
BC Rare Disease Foundation
Financial Statements
May 31, 2015

Independent Auditor's Report

To the Board of Directors of BC Rare Disease Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of BC Rare Disease Foundation, which comprise the statement of financial position as at May 31, 2015 and the statement of operations and changes in net assets and statement of 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.

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Basis for Qualified Opinion

In common with many not-for-profit organizations, BC Rare Disease Foundation derives revenue from donations and fundraising events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these types of revenue was limited to the amounts recorded in the records of BC Rare Disease Foundation. 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 May 31, 2015 and assets and net assets as at May 31, 2015.

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 BC Rare Disease Foundation as at May 31, 2015, 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.

Report on Other Legal and Regulatory Requirements

As required by the *Society Act* (British Columbia), we report that, in our opinion, the accounting principles in the Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Vancouver, B.C.
August 13, 2015



Chartered Professional Accountants

BC Rare Disease Foundation

Statement of Financial Position

May 31, 2015

	2015	2014
	\$	\$
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Assets		
Current assets		
Cash	242,456	232,869
Amounts receivable	<u>3,661</u>	<u>7,700</u>
	246,117	240,569
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Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	78,488	62,538
Deferred revenue (Note 3)	<u>17,338</u>	<u>23,012</u>
	95,826	85,550
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Net assets		
Unrestricted	<u>150,291</u>	<u>155,019</u>
	246,117	240,569
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Subsequent event (Note 7)

See accompanying notes to the financial statements.

Approved by the Board _____, Director _____, Director _____

BC Rare Disease Foundation

Statement of Operations and Changes in Net Assets

Year ended May 31, 2015

	2015	2014
	\$	\$
		(Note 6)
Revenue		
Fundraising events		
Rare Finds	98,839	114,778
Other	3,568	2,206
General donations	108,449	78,329
Contributions	16,174	26,901
Interest	<u>1,255</u>	<u>1,506</u>
	<u>228,285</u>	<u>223,720</u>
Expenses		
Advertising	7,550	-
Bank charges	455	427
Consulting fees (Note 4)	51,927	16,209
Fundraising events	36,675	42,545
Office	13,161	8,138
Professional fees	5,733	9,685
Program - Patient & Family Support	13,607	13,621
Program - Rare Disease Research	102,576	160,129
Travel	<u>1,329</u>	<u>-</u>
	<u>233,013</u>	<u>250,754</u>
Excess (deficiency) of revenue over expenses for the year	(4,728)	(27,034)
Net assets, beginning of year	<u>155,019</u>	<u>182,053</u>
Net assets, end of year	<u>150,291</u>	<u>155,019</u>

See accompanying notes to the financial statements.

BC Rare Disease Foundation

Statement of Cash Flows

Year ended May 31, 2015

	2015	2014
	\$	\$
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses for the year	(4,728)	(27,034)
Changes in non-cash working capital		
(Increase) decrease in		
Amounts receivable	4,039	27,082
Increase (decrease) in		
Accounts payable and accrued liabilities	15,950	33,111
Deferred revenue	<u>(5,674)</u>	<u>(3,901)</u>
Increase in cash during the year	9,587	29,258
Cash, beginning of year	<u>232,869</u>	<u>203,611</u>
Cash, end of year	242,456	232,869

See accompanying notes to the financial statements.

BC Rare Disease Foundation

Notes to the Financial Statements

May 31, 2015

1. Organization

The BC Rare Disease Foundation (the "Foundation") was incorporated on February 5, 2009 under the *Society Act* (British Columbia) and commenced activities on June 1, 2009. The primary objectives of the Foundation are to provide support services to individuals afflicted with rare diseases and their families, to advance education by funding research into rare diseases that is made available to the public, and to gift funds to qualified donees.

The Foundation is a charitable organization and is therefore tax-exempt under Section 149(1)(f) of the *Income Tax Act (Canada)* as long as certain criteria continue to be met.

2. Accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which necessarily involves the use of estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies summarized below.

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 amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

Capital assets

Capital assets are expensed in the year of acquisition. The cost of capital assets acquired by the Foundation during the year was \$ Nil (2014 - \$ 3,594). Capital assets owned by the Foundation are comprised of website development costs.

Revenue recognition

The Foundation derives revenue from fundraising events and donations, which is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Foundation follows the deferral method of accounting for revenue. Restricted contributions are deferred and recognized as revenue in the year 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.

Interest income is recognized as revenue as earned and when collection is believed to be reasonably assured.

Donated goods and services

The Foundation and its members benefit greatly from donated services and facilities in the form of volunteer time. The Foundation also receives donated goods and services to be auctioned at fundraising events. Because of the difficulty in determining their fair value, the donated goods and services are not recognized in these financial statements. Proceeds from the auction sale of goods and services donated are reflected as fundraising revenue.

BC Rare Disease Foundation

Notes to the Financial Statements

May 31, 2015

3. Deferred revenue

Deferred revenue is mainly comprised of contributions from donors intended for the Patient & Family Support Program, Rare Disease Research Program and television promotion for the Foundation.

Changes in the deferred revenue balance during the year are as follows:

	2015	2014
	\$	\$
Balance, beginning of year	23,012	26,913
Add: Contribution received during the year	10,500	23,000
Less: Contribution revenue recognized	<u>(16,174)</u>	<u>(26,901)</u>
Balance, end of year	<u>17,338</u>	<u>23,012</u>

4. Related party transactions

Related party transactions are measured at the exchange amount being the amount of consideration established and agreed to by the related parties.

During the year, the Foundation paid \$ 12,180 (2014 - \$ 16,209) to the spouse of a director for event planning and fundraising services rendered.

5. Financial instruments

Financial instruments consist of cash, amounts receivable and accounts payable.

Credit risk

Amounts receivable is exposed to credit risk due to the potential for counterparties to default on their contractual obligations. The maximum potential loss on the amounts receivable balance is equal to its carrying amount. The Foundation mitigates its credit risk exposure by only dealing with donors or contributors who are believed to be creditworthy.

6. Comparative figures

Certain 2014 figures have been classified to conform to the presentation adopted in the current year.

7. Subsequent event

Subsequent to year-end, the Foundation received a \$ 600,000 grant commitment from the R. Howard Webster Foundation. The grant is payable in equal instalments over the four year period from 2016 to 2019, with the first instalment to be received in March 2016.