

## **Financial Statements**

### **Ontario Rett Syndrome Association**

London, Ontario

*March 31, 2018*

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## **Independent Auditors' Report**

### **To the Members of Ontario Rett Syndrome Association:**

We have audited the accompanying financial statements of Ontario Rett Syndrome Association, which comprise the statement of financial position as at March 31, 2018 and the statements of research grant fund, accumulated surplus, operations 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 Association'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 Association'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.

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## Independent Auditors' Report - continued

### Basis for Qualified Opinion

In common with many charitable organizations, the Association derives revenue from donations, 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 are not able to determine whether any adjustments might be necessary to donations, surplus, current assets and net assets.

### Qualified Opinion

In our opinion, except for the 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 Ontario Rett Syndrome Association as at March 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.

Toronto, Ontario  
July 13, 2018



Chartered Professional Accountants, Licensed Public Accountants

# Ontario Rett Syndrome Association

March 31, 2018

<b>Statement of Financial Position</b>	2018	2017
<b>Current Assets</b>		
Cash	\$ 35,732	\$ 107,106
Accounts receivable	655	0
HST receivable	6,450	7,901
Prepaid expenses	50,805	1,910
<b>Total Current</b>	93,642	116,917
<b>Restricted Funds</b> , Note 3	195,040	173,425
	288,682	290,342
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	13,084	7,663
Deferred revenue, conference	36,375	0
<b>Total Current</b>	49,459	7,663
<b>Net Assets</b>		
<i>Restricted</i>		
Research Grant Fund, per statement, Note 3	195,040	173,425
<i>Unrestricted</i>		
Accumulated surplus, per statement	44,183	109,254
	288,682	290,342

## Approved by The Board

Debbie Tkaczuk

Treasurer

Kevin Morton

President

The notes on pages 9 and 10 form an integral part of these financial statements.

# Ontario Rett Syndrome Association

Year ended March 31, 2018

<b>Statement of Research Grant Fund</b>	2018	2017
Balance beginning	\$ 173,425	\$ 106,850
Add		
Transfer from accumulated surplus	21,615	66,575
<b>Balance March 31</b>	<b>195,040</b>	<b>173,425</b>

<b>Statement of Accumulated Surplus</b>		
Balance beginning	109,254	187,797
Deduct		
Deficit	(43,456)	(11,968)
Transfer to research grant fund	(21,615)	(66,575)
<b>Balance March 31</b>	<b>44,183</b>	<b>109,254</b>

# Ontario Rett Syndrome Association

Year ended March 31, 2018

<b>Statement of Operations</b>	2018	2017
<b>Revenues</b>		
Fundraising	\$ 111,359	\$ 136,894
Conference	0	37,246
Donations	32,129	27,077
Research contributions	22,994	13,086
Member dues	900	2,220
Resource centre, net	358	256
<b>Total Revenues</b>	<b>167,740</b>	<b>216,779</b>
<b>Expenses</b>		
Board and committee development	8,118	2,519
Member education and outreach	1,266	784
Children's Hospital of Eastern Ontario	20,000	20,150
Conference and workshops	118	80,028
Contract labour	12,338	8,167
Fundraising	11,476	6,226
Insurance	3,878	3,492
Parent relief and support	2,226	1,208
Office	1,200	0
National registry	14,791	12,045
Professional fees	6,110	5,457
Resources and supplies	3,406	11,610
Telephone	249	1,176
Travel and hotel	7,997	7,218
Website	1,026	2,435
Bank charges	3,307	2,489
Research disbursement	100,000	50,000
Bloorview	6,944	5,710
Thames Valley	4,779	4,779
Membership fees	1,967	3,254
<b>Total Expenses</b>	<b>211,196</b>	<b>228,747</b>
<b>Deficit</b>	<b>(43,456)</b>	<b>(11,968)</b>

# Ontario Rett Syndrome Association

Year ended March 31, 2018

Statement of Cash Flows	2018	2017
<b>Operating Activities</b>		
Deficit	\$ (43,456)	\$ (11,968)
Net change in non-cash working capital	(6,303)	(29,063)
<b>Cash Used In Operating Activities</b>	(49,759)	(41,031)
<b>Investing Activities</b>		
Increase in restricted funds	(21,615)	(66,575)
<b>Cash Used In Investing Activities</b>	(21,615)	(66,575)
Net cash decrease during the year	(71,374)	(107,606)
Cash position beginning of year	107,106	214,712
<b>Cash Position End of Year</b>	35,732	107,106



**Notes to Financial Statements**

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**Status and Nature of Activities**

The Ontario Rett Syndrome Association (the Association) was incorporated under the Ontario Corporations Act as a corporation without share capital on July 21, 1991 to provide information and resources to individuals suffering from rett syndrome.

The Association is a charitable organization within the meaning of the Income Tax Act.

The Association receives funding by soliciting donations and is dependent on this funding for its continued operation.

**Note 1**

**Significant Accounting Policies**

**Basis of Accounting**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**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.

**Use of Estimates**

The preparation of financial statements requires management to make assumptions about future events 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 expenses during the reporting period. Actual results could differ from these estimates.

**Measurement of Financial Instruments**

The Association initially measures its financial assets and financial liabilities at fair value.

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

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

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**Note 2            Financial Instruments**

The Association's financial instruments consist of cash and accounts payable.

**Credit Risk**

The Association is subject to concentrations of credit risk through its cash accounts and account receivable with Canada Revenue Agency (CRA). The Association maintains all of its cash at major Canadian financial institutions. The account receivable from CRA is the public service body rebate. The maximum credit risk is equivalent to the carrying value. Management believes that the credit risk concentration with respect to its cash and account receivable is remote.

**Liquidity Risk**

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its current payables. This risk is reduced because of considerable sums held in the operating account.

**Note 3            Restriction on Net Assets**

The research grant fund is restricted externally by the donors and internally by the Board of Directors. These funds can only be used to fund scientific research towards the betterment of those who live with Rett syndrome. During the year, the Board approved investments in guaranteed investment certificates and several transfers into the fund until the fund had a balance of \$195,040.