

CANADIAN SOCIETY OF INTESTINAL RESEARCH

Vancouver, B.C.

FINANCIAL STATEMENTS

March 31, 2015



REVIEW ENGAGEMENT REPORT

To the Directors of Canadian Society of Intestinal Research:

We have reviewed the balance sheet of Canadian Society of Intestinal Research as at March 31, 2015 and the statements of revenues and expenditures, changes in fund balances and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Society.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Wolrige Mahon LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
July 20, 2015

CANADIAN SOCIETY OF INTESTINAL RESEARCH

STATEMENTS OF REVENUES AND EXPENDITURES (unaudited)

For the year ended March 31, 2015

	2015	2014
	\$	\$
Revenues		
Fundraising		
Corporate and other	2,312	15,296
Individuals	3,767	1,854
Events and projects	6,060	5,000
	<u>12,139</u>	<u>22,150</u>
Gaming (Note 5)	33,109	38,000
Memberships	60	100
CSIR Endowment Fund income (Note 3)	2,060	1,976
Monkhouse Trust income (Note 4)	33,813	32,432
	<u>81,181</u>	<u>94,658</u>
Expenditures		
Support services and outreach, Schedule 1	75,634	61,296
Fundraising	2,300	-
Governance and administration	21,574	25,497
Premises rental	4,194	-
	<u>103,702</u>	<u>86,793</u>
Excess (deficiency) of revenues over expenditures	(22,521)	7,865

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

CANADIAN SOCIETY OF INTESTINAL RESEARCH

STATEMENTS OF CHANGES IN FUND BALANCES (unaudited)

For the year ended March 31, 2015

	2015	2014
	\$	\$
Fund balances, beginning	55,650	47,785
Excess (deficiency) of revenues over expenditures	(22,521)	7,865
Fund balances, ending	33,129	55,650

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

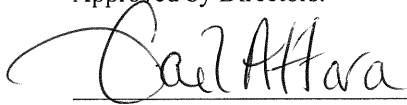
CANADIAN SOCIETY OF INTESTINAL RESEARCH

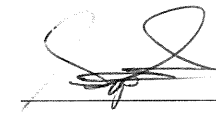
BALANCE SHEET (unaudited)

March 31, 2015

	2015	2014
	\$	\$
Assets		
Current		
Cash	64,242	86,163
Receivables	10,127	10,051
Prepaid expenses	3,145	587
	<hr/>	<hr/>
	77,514	96,801
Property and equipment, Schedule 2	1,421	247
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	78,935	97,048
Liabilities		
Current		
Payables and accruals	2,915	3,398
Deferred contributions (Note 5)	42,891	38,000
	<hr/>	<hr/>
	45,806	41,398
Fund Balances		
Unrestricted funds	33,129	55,650
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	78,935	97,048

Approved by Directors:





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

CANADIAN SOCIETY OF INTESTINAL RESEARCH

STATEMENTS OF CASH FLOWS (unaudited)

For the year ended March 31, 2015

	2015	2014
	\$	\$
Cash flows related to operating activities		
Excess (deficiency) of revenues over expenditures	(22,521)	7,865
Adjustments for item not affecting cash:		
Amortization	213	106
	<u>(22,308)</u>	<u>7,971</u>
Changes in non-cash working capital:		
Receivables	(76)	2,780
Prepaid expenses	(2,558)	1,047
Payables and accruals	(483)	(446)
Deferred contributions	4,891	-
	<u>(20,534)</u>	<u>11,352</u>
Cash flows related to investing activities		
Purchase of property and equipment	(1,387)	-
	<u>(1,387)</u>	<u>-</u>
Net increase (decrease) in cash	(21,921)	11,352
Cash, beginning	86,163	74,811
Cash, ending	64,242	86,163

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

CANADIAN SOCIETY OF INTESTINAL RESEARCH

NOTES
(unaudited)

For the year ended March 31, 2015

The Canadian Society of Intestinal Research (the "Society") is a not-for-profit organization without share capital incorporated under the laws of British Columbia in 1976. The Society is a registered charity under the *Income Tax Act (Canada)* and is exempt from income taxes.

The Society provides information to patients, the public and medical professionals on gastrointestinal ("GI") diseases and disorders. The Society raises funds to support ongoing research in the GI field and issues grants to researchers at the University of British Columbia and its teaching hospitals, when funding permits.

Note 1 Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Property and Equipment

Property and equipment are carried at cost less accumulated amortization. Amortization is calculated annually as follows:

Computer equipment	- 30% declining balance
Computer software	- 100% declining balance
Office furniture	- 20% declining balance

except in the year of acquisition, at which time amortization is provided for at one-half the annual rate.

Revenue Recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recorded 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.

Financial Instruments

Measurement of financial instruments

The Society measures its financial assets and financial liabilities at fair value at the acquisition date, except for financial assets and financial liabilities acquired in related party transactions. Transaction costs related to the acquisition of financial instruments subsequently measured at fair value are recognized in net earnings when incurred. The carrying amounts of financial instruments not subsequently measured at fair value are adjusted by the amount of transaction costs directly attributable to the acquisition of the instrument.

The Society subsequently measures all of its financial assets and financial liabilities at amortized cost.

Impairment

Financial assets measured at amortized cost are assessed for indications of impairment at the end of each reporting period. When impairment is identified, the amount of the write-down is recognized as an impairment loss in net earnings. Previously recognized impairment losses are reversed when the extent of the impairment decreases, provided that the adjusted carrying amount is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net earnings.

CANADIAN SOCIETY OF INTESTINAL RESEARCH

NOTES

(unaudited)

For the year ended March 31, 2015

Note 2 Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 Canadian Society of Intestinal Research Endowment Fund

The Canadian Society of Intestinal Research Endowment Fund was established by the Society with a contribution of \$45,000 to the Vancouver Foundation in June 1992. Income is distributed periodically to the Society, while the capital of the Endowment Fund rests permanently with the Vancouver Foundation.

As at March 31, 2015, the market value of this endowment fund is \$58,865.

Note 4 The Ted and Mae Monkhouse Trust

The Ted and Mae Monkhouse Trust was established directly by a donor with a contribution of \$887,462 to the Vancouver Foundation in December 2005. Income from the Trust, all of which is to be paid to the Society in perpetuity, is distributed periodically to the Society for use in British Columbia.

Note 5 Deferred Contributions

Deferred contributions are comprised of provincial government funding under the Community Gaming Grant which remain unspent as follows:

	2015	2014
	\$	\$
Balance, beginning	38,000	38,000
Recognized as revenues	(33,109)	(38,000)
Received	38,000	38,000
	<hr/>	<hr/>
Balance, ending	42,891	38,000
	<hr/>	<hr/>

Deferred contributions are to be used for support services and outreach expenditures.

CANADIAN SOCIETY OF INTESTINAL RESEARCH

NOTES
(unaudited)

For the year ended March 31, 2015

Note 6 Financial Instruments

Items that meet the definition of a financial instrument includes cash, receivables, and payables and accruals. It is management's opinion that the Society is not exposed to significant liquidity risk, credit risk or market risk (including currency risk, interest rate risk and other price risk) arising from its financial instruments.

Note 7 Related Party

The Society is subject to significant influence by the GI (Gastrointestinal) Society / Société GI (Gastro-intestinale) (the "GI Society") as a result of having certain management and directors in common. The GI Society provides information to patients, the public and medical professionals on gastrointestinal diseases and disorders. The GI Society raises funds to support ongoing research in the gastrointestinal field and issues grants to researchers in Canada, when funding permits. The purposes of the Society and the GI Society are generally the same except that the GI Society has a broader, Canada-wide scope for research granting. The GI Society is a not-for-profit organization without share capital incorporated under the laws of Canada and is a registered charity under the *Income Tax Act (Canada)*.

During the year, the Society recorded personnel expenditures of \$64,100 (2014: \$37,180) for amounts paid to the GI Society.

Note 8 Commitments

The Society and the GI Society are joint parties to an agreement to lease space for their shared premises, expiring March, 2019. The annual base rent is as follows:

	\$
2016	19,019
2017	19,019
2018	20,482
2019	20,482
	<hr/>
	79,002
	<hr/>

The Society and the GI Society have agreed that the GI Society will be responsible for 90% of the above annual base rent payments.

CANADIAN SOCIETY OF INTESTINAL RESEARCH

Schedule 1

**SCHEDULE OF SUPPORT SERVICES AND OUTREACH EXPENDITURES
(unaudited)**

For the year ended March 31, 2015

	2015	2014
	\$	\$
BadGut® Lectures	5,868	5,728
Community outreach and general education	2,536	8,699
Member services and website	28,066	13,000
Inside Tract® Newsletter	25,493	19,407
Patient information pamphlets	13,671	14,462
Total	75,634	61,296

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

CANADIAN SOCIETY OF INTESTINAL RESEARCH

Schedule 2

PROPERTY AND EQUIPMENT
(unaudited)

For the year ended March 31, 2015

	Cost \$	Accumulated Amortization \$	Net Carrying Value \$	Current Amortization \$
Computer Equipment				
Balance, March 31, 2014	849	602	247	
Amortization		74	(74)	74
	849	676	173	
Computer Software				
Balance, March 31, 2014 and March 31, 2015	523	523	-	
	523	523	-	
Office Furniture				
Additions	1,387		1,387	
Amortization		139	(139)	139
	1,387	139	1,248	
Totals	2,759	1,338	1,421	213

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