

**CANADIAN DOWN SYNDROME SOCIETY**

**FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

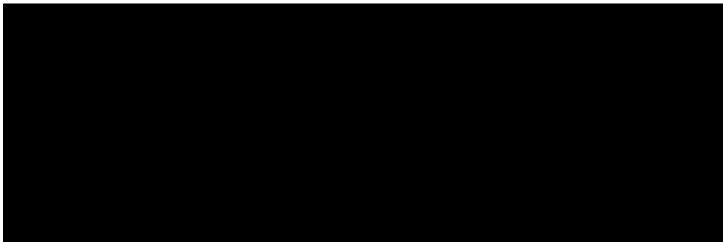
**CANADIAN DOWN SYNDROME SOCIETY**  
**Financial Statements**

For the year ended December 31, 2021

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## Independent Auditor's Report

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To the Board of Directors of:  
**Canadian Down Syndrome Society**

### **Opinion**

I have audited the financial statements of Canadian Down Syndrome Society (the "Society"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Canadian Down Syndrome Society as at December 31, 2021, 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 (ASNPO).

### **Basis for Opinion**

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Society in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Responsibilities of the Board of Directors and Those Charged with Governance for the Financial Statements**

The board of directors is responsible for the preparation and fair presentation of these financial statements in accordance with ASNPO, and for such internal control as the board of directors 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, the board of directors is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of directors' 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 Society's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Society 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.

I 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 I identify during my audit.

**Other Matter**

The comparative figures presented in these financial statements were audited by another accounting firm who expressed an unqualified opinion on those statements on April 1, 2021 and have been reclassified to conform with the presentation adopted in the current year.

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[Redacted signature block] Authorized to practice public accounting by the  
Chartered Professional Accountants of Ontario  
Wasaga Beach, Ontario

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**CANADIAN DOWN SYNDROME SOCIETY**  
**Statement of Financial Position**

<b>December 31</b>	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 232,099	\$ 187,283
Accounts receivable	79,023	41,119
Goods and services tax recoverable	15,157	9,932
Government subsidies receivable	-	17,622
Prepaid expenses	7,379	6,829
	333,658	262,785
<b>Long Term</b>		
Capital assets (Note 3)	12,260	17,945
Investments (Note 4)	541,949	513,820
	\$ 887,867	\$ 794,550
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 22,306	\$ 114,800
<b>Net Assets</b>		
Internally restricted (Note 4)	541,949	513,820
Invested in capital assets	12,260	17,945
Unrestricted	311,352	147,985
	865,561	679,750
<b>Net Assets, end of year</b>	\$ 887,867	\$ 794,550

**Approved on Behalf of the Board**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# CANADIAN DOWN SYNDROME SOCIETY

## Statement of Operations

For the year ended December 31	2021	2020
<b>Revenue</b>		
Donations	\$ 1,367,670	\$ 1,147,218
Government subsidies	13,783	62,107
Product sales	683	4,070
Special events	-	20,745
Casino funds	-	18,344
Memberships	-	670
	<u>1,382,136</u>	<u>1,253,154</u>
<b>Expenses</b>		
Salaries, benefits and contract fees	499,046	394,308
Fundraising	413,301	489,286
Promotion and awareness	72,220	9,298
Project expenses	60,185	46,696
Office	45,591	95,594
Bank charges and merchant fees	25,824	22,570
Board, staff development and education	24,832	19,423
Goods and services tax	20,008	17,779
Printing and postage	15,790	11,165
Professional fees	12,648	24,792
Occupancy costs	9,500	43,153
Conference expenses	3,014	-
Communications	1,179	2,008
Product costs	306	1,753
Amortization and writedown of capital assets	21,010	22,787
	<u>1,224,454</u>	<u>1,200,612</u>
<b>Excess before the following</b>	<b>157,682</b>	<b>52,542</b>
<b>Internally restricted investment revenue (expenses)</b>		
Investment income	17,898	18,172
Investment management fees	(5,071)	(5,200)
Net change in fair market value of investments	15,302	8,872
	<u>28,129</u>	<u>21,844</u>
<b>Excess of revenue over expenses</b>	<b>\$ 185,811</b>	<b>\$ 74,386</b>

The accompanying notes are an integral part of these financial statements.

**CANADIAN DOWN SYNDROME SOCIETY**  
**Statement of Changes In Net Assets**

<b>For the year ended December 31</b>	<b>Internally Restricted</b>	<b>Invested in capital assets</b>	<b>Unrestricted</b>	<b>Total <u>2021</u></b>	<b>Total <u>2020</u></b>
<b>Net Assets</b>					
Balance, beginning of year	\$ 513,820	\$ 17,945	\$ 147,985	\$ 679,750	\$ 605,364
Excess (deficiency) of revenue over expenses	28,129	(21,010)	178,692	185,811	74,386
Capital assets purchased	-	15,325	(15,325)	-	-
<b>Balance, end of year</b>	<b>541,949</b>	<b>12,260</b>	<b>311,352</b>	<b>865,561</b>	<b>679,750</b>

The accompanying notes are an integral part of these financial statements.

**CANADIAN DOWN SYNDROME SOCIETY**  
**Statement of Cash Flows**

For the year ended December 31	2021	2020
<b>Cash provided by operating activities</b>		
Excess of revenue over expenses	\$ 185,811	\$ 74,386
<b>Items not requiring an outlay of cash:</b>		
Amortization and writedown of capital assets	21,010	22,787
Net change in fair market value of investments	(15,302)	(8,872)
	<b>191,519</b>	<b>88,301</b>
<b>Changes in non-cash working capital:</b>		
Change in accounts receivable	(37,904)	(39,683)
Change in goods and services tax recoverable	(5,225)	584
Change in government subsidies receivable	17,622	(17,622)
Change in prepaid expenses	(550)	7,863
Change in accounts payable and accrued liabilities	(92,494)	13,173
Change in deferred contributions	-	(18,344)
<b>Net cash provided by operating activities</b>	<b>72,968</b>	<b>34,272</b>
<b>Cash provided by (used for) investing activities</b>		
Increase in investments	(12,827)	(12,972)
Capital assets purchased	(15,325)	-
<b>Net cash provided by (used for) investing activities</b>	<b>(28,152)</b>	<b>(12,972)</b>
<b>Net increase in cash</b>	<b>44,816</b>	<b>21,300</b>
<b>Net cash, beginning of year</b>	<b>187,283</b>	<b>165,983</b>
<b>Net cash, end of year</b>	<b>\$ 232,099</b>	<b>\$ 187,283</b>

The accompanying notes are an integral part of these financial statements.



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# CANADIAN DOWN SYNDROME SOCIETY

## Notes to the Financial Statements

For the year ended December 31, 2021

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### **Purpose of the Society**

The Canadian Down Syndrome Society (the "Society") is a national organization incorporated by Letters Patent on January 20, 1987 and continued under the Canadian Not-For-Profit Corporations Act. The purpose of the Society is to disseminate information, provide networking opportunities, research, develop and distribute resource materials as well as provide support to families and professionals about Down Syndrome.

The Society also works to provide education and increase public awareness about Down Syndrome in Canada.

The Society is a registered charitable organization and is exempt from income taxes under S149(1)(f) of the Income Tax Act.

## **1. Summary of Significant Accounting Policies**

### **Basis of presentation**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations under the assumption that the Society will continue as a going concern. The significant accounting policies are as follows:

#### **(a) Revenue recognition**

The Society 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.

Revenue prepaid for future events is recorded as deferred revenue.

All other revenue is recognized when earned on the accrual basis.

#### **(b) Use of estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires directors and 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 period.

Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates and assumptions are used when accounting for items such as accrued liabilities and contingencies.

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# CANADIAN DOWN SYNDROME SOCIETY

## Notes to the Financial Statements

For the year ended December 31, 2021

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### 1. Summary of Significant Accounting Policies (Continued)

#### (c) Contributed services

During the year, volunteers contributed a significant number of hours to assist the Society in carrying out its activities. These contributed services are not recognized in the financial statements because of the difficulty of determining their fair value.

#### (d) Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value and subsequently measures all its financial assets and liabilities at amortized cost and tests for impairment at each reporting date. All assets and liabilities, except for prepaid expenses, are financial instruments. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

#### (e) Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over 5 years using the straight-line method which estimates their useful lives. Contributed assets are recorded at their fair value at the date of contribution.

#### (f) Investments

Investments are recorded at fair market value based on published trading data. Realized and unrealized gains and losses are reported in the statement of operations as investment income.

### 2. Operating Line of Credit

The Society has an operating line of credit in the amount of \$100,000 bearing interest at bank prime plus 1% per annum and is secured by the Society's financial reserve fund (Note 4). As of December 31, 2021, \$nil (\$nil in 2020) was drawn on this credit facility.

### 3. Capital Assets

	<u>Cost</u>	<u>Amortization</u>	<u>Net 2021</u>	<u>Net 2020</u>
Website	\$ 15,325	\$ 3,065	\$ 12,260	\$ 10,083
Computer hardware	<u>13,099</u>	<u>13,099</u>	<u>-</u>	<u>7,862</u>
	<u>\$ 28,424</u>	<u>\$ 16,164</u>	<u>\$ 12,260</u>	<u>\$ 17,945</u>

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**CANADIAN DOWN SYNDROME SOCIETY**  
Notes to the Financial Statements

**For the year ended December 31, 2021**

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**4. Internally Restricted Net Assets**

The Canadian Down Syndrome Society established an internally restricted Financial Reserve Fund which is to have a minimum balance of \$400,000. The balance of the fund at December 31, 2021 is \$541,949 (\$513,820 in 2020). The Financial Reserve Fund is a reserve to ensure that obligations are met in the event of unanticipated changes in external funding. These internally restricted amounts are not available for other purposes without the approval of the board of directors.

Internally restricted net assets are comprised of the following:

	<u>2021</u>	<u>2020</u>
Cash	\$ 27,848	\$ 29,339
Marketable securities	<u>514,101</u>	<u>484,481</u>
	<u>\$ 541,949</u>	<u>\$ 513,820</u>

**5. Canadian Down Syndrome Society Fund**

The Calgary Foundation administers the Canadian Down Syndrome Society Fund, an endowment fund, to which the Society is the beneficiary of income earned from the fund. The allocation received for the year ended December 31, 2021 was in the amount of \$2,423 (\$2,864 in 2020) and is included in donations income. The balance of the fund at December 31, 2021 was approximately \$64,000 (\$60,563 in 2020).

**6. Commitments**

The Society has a one year contract, expiring December 31, 2022, with [REDACTED] to provide fundraising efforts throughout Canada.

**7. Related Party Transactions**

No remuneration was paid to directors and officers during the year and they had no interest in any transactions of the Society except from time to time they may be reimbursed for any out-of-pocket expenses. These transactions are in the normal course of operations.

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# CANADIAN DOWN SYNDROME SOCIETY

## Notes to the Financial Statements

For the year ended December 31, 2021

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### 8. Financial Instruments

The Society's financial instruments consist of cash, accounts receivable, goods and services tax recoverable and investments, which will result in future cash receipts, as well as accounts payable and accrued liabilities, which will result in future cash outlays.

The Society is exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Society's investments in publicly traded securities expose the Society to market risk as such investments are subject to price changes in the open market. The Society does not use derivative financial instruments to alter the effects of this risk.

It is management's opinion that the Society is not exposed to significant interest, currency, liquidity or credit risks arising from these financial instruments. There have been no changes in risk exposures from the previous period.

### 9. Subsequent Events

Claims:



Covid-19 Pandemic:

On March 11, 2020, the World Health Organization categorized Covid-19 as a pandemic. The measures introduced at various levels of government to curtail the spread of the virus, such as travel restrictions, closures of non-essential public and private entities, imposition of quarantines and social distancing, has meant that some of the Society's activities were reduced in the current year and may be reduced in the subsequent year.