



Financial Statements

Spinal Cord Injury Ontario

March 31, 2017

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Independent auditor's report

To the Members of
Spinal Cord Injury Ontario

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We have audited the accompanying financial statements of Spinal Cord Injury Ontario, which comprise the statement of financial position as at March 31, 2017, and the statements of operations, changes in net assets 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.

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

In common with many charitable organizations, the Spinal Cord Injury Ontario derives revenues from donations from the public and other fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of Spinal Cord Injury Ontario. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, and cash flows from operations for the year ended March 31, 2017 and 2016, current assets as at March 31, 2017 and 2016, and net assets as at April 1, 2016 and 2015 and March 31, 2017 and 2016.

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 Spinal Cord Injury Ontario as at March 31, 2017 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, Canada
June 7, 2017

Chartered Professional Accountants
Licensed Public Accountants

Spinal Cord Injury Ontario

Statement of Operations

Year ended March 31

2017

2016

Revenue

Grants (Note 3)	\$ 8,170,896	\$ 8,199,069
Donations and other public support (Note 4)	1,998,443	2,247,923
Fees for service	96,466	74,731
Recognition of deferred capital contributions (Note 5)	<u>35,188</u>	<u>76,151</u>
	<u>10,300,993</u>	<u>10,597,874</u>

Expenses

Staff salaries and benefits (Note 6)	8,148,674	8,234,110
Purchased services	699,867	729,745
Office	622,380	601,265
Travel	529,904	581,472
Payments on behalf of clients	180,022	186,824
Amortization of property and equipment	48,508	95,140
Professional development	34,899	33,720
Medical research grants (Note 7(b))	-	90,160
Miscellaneous	<u>36,437</u>	<u>45,061</u>
	<u>10,300,691</u>	<u>10,597,497</u>

Excess of revenues over expenses	\$ <u>302</u>	\$ <u>377</u>
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See accompanying notes to the financial statements.

Spinal Cord Injury Ontario

Statement of Changes in Net Assets

Year ended March 31

2017

2016

	Invested in property and <u>equipment</u>	Unrestricted - <u>operating</u>	<u>Total</u>	<u>Total</u>
Net assets, beginning of year	\$ 42,096	\$ 183,507	\$ 225,603	\$ 225,226
Excess of revenue over expenses	<u>(13,320)</u>	<u>13,622</u>	<u>302</u>	<u>377</u>
Net assets, end of year	\$ <u>28,776</u>	\$ <u>197,129</u>	\$ <u>225,905</u>	\$ <u>225,603</u>

See accompanying notes to the financial statements.

Spinal Cord Injury Ontario

Statement of Financial Position

As at March 31

2017

2016

Assets

Current

Cash	\$ 729,866	\$ 15,856
Accounts receivable	246,795	241,088
Due from Ontario Paraplegic Foundation (Notes 8 and 9)	30,083	416,590
Prepaid expenses	<u>153,156</u>	<u>168,404</u>

1,159,900 841,938

Property and equipment (Note 10) 169,346 217,854

\$ 1,329,246 \$ 1,059,792

Liabilities

Current

Accounts payable and accrued liabilities	\$ 657,060	\$ 473,399
Deferred revenue	<u>305,711</u>	<u>185,032</u>

962,771 658,431

Deferred capital contributions (Note 5) 140,570 175,758

1,103,341 834,189

Net assets

Invested in property and equipment 28,776 42,096

Unrestricted - operating 197,129 183,507

225,905 225,603

\$ 1,329,246 \$ 1,059,792

Commitments (Note 7)

On behalf of the Board



Director



Director

See accompanying notes to the financial statements.

Spinal Cord Injury Ontario Statement of Cash Flows

Year Ended March 31

2017

2016

Increase (decrease) in cash

Operating

Excess of revenues over expenses	\$ 302	\$ 377
Items not involving cash		
Amortization of deferred capital contributions	(35,188)	(76,151)
Amortization of property and equipment	48,508	95,140
Loss on disposal of property and equipment	<u>-</u>	<u>7,837</u>
	13,622	27,203
Change in non-cash working capital items		
Accounts receivable	(5,707)	(90,192)
Due from Ontario Paraplegic Foundation	386,507	37,684
Prepaid expenses	15,248	(10,076)
Accounts payable and accrued liabilities	183,661	(216,982)
Deferred revenue	<u>120,679</u>	<u>92,429</u>
Net increase (decrease) in cash	714,010	(159,934)
Cash, beginning of year	<u>15,856</u>	<u>175,790</u>
Cash, end of year	\$ <u>729,866</u>	\$ <u>15,856</u>

See accompanying notes to the financial statements.

Spinal Cord Injury Ontario

Notes to the Financial Statements

March 31, 2017

1. Description of the organization

Spinal Cord Injury Ontario (“SCI Ontario”) is dedicated to assisting persons with spinal cord injuries and other physical disabilities to achieve independence, self-reliance and full community participation. SCI Ontario is incorporated under the laws of Ontario as a corporation without share capital.

SCI Ontario is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

SCI Ontario provides the following programs and services:

Attendant services deliver non-medical services in the greater Toronto area to assist with the activities of daily living for people with disabilities to promote independent living.

Regional services assist clients with spinal cord injuries or other physical disabilities in the transition from acute care through rehabilitation and back to the community. The program delivers customized, client-focused solutions to people with unique needs.

Employment services increase employment opportunities for individuals with disabilities in the greater Toronto area, with a comprehensive range of services to enable clients to obtain and maintain competitive employment.

Peer support services provides one-to-one matches of trained volunteers who listen to, share their own experiences with, and provide practical information to people living with new spinal cord injuries and their families.

Research and partnerships reflect financial support of annual research fellowships and partner organizations.

Communications involve disseminating information and raising awareness of SCI Ontario’s programs, services and expertise.

Networks and alliances address systemic issues, develop customized solutions and leverage relationships in the spinal cord community to improve the quality of life for people with disabilities across Ontario.

Information services provide general information of interest to people with disabilities and their families on topics including travel, sports, entertainment, public transportation services, adapted equipment, vehicle modifications, accommodation and accessibility standards.

Member services connect individuals with a variety of membership events and provide relevant news about spinal cord injury, while **advocacy** promotes equal opportunity to achieve full citizenship for people with disabilities. SCI Ontario provides a collective voice and represents people with spinal cord injuries and other physical disabilities to government, the health care system, communities and the public.

Spinal Cord Injury Ontario

Notes to the Financial Statements

March 31, 2017

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”). ASNPO requires entities to select policies appropriate for their circumstances from choices provided in the specific standards. The following are details of the choices selected by SCI Ontario and applied in these financial statements.

Revenue recognition

SCI Ontario follows the deferral method of accounting for contributions which include donations and government grants.

Under the deferral method, externally restricted contributions are deferred and 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.

Donation revenue is recognized when received, since pledges are not legally enforceable claims.

Fees for service are recognized when the services have been provided.

Deferred capital contributions

Contributions received for property and equipment are recognized in revenue over the same terms and on the same basis as the recognition of the amortization of related property and equipment.

Contributed goods and services

Contributed goods and services are not recognized in the financial statements.

Property and equipment

Purchased property and equipment is recorded at cost. Contributions of property and equipment are capitalized at fair market value at the date of contribution. Property and equipment are amortized on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements	over the term of the lease
Office equipment	10 years
Computer equipment	4 years
Computer software	5 years

Employee future benefits

Contributions to a defined contribution pension plan are expensed when due.

Spinal Cord Injury Ontario

Notes to the Financial Statements

March 31, 2017

2. Summary of significant accounting policies (continued)

Financial instruments

SCI Ontario considers any contract creating a financial asset, liability or equity instrument as a financial instrument.

SCI Ontario's financial instruments comprise cash, grants receivable, accounts receivable and accounts payable. Cash is measured at fair value and grants receivable, accounts receivable and accounts payable are measured at amortized cost.

Use of estimates

Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically and adjustments are made to the excess of revenues over expenses as appropriate in the year they become known. Management also reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment.

3. Grants

	<u>2017</u>	<u>2016</u>
Toronto Central Local Health Integrated Network	\$ 7,401,397	\$ 7,483,004
Ontario Ministry of Training, Colleges and Universities	528,470	528,068
Ontario Ministry of Community and Social Services	209,775	159,520
Other	<u>31,254</u>	<u>28,477</u>
	<u>\$ 8,170,896</u>	<u>\$ 8,199,069</u>

SCI Ontario has a service contract with the Ontario Ministry of Community and Social Services to provide specified services under the Ontario Disability Supports Program. Included in accounts receivable is \$30,614 for services delivered in fiscal 2017 (2016 – payable of \$16,570).

4. Donations and other public support

The donations and other public support balance is calculated as follows:

	<u>2017</u>	<u>2016</u>
Donations and other public support	\$ 1,249,663	\$ 1,729,917
Support from Ontario Paraplegic Foundation (Note 8)	<u>896,680</u>	<u>735,266</u>
	2,146,343	2,465,183
Less: direct fundraising costs	<u>(147,900)</u>	<u>(217,260)</u>
	<u>\$ 1,998,443</u>	<u>\$ 2,247,923</u>

Spinal Cord Injury Ontario

Notes to the Financial Statements

March 31, 2017

5. Deferred capital contributions

The changes in the deferred capital contributions balance are as follows:

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 175,758	\$ 251,909
Recognition of deferred capital contributions	<u>(35,188)</u>	<u>(76,151)</u>
Balance, end of year	\$ <u>140,570</u>	\$ <u>175,758</u>

6. Pension plan

SCI Ontario offers a defined contribution pension plan to its employees. SCI Ontario matches an amount of 4% to 6% of each eligible employee's gross salary to the plan. During the year, contributions of \$195,706 (2016 - \$190,914) were expensed in staff salaries and benefits in the statement of operations.

7. Commitments

- (a) SCI Ontario has commitments under office premises, equipment, and other leases for the next five years as follows:

2018	\$ 209,539
2019	106,471
2020	93,492
2021	53,686
2022	55,297

- (b) SCI Ontario has undertaken to participate in a research partnership with the Toronto Rehabilitation Institute and University of Toronto. Under this arrangement, an amount of \$70,000 per year with annual cost of living increases will be contributed for up to 20 years to support a postdoctoral fellowship in the field of spinal cord injury research. This arrangement commenced in September 2002. The organization took a one year hiatus in 2017. In 2016, the contribution of \$90,160 was included in the statement of operations.
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8. Ontario Paraplegic Foundation

SCI Ontario controls the Ontario Paraplegic Foundation (the "Foundation"), which was established in March 2000 and receives bequests and other donations from supporters of SCI Ontario. The Foundation is incorporated under the Corporations Act (Ontario) and is a registered charity under the Income Tax Act (Canada). SCI Ontario appoints the majority of the Foundation's Board of Directors and, according to the Foundation's bylaws, all resources of the Foundation must ultimately be used for the benefit of SCI Ontario's programs or for research supported by SCI Ontario.

Spinal Cord Injury Ontario

Notes to the Financial Statements

March 31, 2017

8. Ontario Paraplegic Foundation (continued)

The Foundation has not been consolidated into SCI Ontario's financial statements. Separate financial statements of the Foundation are available on request. A financial summary of the Foundation as at March 31, 2017 and March 31, 2016 and for the years then ended is as follows:

	<u>2017</u>	<u>2016</u>
Financial position		
Assets		
Investments, at market value	\$ 6,846,022	\$ 7,364,310
Other	<u>49,724</u>	<u>95,814</u>
Total assets	<u>\$ 6,895,746</u>	<u>\$ 7,460,124</u>
Liabilities		
Due to SCI Ontario	\$ 30,083	\$ 416,590
Other	<u>11,615</u>	<u>11,840</u>
	<u>41,698</u>	<u>428,430</u>
Fund balances		
General Fund	6,174,939	6,510,047
Restricted Research Fund	<u>679,109</u>	<u>521,647</u>
	<u>6,854,048</u>	<u>7,031,694</u>
Total liabilities and fund balances	<u>\$ 6,895,746</u>	<u>\$ 7,460,124</u>
Results of operations		
Donations and bequests	\$ 135,681	\$ 85
Change in value of investments	679,287	36,076
Grants to SCI Ontario (Notes 4 and 9)	(896,680)	(735,266)
Other expenses	<u>(95,934)</u>	<u>(140,003)</u>
Deficiency of revenue over expenses	<u>\$ (177,646)</u>	<u>\$ (839,108)</u>

9. Related party transactions

Transactions during the year with the Foundation are as follows:

	<u>2017</u>	<u>2016</u>
Operating and research grants from the Foundation (Notes 4 and 8)	\$ 896,680	\$ 735,266
Staff costs recovered by SCI Ontario from the Foundation	31,933	77,089

SCI Ontario provides office space at no cost to the Foundation. Amounts due from the Foundation are non-interest bearing and due on demand.

Spinal Cord Injury Ontario

Notes to the Financial Statements

March 31, 2017

10. Property and equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2017 Net Book Value</u>	<u>2016 Net Book Value</u>
Leasehold improvements	\$ 395,986	\$ 285,415	\$ 110,571	\$ 122,175
Office equipment	959,835	910,058	49,777	70,916
Computer equipment	1,176,969	1,169,002	7,967	20,612
Computer software	<u>26,309</u>	<u>25,278</u>	<u>1,031</u>	<u>4,151</u>
	\$ <u>2,559,099</u>	\$ <u>2,389,753</u>	\$ <u>169,346</u>	\$ <u>217,854</u>

11. Operating line of credit

SCI Ontario has an operating line of credit with a bank to a maximum of \$290,000. Interest is payable at the bank's prime rate plus 1%. The credit facility is secured by the granting of a security interest in the personal property of SCI Ontario. The line of credit was not in use at March 31, 2017 or March 31, 2016.

12. Expenses by programs and services

Classification of expenses by programs and services is provided in Schedule 1. The salaries and benefits of certain employees, who perform a combination of program, fundraising and administrative activities, are allocated based on time dedicated to the activity. Other operating and general costs, including purchased services, office, travel, professional development and miscellaneous, are allocated based on the level of benefit received by each program and service. Such allocations are reviewed and updated annually.

13. Financial instruments and risk

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below.

Liquidity risk

Liquidity risk is the risk that SCI Ontario will encounter difficulty in meeting the obligations associated with its financial liabilities. SCI Ontario is exposed to this risk mainly in respect of its accounts payable, including amounts due to related parties. SCI Ontario reduces exposure to liquidity risk by ensuring that it maintains adequate cash reserves to pay trade creditors.

Spinal Cord Injury Ontario

Notes to the Financial Statements

March 31, 2017

13. Financial instruments and risk (continued)

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. SCI Ontario's main credit risks relate to its accounts receivable.

It is management's opinion that SCI Ontario is not exposed to significant liquidity or credit risk arising from its financial instruments.

14. Comparative amounts

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for fiscal 2017.

Spinal Cord Injury Ontario

Schedule of Expenses by Programs and Services

Year ended March 31

Schedule 1

	<u>Direct costs</u>	<u>Allocated Costs</u>				<u>Total</u>
		<u>Salaries and Benefits</u>	<u>Purchased Services*</u>	<u>Office</u>	<u>Other</u>	
2017						
Programs and Services						
Attendant services	\$ 3,902,802	\$ 544	\$ 4,192	\$ 1,174	\$ 359	\$ 3,909,071
Regional services	2,222,809	199,627	59,182	37,134	2,621	2,521,373
Employment services	632,674	15,281	21,370	33,617	4,368	707,310
Peer support services	351,729	43,007	14,685	11,498	685	421,604
Communications	289,683	91	777	1,647	77	292,275
Information services	189,016	4,972	7,769	9,407	1,457	212,621
Member services, Advocacy, Networks and Alliances	133,585	189	1,557	2,363	147	137,841
Research and partnerships	9,249	-	-	15	-	9,264
	<u>7,731,547</u>	<u>263,711</u>	<u>109,532</u>	<u>96,855</u>	<u>9,714</u>	<u>8,211,359</u>
Support						
Administration	1,392,037	-	-	-	-	1,392,037
Resource development**	645,645	1,793	15,294	33,051	1,512	697,295
	<u>2,037,682</u>	<u>1,793</u>	<u>15,294</u>	<u>33,051</u>	<u>1,512</u>	<u>2,089,332</u>
	<u>\$ 9,769,229</u>	<u>\$ 265,504</u>	<u>\$ 124,826</u>	<u>\$ 129,906</u>	<u>\$ 11,226</u>	<u>\$ 10,300,691</u>
2016	<u>\$ 9,993,696</u>	<u>\$ 322,933</u>	<u>\$ 115,294</u>	<u>\$ 121,980</u>	<u>\$ 43,594</u>	<u>\$ 10,597,497</u>

* Purchased services include consulting and professional fees.

**Resource development activities generate benefit for all programs and services; expenditures exclude direct fundraising costs netted against revenue in Note 4.

Spinal Cord Injury Ontario

Schedule of Expenses by Programs and Services

Year ended March 31

Schedule 1

	<u>Direct costs</u>	<u>Allocated Costs</u>			<u>Other</u>	<u>Total</u>
		<u>Salaries and Benefits</u>	<u>Purchased Services*</u>	<u>Office</u>		
2016						
Programs and Services						
Attendant services	\$ 4,145,501	\$ 2,431	\$ 4,147	\$ 1,115	\$ 923	\$ 4,154,117
Regional services	2,176,791	217,469	56,545	33,968	26,459	2,511,232
Employment services	612,376	31,360	18,028	30,824	4,483	697,071
Peer support services	381,180	52,377	14,003	11,381	6,561	465,502
Communications	249,639	1,891	3,683	10,067	816	266,096
Information services	194,652	10,894	6,648	8,849	1,637	222,680
Member services, Advocacy, Networks and Alliances	163,669	1,260	2,350	4,587	521	172,387
Research and partnerships	<u>100,360</u>	<u>-</u>	<u>4</u>	<u>85</u>	<u>1</u>	<u>100,450</u>
	<u>8,024,168</u>	<u>317,682</u>	<u>105,408</u>	<u>100,876</u>	<u>41,401</u>	<u>8,589,535</u>
Support						
Administration	1,355,288	-	-	-	-	1,355,288
Resource development**	<u>614,240</u>	<u>5,251</u>	<u>9,886</u>	<u>21,104</u>	<u>2,193</u>	<u>652,674</u>
	<u>1,969,528</u>	<u>5,251</u>	<u>9,886</u>	<u>21,104</u>	<u>2,193</u>	<u>2,007,962</u>
	<u>\$ 9,993,696</u>	<u>\$ 322,933</u>	<u>\$ 115,294</u>	<u>\$ 121,980</u>	<u>\$ 43,594</u>	<u>\$ 10,597,497</u>
2015	<u>\$ 9,674,663</u>	<u>\$ 319,353</u>	<u>\$ 107,272</u>	<u>\$ 142,635</u>	<u>\$ 114,900</u>	<u>\$ 10,358,823</u>

* Purchased services include consulting and professional fees.

**Resource development activities generate benefit for all programs and services; expenditures exclude direct fundraising costs netted against revenue in Note 4.