

CANADIAN DOWN SYNDROME SOCIETY

FINANCIAL STATEMENTS
For the year ended December 31, 2023

CANADIAN DOWN SYNDROME SOCIETY
Financial Statements

For the year ended December 31, 2023

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Independent Auditor's Report

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, 2023, 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, 2023, 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.

[REDACTED]

Authorized to practice public accounting by the

Chartered Professional Accountants of Ontario

[REDACTED]

CANADIAN DOWN SYNDROME SOCIETY

CANADIAN DOWN SYNDROME SOCIETY
Statement of Financial Position

December 31	2023	2022
Assets		
Current		
Cash	\$ 521,208	\$ 310,540
Accounts receivable	26,969	26,114
Goods and services tax recoverable	5,344	9,434
Prepaid expenses	1,200	1,777
	<u>554,721</u>	<u>347,865</u>
Long Term		
Capital assets (Note 4)	7,846	9,808
Investments (Note 5)	<u>425,011</u>	<u>415,546</u>
	<u>\$ 987,578</u>	<u>\$ 773,219</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 44,140	\$ 17,097
Deferred revenue - government grant	<u>245,822</u>	<u>-</u>
	<u>289,962</u>	<u>17,097</u>
Net Assets		
Internally restricted (Note 5)	425,011	415,546
Invested in capital assets	6,637	9,808
Unrestricted	<u>265,968</u>	<u>330,769</u>
Net Assets, end of year	<u>697,616</u>	<u>756,123</u>
	<u>\$ 987,578</u>	<u>\$ 773,219</u>

Approved on Behalf of the Board

Director

Director

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

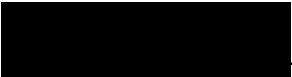
CANADIAN DOWN SYNDROME SOCIETY

Statement of Financial Position

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Net Assets, end of year	<hr/> \$ 987,578	<hr/> \$ 773,219
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Approved on Behalf of the Board

 _____ Director

 _____ Director

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

CANADIAN DOWN SYNDROME SOCIETY

Statement of Operations

For the year ended December 31

2023

2022

Revenue

Donations	\$ 513,897	\$ 899,158
Government subsidies	77,475	-
Interest income	6,057	-
	<u>597,429</u>	<u>899,158</u>

Expenses

Salaries, benefits and contract fees	386,376	534,683
Fundraising	75,018	206,487
Promotion and awareness	20,820	33,836
Project expenses	76,028	63,751
Office	42,312	52,744
Bank charges and merchant fees	17,099	21,718
Board, staff development and education	12,809	1,256
Goods and services tax	6,791	12,981
Printing and postage	6,719	10,114
Professional fees	10,440	30,596
Occupancy costs	4,817	4,663
Conference expenses	1,280	-
Communications	1,447	1,166
Product costs	274	-
Amortization and writedown of capital assets	3,171	2,453
	<u>665,401</u>	<u>976,448</u>

Excess of expenses over revenue	(67,972)	(76,968)
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Internally restricted investment revenue (expenses)

Investment income	-	38,986
Investment management fees	-	(1,784)
Interest income	9,465	-
Net change in fair market value of investments	-	(69,673)
	<u>9,465</u>	<u>(32,471)</u>

Excess of expenses over revenue	\$ (58,507)	\$ (109,439)
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The accompanying notes are an integral part of these financial statements.

CANADIAN DOWN SYNDROME SOCIETY
Statement of Changes In Net Assets

For the year ended December 31	Internally Restricted	Invested in capital assets	Unrestricted	Total <u>2023</u>	Total <u>2022</u>
Net Assets					
Balance, beginning of year	\$ 415,546	\$ 9,808	\$ 330,769	\$ 756,123	\$ 865,561
Excess (deficiency) of revenue over expenses	9,465	(3,171)	(64,801)	(58,507)	(109,438)
Balance, end of year	425,011	6,637	265,968	697,616	756,123

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	<u>2023</u>	<u>2022</u>
Cash provided by operating activities		
Excess of expenses over revenue	\$ (58,507)	\$ (109,439)
Items not requiring an outlay of cash:		
Amortization and writedown of capital assets, including new purchases	1,963	2,452
	<u>(56,544)</u>	<u>(106,987)</u>
Changes in non-cash working capital:		
Change in accounts receivable	(855)	52,910
Change in goods and services tax recoverable	4,090	5,723
Change in prepaid expenses	577	5,602
Change in accounts payable and accrued liabilities	27,043	(5,212)
Change in deferred contributions	245,822	-
Net cash provided by operating activities	<u>220,133</u>	<u>47,964</u>
Cash provided by (used for) investing activities		
Increase in investments	<u>(9,465)</u>	<u>126,403</u>
Net cash provided by (used for) investing activities	<u>(9,465)</u>	<u>126,403</u>
Net increase in cash	210,668	78,440
Net cash, beginning of year	310,540	232,100
Net cash, end of year	<u>\$ 521,208</u>	<u>\$ 310,540</u>
Cash is comprised of:		
Cash	\$ 521,208	\$ 310,540
	<u>\$ 521,208</u>	<u>\$ 310,540</u>

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

CANADIAN DOWN SYNDROME SOCIETY

Notes to the Financial Statements

For the year ended December 31, 2023

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.

CANADIAN DOWN SYNDROME SOCIETY

Notes to the Financial Statements

For the year ended December 31, 2023

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

All assets and liabilities, except for prepaid expenses, are financial instruments. 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. 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.

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, 2023 (2022), \$nil (\$nil) was drawn on this credit facility.

3. Contributions and Dispositions

The Society received gross contributions in the amount of \$597,429 in 2023, including donations from personal and corporate resources and government subsidies. The contributions are used against the following expenses:

Disposition	Expense
Promotion & awareness	\$ 20,820
Project expense	76,028
Fundraising	75,018
Office expense	42,276
Bank charges	16,949
Training & education	12,809
Goods & service tax	6,791
Printing & postage	6,719
Professional fee	10,440
Occupancy costs	4,817
Communications	1,447
TOTAL	<u>\$ 274,114</u>

CANADIAN DOWN SYNDROME SOCIETY

Notes to the Financial Statements

For the year ended December 31, 2023

The fundraising expense of \$75,019 was paid to [REDACTED] to solicit contributions via [REDACTED]

Further, \$80,000 was paid as remuneration to employees who's principal duties involve fund raising and donation management.

4. Capital Assets

	<u>Cost</u>	<u>Amortization</u>	<u>Net 2023</u>	<u>Net 2022</u>
Website	\$ 15,325	\$ 7,479	\$ 7,846	\$ 9,808
Computer hardware	13,099	13,099	-	-
Computers / Laptops	<u>1,209</u>	<u>1,209</u>	<u>-</u>	<u>-</u>
	<u>\$ 29,633</u>	<u>\$ 21,787</u>	<u>\$ 7,846</u>	<u>\$ 9,808</u>

5. 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, 2023 (2022) is \$425,011 (\$415,546). 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>2023</u>	<u>2022</u>
GIC	\$ <u>425,011</u>	\$ <u>415,546</u>

The prior year statements have been restated to reflect the fund balances as presented.

6. 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, 2023 (2022) was in the amount of \$2,984 (\$3,478) and is included in donations income. The balance of the fund at December 31, 2023 (2022) was approximately \$61,521 (\$63,963).

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.

CANADIAN DOWN SYNDROME SOCIETY

Notes to the Financial Statements

For the year ended December 31, 2023

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.