sale of materials	250	-	-	250	1,715
Individuals	108,344	-	-	108,344	15,590
Member contributions	4,790	750	500	6,040	8,300
Interest	6	2,456	8	2,470	1,422
Memberships	2,250	-	-	2,250	2,250
Rent	1,200	-	-	1,200	2,400
Fundraising	41,466	-	-	41,466	47,427
	<u>215,110</u>	<u>3,206</u>	<u>508</u>	<u>218,824</u>	<u>152,878</u>
<b>Expenses</b>					
Administration	23,234	-	-	23,234	23,748
Agency development	75,197	-	-	75,197	85,381
Amortization	505	-	-	505	666
Dues and subscriptions	315	-	-	315	150
Insurance	3,561	-	-	3,561	3,533
Interest and bank charges	1,118	-	-	1,118	1,066
Meetings and conferences	347	-	-	347	171
Professional fees	5,539	-	-	5,539	5,862
Program and services	14,331	-	-	14,331	15,751
Rent	3,918	-	-	3,918	6,221
Research grants	-	24,997	-	24,997	24,740
Scholarship	-	-	2,000	2,000	2,000
Telephone and internet	3,695	-	-	3,695	3,911
	<u>131,760</u>	<u>24,997</u>	<u>2,000</u>	<u>158,757</u>	<u>173,200</u>
Excess (deficiency) of revenues over expenses	<u>\$ 83,350</u>	<u>\$ (21,791)</u>	<u>\$ (1,492)</u>	<u>\$ 60,067</u>	<u>\$ (20,322)</u>

See accompanying notes to the financial statements.

**Spina Bifida and Hydrocephalus Association of Canada**  
**Statement of Changes in Fund Balances**

Year ended April 30	<b>2018</b>			<b>2017</b>	
	<u>General Fund</u>	<u>Research Fund</u>	<u>Scholarship Fund</u>	<u>Total</u>	<u>Total</u>
Fund balances, beginning of year	\$ 24,927	\$ 316,128	\$ 13,137	\$ 354,192	\$ 374,514
Excess (deficiency) of revenues over expenses	<u>83,350</u>	<u>(21,791)</u>	<u>(1,492)</u>	<u>60,067</u>	<u>(20,322)</u>
Fund balances, end of year	<u>\$ 108,277</u>	<u>\$ 294,337</u>	<u>\$ 11,645</u>	<u>\$ 414,259</u>	<u>\$ 354,192</u>

See accompanying notes to the financial statements.

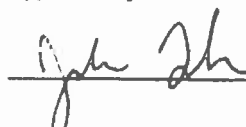
**Spina Bifida and Hydrocephalus Association of Canada**  
**Statement of Financial Position**

April 30 2018 2017

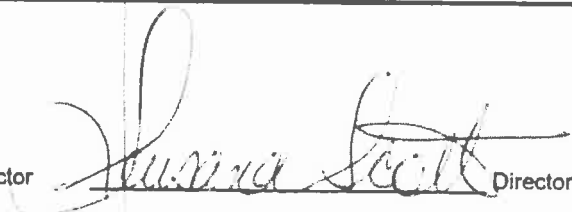
	General Fund	Research Fund	Scholarship Fund	Total	Total
<b>Assets</b>					
<b>Current</b>					
Cash	\$ 106,170	\$ 294,337	\$ 11,645	\$ 412,152	\$ 343,332
Receivables	11,546	-	-	11,546	11,818
Prepays	8,184	-	-	8,184	3,049
Inventory	11,241	-	-	11,241	8,749
	<u>137,141</u>	<u>294,337</u>	<u>11,645</u>	<u>443,123</u>	<u>366,948</u>
Property and equipment (Note 3)	1,689	-	-	1,689	2,194
	<u>\$ 138,830</u>	<u>\$ 294,337</u>	<u>\$ 11,645</u>	<u>\$ 444,812</u>	<u>\$ 369,142</u>
<b>Liabilities</b>					
<b>Current</b>					
Payables and accruals	\$ 17,664	\$ -	\$ -	\$ 17,664	\$ 12,509
Deferred contributions for capital assets (Note 4)	1,689	-	-	1,689	2,191
Deferred contributions (Note 5)	11,200	-	-	11,200	250
	<u>30,553</u>	<u>-</u>	<u>-</u>	<u>30,553</u>	<u>14,950</u>
<b>Fund Balances</b>					
Restricted	-	294,337	11,645	305,982	329,265
Unrestricted	108,277	-	-	108,277	24,927
	<u>108,277</u>	<u>294,337</u>	<u>11,645</u>	<u>414,259</u>	<u>354,192</u>
	<u>\$ 138,830</u>	<u>\$ 294,337</u>	<u>\$ 11,645</u>	<u>\$ 444,812</u>	<u>\$ 369,142</u>

Commitment (Note 6)

Approved by the Board



Director



Director

See accompanying notes to the financial statements.

**Spina Bifida and Hydrocephalus Association of Canada**  
**Statement of Cash Flows**

Year ended April 30	2018	2017
Cash derived from (applied to):		
<b>Operating</b>		
Excess (deficiency) of revenues over expenses	\$ 60,067	\$ (20,322)
Amortization	505	666
Amortization of deferred contributions for capital assets	<u>(502)</u>	<u>(626)</u>
	<b>60,070</b>	<b>(20,282)</b>
Change in non-cash working capital items		
Receivables	272	20,082
Prepays	(5,135)	4,562
Inventory	(2,492)	(2,748)
Payables and accruals	5,155	(3,965)
Deferred contributions	<u>10,950</u>	<u>(21,809)</u>
<b>Net increase (decrease) in cash</b>	<b>68,820</b>	<b>(24,160)</b>
<b>Cash</b>		
Beginning of year	<u>343,332</u>	<u>367,492</u>
End of year	<u><b>\$ 412,152</b></u>	<u><b>\$ 343,332</b></u>

See accompanying notes to the financial statements.

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**Spina Bifida and Hydrocephalus Association of Canada**  
**Notes to the Financial Statements**

April 30, 2018

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**1. Nature of the organization**

Spina Bifida and Hydrocephalus Association of Canada (the "Organization") is a registered charitable organization under the Income Tax Act of Canada, is not subject to income taxes and may issue receipts for charitable donations. The primary objectives of the Organization are to improve the quality of life of persons with spina bifida and/or hydrocephalus; promote research into their causes, prevention and treatment; and inform the general public about spina bifida and hydrocephalus.

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**2. Significant accounting policies**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies used are detailed as follows:

**(a) Inventory**

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. During the year, \$6,607 (2017 - \$3,482) of inventory was expensed.

**(b) Property and equipment**

Purchased property and equipment are recorded at cost. Contributed property and equipment are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

Computer equipment	30%
Computer software	30%
Furniture and fixtures	20%

**(c) Fund accounting**

The Organization maintains three funds - General Fund, Research Fund and Scholarship Fund.

Revenues and expenses for current operations, programs and services are reported in the **General Fund**.

Revenues and expenses related to research activities are reported in the **Research Fund**.

Scholarship contributions and the payments of scholarships are reported in the **Scholarship Fund**.



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## Spina Bifida and Hydrocephalus Association of Canada

### Notes to the Financial Statements

April 30, 2018

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#### 2. Significant accounting policies - continued

##### (d) Revenue recognition

The Organization uses the restricted fund method of accounting for contributions.

Unrestricted contributions (donations and grants) are recognized in the General Fund when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions, for purposes other than that of the Research and Scholarship Funds, are recognized as revenue of the General Fund in the year in which the related expenses are incurred.

Contributions that are provided specifically for research purposes are reported directly in the Restricted Research Fund as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Scholarship contributions are included as revenue in the Restricted Scholarship Fund when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fundraising revenue is recognized at the time the event is held.

Membership revenue is recognized over the term of the membership.

Interest and rental revenue are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

##### (e) 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 expenditures 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.

##### (f) Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

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**Spina Bifida and Hydrocephalus Association of Canada****Notes to the Financial Statements**April 30, 2018

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**2. Significant accounting policies - continued****(g) Financial Instruments**

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. Financial instruments are initially recorded at their fair value with subsequent reporting at amortized cost. Financial assets and liabilities are initially measured at their carrying or exchange amounts.

The Organization measures cash and equivalents, receivables and trade payables and accruals at amortized cost.

It is management's opinion that the Organization is not exposed to significant credit, currency, interest rate, liquidity, market or price risks arising from its financial instruments.

**(h) Donations in kind**

A substantial number of volunteers have made significant contributions of their time to the Organization and its purpose. The value of this contributed time is not reflected in these financial statements.

**(i) Allocation of expenses**

The Organization engages in agency development and programs and services and allocates certain administration expenses to these activities.

Rent, salaries and wages expenses are allocated based on the proportionate amount of time spent on these activities. Office supplies and other administration expenses are allocated to these activities according to the Organization's internal policy.

During the year, the following allocations were made from administration expenses:

Program and services	
Rent	\$ 2,319
Salaries and wages	<u>11,512</u>
	13,831
Agency development	
Rent	9,433
Salaries and wages	<u>46,824</u>
	<u>\$ 70,088</u>

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**Spina Bifida and Hydrocephalus Association of Canada**  
**Notes to the Financial Statements**

April 30, 2018

**3. Property and equipment**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2018 Net Book Value</u>	<u>2017 Net Book Value</u>
Computer equipment	\$ 19,207	\$ 18,787	\$ 420	\$ 600
Computer software	496	454	42	60
Furniture and fixtures	14,632	13,405	1,227	1,534
	<u>\$ 34,335</u>	<u>\$ 32,646</u>	<u>\$ 1,689</u>	<u>\$ 2,194</u>

**4. Deferred contributions for capital assets**

Deferred contributions for capital assets relates to funding received toward the purchase of capital assets and are being amortized on the same basis as those assets. There were no contributions for capital assets received during the year. During the year, \$502 (2017 - \$626) of deferred contributions were amortized and included in revenues of the General Fund.

**5. Deferred contributions**

The deferred contributions reported in the General Fund represent externally restricted funding that relates to the subsequent year.

Changes in the deferred contributions balance are as follows:

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 250	\$ 22,059
Add: amounts received during the year	11,200	250
Less: amounts recognized as revenue during the year	<u>(250)</u>	<u>(22,059)</u>
Balance, end of year	<u>\$ 11,200</u>	<u>\$ 250</u>

**6. Commitment**

The Organization has an operating lease for its premises, which consists of a base rent payment plus an allocation of common area costs. The lease expires January 31, 2020.

The estimated minimum annual payments for the next two years are as follows:

2019	\$ 15,589
2020	11,692

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**Spina Bifida and Hydrocephalus Association of Canada****Notes to the Financial Statements**April 30, 2018

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**7. Spina Bifida and Hydrocephalus Association of Canada Endowment Fund**

The Organization contributes to the Spina Bifida and Hydrocephalus Association of Canada Endowment Fund maintained by Winnipeg Foundation Inc. The Endowment Fund was established in 2004 to provide an annual revenue stream to be used at the discretion of the Board, in accordance with its charitable mission. Details of the Fund as at April 30, 2018 and April 30, 2017 are as follows:

	<u>2018</u>		<u>2017</u>
Capital contributions	\$ 42,780	\$	42,780
Fair value	56,574		57,469

The Fund is comprised of an initial \$15,000 contribution received from Spina Bifida and Hydrocephalus Association of British Columbia. If Spina Bifida and Hydrocephalus Association of Canada were to cease to exist, Spina Bifida and Hydrocephalus Association of British Columbia will become recipient of dividends on the \$15,000.

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**8. Economic dependence**

The Organization is dependent on donation revenues in general and particularly from Unifor Canada. The amount of donations provided will vary from year to year. The Organization's ability to continue operations is dependent on sufficient donation revenues to cover operating expenses each year.

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