

SPINAL CORD INJURY NEWFOUNDLAND AND LABRADOR INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

SPINAL CORD INJURY NEWFOUNDLAND AND LABRADOR INC.
TABLE OF CONTENTS
MARCH 31, 2022

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
Statement of Operations	3
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 12

To the Board of Spinal Cord Injury Newfoundland and Labrador Inc.:

Qualified Opinion

We have audited the financial statements of Spinal Cord Injury Newfoundland and Labrador Inc. (the "Organization"), which comprise the statement of financial position as at March 31, 2022, 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 our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Spinal Cord Injury Newfoundland and Labrador Inc. derives revenue from donations and 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 the entity and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, current assets and net assets as at March 31, 2022.

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 Organization 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 qualified opinion.

Responsibilities of Management for the Financial Statements

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

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

Mount Pearl, Newfoundland and Labrador

October 26, 2022

MNP LLP

Chartered Professional Accountants

SPINAL CORD INJURY NEWFOUNDLAND AND LABRADOR INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
REVENUES		
Administration fees	\$ 36,308	\$ 59,410
Canada Emergency Business Account income	9,000	4,583
Canada Emergency Rent Subsidy	1,538	4,047
Canada Emergency Wage Subsidy	23,811	14,660
Canada Temporary Wage Subsidy	-	7,455
Donations	14,409	118,225
Donation from Canadian Paraplegic Association (NL) Foundation	29,258	-
Government contracts	292,847	299,215
Government grants	110,000	110,000
Grants - other	15,200	28,679
Other income	2,256	7,861
Rent income	-	2,243
	534,627	656,378
EXPENDITURES		
Advertising and promotion	215	449
ARMS computer software fees	11,868	11,868
Dues and fees	4,042	2,226
Equipment donation	7,700	-
Insurance	25,701	15,901
Interest and bank charges	834	679
Interest on long-term debt	147	1,291
Linkages program	74,708	87,479
Miscellaneous	30	229
Occupancy costs	45,562	45,225
Office	9,428	4,542
Professional fees	17,296	20,009
Telephone	14,564	11,259
Travel	1,710	1,620
Wages and benefits	302,503	294,686
	516,308	497,463
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER ITEM	18,319	158,915
OTHER EXPENSE		
Amortization	265	346
EXCESS OF REVENUES OVER EXPENDITURES	\$ 18,054	\$ 158,569

See accompanying notes to the financial statements

SPINAL CORD INJURY NEWFOUNDLAND AND LABRADOR INC.
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	2022	2021
<u>ASSETS</u>		
CURRENT		
Cash and cash equivalents	\$ 283,810	\$ 258,860
Accounts receivable	5,346	-
Canada Emergency Rent Subsidy Receivable	-	4,047
Canada Emergency Wage Subsidy Receivable	619	14,660
HST Rebate receivable	2,909	4,767
Inventory	-	6,700
Prepaid expenses	21,515	23,475
Due from controlled entity - note 12	-	2,129
	314,199	314,638
Capital assets - note 3	1,491	1,755
	\$ 315,690	\$ 316,393

<u>LIABILITIES</u>		
CURRENT		
Accounts payable and accrued liabilities	\$ 33,237	\$ 40,669
Canada Emergency Business Account loan - note 4	40,000	40,000
Government remittances payable	6,996	6,595
Payable to Government of Newfoundland and Labrador	43,957	35,775
Deferred revenue - note 5	79,540	89,595
Current portion of long-term debt	-	9,853
	203,730	222,487
UNRESTRICTED NET ASSETS	111,960	93,906
	\$ 315,690	\$ 316,393

APPROVED ON BEHALF OF THE BOARD

_____ Director
 _____ Director
 _____ Date

SPINAL CORD INJURY NEWFOUNDLAND AND LABRADOR INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2022

	Unrestricted	Investment in	Total	Total
	Fund	Capital Assets	2022	2021
BALANCE, BEGINNING OF YEAR	\$ 92,151	\$ 1,755	\$ 93,906	\$ (64,663)
Excess (deficiency) of revenues over expenditures	18,319	(265)	18,054	158,569
BALANCE, END OF YEAR	\$ 110,470	\$ 1,490	\$ 111,960	\$ 93,906

See accompanying notes to the financial statements

SPINAL CORD INJURY NEWFOUNDLAND AND LABRADOR INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 18,054	\$ 158,569
Item not affecting cash		
Amortization	265	346
	<u>18,319</u>	<u>158,915</u>
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	(5,346)	-
Decrease (increase) in Canada Emergency Rent Subsidy receivable	4,047	(4,047)
Decrease (increase) in Canada Emergency Wage Subsidy receivable	14,041	(14,660)
Decrease (increase) in HST rebate receivable	1,858	(1,811)
Decrease (increase) in inventory	6,700	(6,700)
Decrease (increase) in prepaid expenses	1,960	(16,444)
Decrease in accounts payable and accrued liabilities	(7,433)	(12,718)
Increase (decrease) in government remittances payable	401	3,153
Increase (decrease) in payable to Government of Newfoundland and Labrador	8,182	(10,914)
(Decrease) increase in deferred revenue	(10,055)	20,974
	<u>32,674</u>	<u>115,748</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from (to) controlled entity	2,129	10,693
Repayment of long-term debt	(9,853)	(22,709)
	<u>(7,724)</u>	<u>(12,016)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	24,950	103,732
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	218,860	115,128
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 243,810	\$ 218,860
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash and cash equivalents	\$ 283,810	\$ 258,860
Canada Emergency Business Account loan	(40,000)	(40,000)
	<u>\$ 243,810</u>	<u>\$ 218,860</u>

See accompanying notes to the financial statements

SPINAL CORD INJURY NEWFOUNDLAND AND LABRADOR INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

1. NATURE OF OPERATIONS

Spinal Cord Injury Newfoundland and Labrador Inc. (the "Organization") is a not-for-profit organization that raises funds to assist physically challenged persons and acts as an advocacy group on their behalf. This organization was incorporated under the laws of the Province of Newfoundland and Labrador, and is a registered charity exempt from income taxes pursuant to Section 149(1)(f) of the Income Tax Act of Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

The organization applies the Canadian accounting standards for not-for-profit organizations.

(a) Basis of presentation

These non-consolidated financial statements include all assets, liabilities, revenue and expenditures of Spinal Cord Injury Newfoundland and Labrador Inc. These non-consolidated financial statements have been prepared within the framework of Canadian accounting standards for not-for-profit organizations.

(b) Presentation of controlled entity

The Canadian Paraplegic Association (NL) Foundation, Inc, which is controlled by the Organization, is not consolidated in the Organization's financial statements.

(c) Accounting 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period.

These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Items subject to significant management estimates include allowance for doubtful accounts and amortization rates for capital assets.

(d) Financial instruments

The organization's financial instruments consist of cash and cash equivalents, Accounts receivable, Canada Emergency Rent Subsidy receivable, Canada Emergency Wage Subsidy receivable, HST rebate receivable, accounts payable and accrued liabilities, Canada Emergency Business Account loan, government remittances payable, payable to Government of Newfoundland and Labrador, deferred revenue and long term debt. Unless otherwise noted it is management's opinion that the organization is not exposed to significant interest, currency or credit risks.

SPINAL CORD INJURY NEWFOUNDLAND AND LABRADOR INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Financial instruments, continued

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred. The financial instruments measured at amortized cost are cash and cash equivalents, receivables, payables and long term debt.

(e) Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, cash on deposit with financial institutions, net of bank overdrafts, net of the Canada Emergency Business Account loan, net of cheques issued and outstanding at the reporting date. Bank borrowings are considered to be financing activities.

(f) Capital assets

Capital assets are recorded at cost. The organization provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as indicated in note 3.

When a tangible capital asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. A writedown of a tangible capital asset is never reversed.

(g) Investment in tangible capital assets

The net assets invested in tangible capital assets comprise tangible capital assets less accumulated amortization, and represent monies from operations that are internally invested in building or purchasing tangible capital assets. This portion of net assets is not available for other purposes since it represents amounts spent on tangible capital assets to date.

(h) Deferred capital contributions

Grants received for capital expenditures are deferred and amortized to income on the same basis as the assets to which they relate.

SPINAL CORD INJURY NEWFOUNDLAND AND LABRADOR INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(i) Revenue recognition

The organization follows the deferral method of accounting for contributions (excluding donations) and administration fees. 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. Grant revenue is recognized in the year in which the related expenses are incurred. Any remaining unused grants at year end are recorded as deferred revenue until the related expenses are incurred in a future period. Externally restricted contributions are recognized as revenue in the year in which the related expenditures are incurred.

Revenue from donations, including pledges and fundraising activities, is recognized in the accounts of the Organization in the year in which it is received. Donations representing non-monetary transactions are recorded at fair market value as determined by management. Donated assets are recorded as deferred contributions and are amortized to revenue on the same basis as the related assets.

(j) Contributed services

Directors and volunteers contribute many hours to assist the Organization in the governance of its operations and programs. Because of the difficulty in assessing the number of hours and their fair value, contributed services are not recognized in the financial statements.

3. CAPITAL ASSETS

				2022	2021
	Rate	Cost	Accumulated amortization	Net	Net
Computer equipment	33.5%	\$ 8,510	\$ 8,255	\$ 255	\$ 382
Furniture and fixtures	10%	4,375	3,139	1,236	1,373
		\$ 12,885	\$ 11,394	\$ 1,491	\$ 1,755

4. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

A line of credit, a Canada Emergency Business Account (CEBA) loan, has been authorized by Royal Bank of Canada to a maximum of \$60,000 and is interest-free, secured by the Government of Canada. At year-end \$60,000 of the line of credit has been used. Which, subject to certain terms and conditions, is 33% forgivable. The forgivable portion is being amortized to revenue over the term of the loan.

SPINAL CORD INJURY NEWFOUNDLAND AND LABRADOR INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

5. DEFERRED REVENUE

	2022	2021
Linkages Grants - Government of NL	\$ 51,763	\$ 56,585
Employment Assistance Services Grant - Government of NL	20,934	17,132
Other - Peer Grub Club	426	461
Canada Emergency Business Account loan - forgivable portion	6,417	15,417
	\$ 79,540	\$ 89,595

6. LONG-TERM DEBT

	2022	2021
Loan from director, 5.8% interest, payable in monthly installments of \$2,000, maturing in 2022.	\$ -	\$ 9,853
Less current portion	-	9,853
Due beyond one year	\$ -	\$ -

7. OPERATING LINE OF CREDIT

The Organization has a \$35,000 operating line of credit with the Royal Bank of Canada secured by a general security assignment. There was no balance outstanding on the line at March 31, 2022. The operating line of credit bears interest at prime plus 3.1%.

8. ECONOMIC DEPENDENCE

Approximately 88% of the organization's revenue are from government grants. Therefore the organization is economically dependent on government grants to continue operations.

9. CONTINGENCIES

The Organization derives revenue from government grants and contracts with certain terms and conditions that may require that advances be repaid if the terms and conditions are not fulfilled.

SPINAL CORD INJURY NEWFOUNDLAND AND LABRADOR INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

10. DISCLOSURE OF CONTROLLED ENTITY

The Organization controls the Canadian Paraplegic Association (NL) Foundation, Inc, by having common Directors. The purpose of the Canadian Paraplegic Association (NL) Foundation, Inc is to raise funds to assist physically challenged persons. It is incorporated under the laws of the Province of Newfoundland and Labrador, and is exempt from income taxes pursuant to Section 149(1)(f) of the Income Tax Act of Canada.

The Foundation has not been consolidated in the Organization's financial statements. A summary of the Foundation's audited financial statements for the year ended March 31 are as follows:

	2022	2021
Total assets	\$ -	\$ 79,704
Total liabilities	(1,811)	(62,095)
Net assets	\$ (1,811)	\$ 17,609
	2022	2021
Total revenue	\$ 15,417	\$ 61,522
Total expenditures	(34,837)	(105,370)
Deficiency of revenue over expenditures	\$ (19,420)	\$ (43,848)

11. FINANCIAL INSTRUMENTS RISKS AND UNCERTAINTIES

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Liquidity risk

The organization does have a liquidity risk in the accounts payable and accrued liabilities of \$203,730 (2021 - \$222,487). Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. The organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the organization is low and is not material.

SPINAL CORD INJURY NEWFOUNDLAND AND LABRADOR INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

12. RELATED PARTY TRANSACTIONS

The company is related to the Canadian Paraplegic Association (NL) Foundation, Inc by virtue of common control. Transactions and balances with these related parties are as follows:

	2022	2021
Revenue		
Administrative fees	\$ -	\$ 24,000
Donation	29,258	-
Rental income	-	2,243
	<hr/>	<hr/>
	\$ 29,258	\$ 26,243
	<hr/>	<hr/>
Due from Canadian Paraplegic Association (NL) Foundation Inc	\$ -	\$ 2,129
Loan from Director	-	(9,853)
	<hr/>	<hr/>

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

13. LEASE COMMITMENTS

The Company currently leases office space under the terms of an operating lease. Future committed payments are as follows:

2023	\$ 17,929
2024	17,929
2025	17,929
2026	17,929
2027	17,929
	<hr/>
	\$ 89,645
	<hr/>

14. COVID-19

On March 11, 2020, the World Health Organization assessed the coronavirus outbreak (COVID-19) as a pandemic. The outbreak has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The extent to which COVID-19 impacts the future financial results of the Organization will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and actions taken to contain the virus or its impact, among others.