

**NEUROFIBROMATOSIS SOCIETY OF ONTARIO**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF NEUROFIBROMATOSIS SOCIETY OF ONTARIO

We have audited the accompanying financial statements of Neurofibromatosis Society of Ontario, which comprise the balance sheet as at December 31, 2014, the statement of operations, changes in net assets and cash flow 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.

#### Auditor's 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

As is the case with many member organizations, the Neurofibromatosis Society of Ontario derives a portion of its income from the general public in the form of memberships, donations and fundraising which are not susceptible to complete audit verification. Accordingly, our verification of this revenue was limited to accounting for the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to memberships, donations, fundraising, excess of revenue over expenses, assets and unrestricted funds.

#### 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 Neurofibromatosis Society of Ontario as at December 31, 2014 and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

 & Associates

Chartered Accountant

Licensed Public Accountant

June 28, 2015

Ajax, Ontario

*Dawn Flett & Associates Chartered Accountant*

**NEUROFIBROMATOSIS SOCIETY OF ONTARIO**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Revenue</b>		
Membership	\$ 1,625	\$ 1,625
Donations	17,057	14,970
Fundraising	9,201	2,749
Interest revenue	<u>783</u>	<u>753</u>
	<b><u>28,666</u></b>	<b><u>20,097</u></b>
<b>Expenses</b>		
Accounting and legal	1,559	1,659
Awareness	650	135
Bad debt	329	-
Conferences and training	309	-
Equipment purchases	833	-
Fees and Dues	50	50
Fundraising expenses	1,811	1,363
Insurance	1,352	1,361
Interest and bank charges	359	347
Meetings	5,751	6,563
Office supplies	1,518	2,007
Research grants	4,000	3,100
Telephone	2,599	2,482
Travel	387	325
Website	<u>197</u>	<u>197</u>
	<b><u>21,704</u></b>	<b><u>19,589</u></b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ <u>6,962</u></b>	<b>\$ <u>508</u></b>

**NEUROFIBROMATOSIS SOCIETY OF ONTARIO**

**STATEMENT OF CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Contingency Fund (Note 4)</b>		
Opening balance/closing balance	\$ <u>5,000</u>	\$ <u>5,000</u>
<b>Doug MacGregor Reserve (Note 5)</b>		
Opening balance	\$ 46,772	\$ 46,019
Interest transferred from unrestricted funds	<u>779</u>	<u>753</u>
Closing balance	\$ <u>47,551</u>	\$ <u>46,772</u>
<b>Unrestricted</b>		
Opening balance	\$ 12,477	\$ 12,722
Excess of revenue over expenses	6,962	508
Interest transferred to Doug MacGregor Reserve	<u>(779)</u>	<u>(753)</u>
Closing balance	\$ <u>18,660</u>	\$ <u>12,477</u>

# NEUROFIBROMATOSIS SOCIETY OF ONTARIO

## BALANCE SHEET

AS AT DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
<b><u>ASSETS</u></b>		
Current		
Cash	\$ 26,319	\$ 21,736
HST recoverable	1,302	994
Prepaid expenses	<u>2,662</u>	<u>3,028</u>
	30,283	25,758
Investments (Note 6)	<u>47,919</u>	<u>47,136</u>
	<u>\$ 78,202</u>	<u>\$ 72,894</u>
 <b><u>LIABILITIES</u></b>		
Current		
Accounts payable and accrued charges	\$ 1,627	\$ 1,550
Deferred revenue (Note 7)	<u>5,364</u>	<u>7,095</u>
	<u>6,991</u>	<u>8,645</u>
 <b><u>SURPLUS</u></b>		
Contingency Fund (Note 4)	5,000	5,000
Doug MacGregor Reserve (Note 5)	47,551	46,772
Unrestricted	<u>18,660</u>	<u>12,477</u>
	<u>71,211</u>	<u>64,249</u>
	<u>\$ 78,202</u>	<u>\$ 72,894</u>

Approved by the Board of Directors:

**NEUROFIBROMATOSIS SOCIETY OF ONTARIO**

**STATEMENT OF CASH FLOW**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b><u>2014</u></b>	<b><u>2013</u></b>
Cash provided by operating activities:		
Excess of revenue over expenses	\$ 6,962	\$ 508
Changes in non-cash working capital:		
Accounts receivable	-	2,597
HST recoverable	(308)	45
Prepaid expenses	366	(1,022)
Investments	(783)	(752)
Accounts payable and accrued charges	77	(72)
Deferred revenue	<u>(1,731)</u>	<u>4,245</u>
	<u>4,583</u>	<u>5,549</u>
Cash provided by investment activities:		
Cash Provided	4,583	5,549
Cash, Beginning of Year	<u>21,736</u>	<u>16,187</u>
Cash, End of Year	\$ <u>26,319</u>	\$ <u>21,736</u>

# **NEUROFIBROMATOSIS SOCIETY OF ONTARIO**

## **NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2014**

### **1. Nature of Operations**

The Organization provides information regarding neurofibromatosis to their membership and the public. The Society funds ongoing research projects in the area. The Organization is a registered charity and is therefore exempt from taxation.

### **2. Accounting Policies**

#### **(a) Revenue Recognition**

Restricted donations are recognized as revenue in the year in which the related expenses are incurred. Unrestricted donations are recognized as revenue when received. Memberships are recognized as revenue in the year to which they pertain. Memberships received in advance for the following year are deferred. Fundraising is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### **(b) Fixed Assets**

The Organization uses the immediate expense basis of accounting for fixed assets whereby fixed asset acquisitions are recorded as current expenditures in the year of acquisition. The Organization owns equipment used in its activities which are not presented as assets on the balance sheet of the Organization.

During the year, the Organization expensed \$833 (2013 - \$Nil) in computer equipment.

#### **(c) 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 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 year. Significant items subject to such estimates and assumptions include accounts receivable and accounts payable and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

# **NEUROFIBROMATOSIS SOCIETY OF ONTARIO**

## **NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2014**

### **2. Accounting Policies (Cont'd)**

#### **(d) Contributed Services**

The activities of the Organization are dependent upon the voluntary services of many individuals. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

### **3. Gifts in Kind**

During the year, the Organization received gifts valued at \$205 to be used in fundraising activities.

### **4. Restricted Funds - Contingency Fund**

Per direction of the Board, the Contingency Fund has been established to allow for unbudgeted expenses. Any withdrawals are subject to Board approval.

### **5. Restricted Funds - Doug MacGregor Reserve**

Per direction of the Board, the Doug MacGregor Reserve has been established to provide member support and services. Any withdrawals are subject to Board approval.

### **6. Investments**

Investments consist of three guaranteed investments certificates with maturity dates of 18 to 24 months from the time of purchase and earning interest of 1.55% to 1.80%.

# NEUROFIBROMATOSIS SOCIETY OF ONTARIO

## NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2014

### 7. Deferred Revenue

Donations internally or externally restricted for specific purposes that remain unspent at year end have been deferred as follows:

	<u>2013</u>	<u>Revenue</u>	<u>Expense</u>	<u>2014</u>
Research	\$ 4,489	\$ 2,219	\$ 4,000	\$ 2,708
Sims event	1,000	-	-	1,000
Website improvements	500	-	-	500
Memberships	150	50	150	50
Other	<u>956</u>	<u>150</u>	<u>-</u>	<u>1,106</u>
	<u>\$ 7,095</u>	<u>\$ 2,419</u>	<u>\$ 4,150</u>	<u>\$ 5,364</u>

### 8. Comparatives

Certain comparative figures have been reclassified to conform to the current year's method of presentation.