

**CANADIAN SPONDYLOARTHRITIS ASSOCIATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2024**

# CANADIAN SPONDYLOARTHRITIS ASSOCIATION

MARCH 31, 2024

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## INDEPENDENT AUDITORS' REPORT

To the Directors of  
Canadian Spondyloarthritis Association

### Opinion

We have audited the financial statements of Canadian Spondyloarthritis Association ("the Charity") as at March 31, 2024 and the statements of operations and 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, the accompanying financial statements present fairly, in all material respects, the financial position of Canadian Spondyloarthritis Association as at March 31, 2024 and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

### Basis for Opinion

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 Charity 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 opinion.

### Responsibilities of Management and Those Charged with Governance 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.

In preparing these financial statements, management is responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Charity or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Charity'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 Charity'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 Charity'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 auditors' report. However, future events or conditions may cause the Charity 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.

Toronto, Ontario  
September 11, 2024



Chartered Professional Accountants  
Licensed Public Accountants

# CANADIAN SPONDYLOARTHRITIS ASSOCIATION

## STATEMENT OF FINANCIAL POSITION

MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
ASSETS		
Current		
Cash	\$ 321,333	\$ 293,833
Accounts receivable	<u>9,470</u>	<u>10,007</u>
	<u>\$ 330,803</u>	<u>\$ 303,840</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 18,844	\$ 9,786
Deferred revenues (Note 3)	<u>19,000</u>	<u>-</u>
	<u>37,844</u>	<u>9,786</u>
NET ASSETS		
Net assets	<u>292,959</u>	<u>294,054</u>
	<u>\$ 330,803</u>	<u>\$ 303,840</u>

Approved on behalf of the Board:



, Director



, Director

# CANADIAN SPONDYLOARTHRITIS ASSOCIATION

## STATEMENT OF OPERATIONS AND NET ASSETS

YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u> (Note 7)
Revenues		
Grants and sponsorships (Note 3, 6)	\$ 304,154	\$ 274,763
Donations	<u>86,668</u>	<u>40,417</u>
	<u>390,822</u>	<u>315,180</u>
Expenditures		
Programs and projects (Note 4)	260,558	151,542
Salaries	70,355	35,555
Office expense	27,107	35,156
Professional fees	24,652	25,612
Subcontractors	<u>9,245</u>	<u>28,753</u>
	<u>391,917</u>	<u>276,618</u>
Net (deficiency) excess of revenues over expenditures for the year	(1,095)	38,562
Net assets, beginning of year	<u>294,054</u>	<u>255,492</u>
Net assets, end of year	<u>\$ 292,959</u>	<u>\$ 294,054</u>

# CANADIAN SPONDYLOARTHRITIS ASSOCIATION

## STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Net (deficiency) excess of revenues over expenditures for the year	\$ (1,095)	\$ 38,562
Increase in accounts receivable	537	10,159
Increase (decrease) in accounts payable and accrued liabilities	9,058	(15,525)
Increase in deferred revenues	<u>19,000</u>	<u>-</u>
Cash flows from operating activities	27,500	33,196
Cash balance, beginning of year	<u>293,833</u>	<u>260,637</u>
Cash balance, end of year	<u>\$ 321,333</u>	<u>\$ 293,833</u>

# CANADIAN SPONDYLOARTHRITIS ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

### 1. Nature of Operations

The Canadian Spondyloarthritis Association ("the Charity") was incorporated under the Canada Not-for-profit Corporations Act on June 6, 2008 and became a registered charity under the Canadian Income Tax Act on July 19, 2021.

The purpose of the Charity is to promote health by providing group support programs, education, and advocacy for people suffering from Ankylosing Spondylitis and associated spondyloarthritis diseases.

### 2. Summary of significant accounting policies

The Charity has elected to apply the standards in Part III of the CPA Accounting Handbook, referred to as Canadian Accounting Standards for Not-for-profit Organizations (ASNPO). The significant accounting policies are summarized as follows:

#### a) Accrual basis of accounting

Expenditures are recorded on the accrual basis, whereby they are reflected in the financial statements in the period in which they have been incurred, whether or not such transactions have been finally settled by payment of money.

#### b) Revenue recognition

The Charity follows the deferral method of accounting for contributions. Unrestricted contributions (grants, sponsorships and donations) are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred on receipt and recognized as revenue when the related expenditure is incurred.

#### c) Use of estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from these estimates.

#### d) Capital assets

Capital assets are expensed when acquired. In the current year the Charity expensed \$7,979 (2023 - \$13,341) of computer software and hardware costs.



# CANADIAN SPONDYLOARTHRITIS ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

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

#### e) Financial instruments

The Charity initially measures its financial assets and liabilities at fair market value, except for certain non-arm's length transactions. The Charity subsequently measures all its financial asset and liabilities at amortized cost except for investments in equity instruments that are quoted in an active market, which are measured at fair market value. Changes in fair market value are recognized in the statement of operations. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair market value.

Financial assets measured at cost or amortized cost are assessed for indicators of impairment. If there is an indication of impairment, the Charity determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial assets and recognizes an impairment loss if the carrying value is greater than the higher of the present value of the expected future cash flows or the amount that could be realized from selling the financial asset. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### 3. Deferred revenues

Deferred revenues consist of externally restricted contributions which have been received and the related expenditures have not yet been incurred.

	<u>2024</u>	<u>2023</u>
Deferred grants, beginning of year	\$ -	\$ -
Additions	313,154	259,048
Recognized in current year	<u>(294,154)</u>	<u>(259,048)</u>
Deferred grants, end of year	<u>\$ 19,000</u>	<u>\$ -</u>

# CANADIAN SPONDYLOARTHRITIS ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

### 4. Programs and projects

	<u>2024</u>	<u>2023</u>
Salaries	\$ 171,808	\$ 83,464
Subcontractors	48,514	40,380
Strategic development and innovation	15,683	-
Website resources	8,061	12,282
Health professional program	7,661	452
Patient materials	5,831	9,956
Yoga	3,000	4,008
Charitable donations	<u>-</u>	<u>1,000</u>
	<u>\$ 260,558</u>	<u>\$ 151,542</u>

### 5. Financial instrument risks

#### a) Liquidity risk

Liquidity risk arises through having excess financial obligations over available financial assets at any point in time. The Charity manages its liquidity risk by maintaining sufficient readily available funds in order to meet its liquidity requirements at any point in time.

#### b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Charity is exposed to normal credit risk relating to accounts receivable. There was no allowance for bad debts recorded in accounts receivable.

These risks have not changed significantly from the prior year.

### 6. Economic dependence

For the year ended March 31, 2024 approximately 33% (2023 - 55%) of the Charity's income was derived from two donors, Abbvie Corporation and Pfizer Canada.

### 7. Comparative figures

The prior year figures have been reclassified to conform with the current year's presentation.