

**The Multiple Sclerosis Society of  
Canada (Quebec Division) and  
Quebec Chapters**

Combined Financial Statements  
**December 31, 2021**

# **The Multiple Sclerosis Society of Canada (Quebec Division) and Quebec Chapters**

Combined Financial Statements

December 31, 2021

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## **Table of Contents**

	<b>Page</b>
<b>Independent Auditor's Report .....</b>	<b>1</b>
<b>Financial Statements</b>	
Combined Balance Sheet .....	4
Combined Statement of Revenues and Expenditures .....	5
Combined Statement of Changes in Net Assets .....	6
Combined Statement of Cash Flows .....	7
Notes to Combined Financial Statements .....	8



## Independent auditor's report

To the Directors of  
The Multiple Sclerosis Society of Canada (Quebec Division)

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### Our opinion

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of The Multiple Sclerosis Society of Canada (Quebec Division) and Quebec Chapters (together, the Society) as at December 31, 2021 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 (ASNPO).

#### What we have audited

The Society's combined financial statements comprise:

- the combined balance sheet as at December 31, 2021;
- the combined statement of revenues and expenditures for the year then ended;
- the combined statement of changes in net assets for the year then ended;
- the combined statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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### Basis for opinion

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 combined financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the combined financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.  
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1  
T: +1 514 205 5000, F: +1 514 876 1502



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## **Responsibilities of management and those charged with governance for the combined financial statements**

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is responsible for assessing the Society'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 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.

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## **Auditor's responsibilities for the audit of the combined financial statements**

Our objectives are to obtain reasonable assurance about whether the combined 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 combined 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 combined 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 Society'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 Society'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 combined 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 Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Society to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

*PricewaterhouseCoopers LLP<sup>1</sup>*

Montréal, Quebec  
May 25, 2022

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<sup>1</sup> CPA auditor, public accountancy permit No. A130737

# The Multiple Sclerosis Society of Canada (Quebec Division) and Quebec Chapters

## Combined Balance Sheet

As at December 31, 2021

	Note	2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash		4,459,359	2,740,958
Accounts receivable	3	651,286	1,555,287
Inventory		17,193	28,428
Prepaid expenses		50,964	53,905
Current portion of investments	4	11,822	101,827
		5,190,624	4,480,405
<b>Investments</b>	4, 8	53,167	62,058
<b>Capital assets</b>	5	72,530	290,587
		5,316,321	4,833,050
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	6	1,901,408	1,958,610
Deferred revenues	7	149,216	172,777
Current portion of annuity payable	8	3,287	3,174
Current portion of deferred lease inducement		-	4,861
Current portion of long-term debt	10	60,000	-
		2,113,911	2,139,422
<b>Obligations under capital leases</b>		1,500	1,500
<b>Annuity payable</b>	8	14,358	17,645
<b>Deferred lease inducement</b>		-	51,045
<b>Deferred contributions</b>	9	57,592	187,733
<b>Long-term debt</b>	10	-	60,000
		2,187,361	2,457,345
<b>Net Assets</b>			
<b>Invested in capital assets</b>		72,530	290,587
<b>Internally restricted</b>	11	400,514	185,156
<b>Unrestricted</b>		2,655,916	1,899,962
		3,128,960	2,375,705
		5,316,321	4,833,050
<b>Commitments and contingencies</b>	14		

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

# The Multiple Sclerosis Society of Canada (Quebec Division) and Quebec Chapters

## Combined Statement of Revenues and Expenditures

For the year ended December 31, 2021

	Note	2021 \$	2020 \$
<b>Revenues</b>			
<b>Revenues from donations and government grants</b>			
Corporate giving, individual giving and major donors		1,198,975	918,313
Bequests		135,973	236,431
Acts of greatness campaign		50,000	117,440
Government grants	2	2,098,698	2,121,475
Contributions from pharmaceutical partners		84,625	47,500
Other		14,833	1,378
<b>Total revenues from donations and government grants</b>		<b>3,583,104</b>	<b>3,442,537</b>
<b>Other revenues</b>			
Signature events		1,343,972	992,816
Local fundraising initiatives		486,193	183,674
Partnership events and campaigns		139,178	110,273
I challenge MS		372,988	212,804
Public awareness activities		5,588	1,424
HealthPartners		228,288	244,258
Registration fees – Activities provided to clients		34,930	52,212
Bingos and lotteries		53,606	40,957
Sale of goods		61,735	52,366
Investment revenues		15,630	15,011
Membership revenues		1,194	2,295
<b>Total revenues</b>		<b>6,326,406</b>	<b>5,350,627</b>
<b>Expenditures</b>			
<b>Fundraising expenditures</b>			
Donations and grants	2	361,062	358,827
Signature events		397,974	454,426
Local fundraising initiatives		431,501	313,669
Partnership events and campaigns		38,282	31,452
I challenge MS		131,794	78,088
Bingos and lotteries		5,396	5,002
Cost of goods sold		46,949	30,554
Indirect fundraising expenditures		191,176	256,955
<b>Total fundraising expenditures</b>		<b>1,604,134</b>	<b>1,528,973</b>
<b>Program and administrative spending</b>			
Client services	2, 12	1,031,924	1,075,589
Research	13	950,000	146,650
Research – Acts of greatness campaign	13	50,000	117,440
Public education and awareness		556,338	616,484
Chapter and volunteer support and development		636,489	571,330
Community relations		157,263	145,366
Administration		587,003	553,072
<b>Total program and administrative spending</b>		<b>3,969,017</b>	<b>3,225,931</b>
<b>Total expenditures</b>		<b>5,573,151</b>	<b>4,754,904</b>
<b>Excess of revenues over expenditures for the year</b>		<b>753,255</b>	<b>595,723</b>

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

# The Multiple Sclerosis Society of Canada (Quebec Division) and Quebec Chapters

## Combined Statement of Changes in Net Assets

For the year ended December 31, 2021

	Invested in capital assets \$	Internally restricted \$	Unrestricted \$	Total \$
<b>As at January 1, 2020</b>	116,976	51,155	1,611,851	1,779,982
Excess of revenues over expenditures for the year	-	-	595,723	595,723
Internally restricted (released)	-	134,001	(134,001)	-
Acquisition of capital assets	253,042	-	(253,042)	-
Amortization of capital assets	(79,431)	-	79,431	-
<b>As at December 31, 2020</b>	290,587	185,156	1,899,962	2,375,705
Excess of revenues over expenditures for the year	-	-	753,255	753,255
Internally restricted (released)	-	215,358	(215,358)	-
Acquisition of capital assets	34,061	-	(34,061)	-
Amortization and writeoff of capital assets	(252,118)	-	252,118	-
<b>As at December 31, 2021</b>	72,530	400,514	2,655,916	3,128,960

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



# The Multiple Sclerosis Society of Canada (Quebec Division) and Quebec Chapters

Combined Statement of Cash Flows

For the year ended December 31, 2021

	2021 \$	2020 \$
<b>Cash flows from</b>		
<b>Operating activities</b>		
Excess of revenues over expenditures for the year	753,255	595,723
Adjustments for		
Variation in value of mutual fund investments	(1,109)	2,160
Amortization and writeoff of capital assets	252,118	79,431
Deferred lease inducement	-	59,957
Amortization and writteoff of deferred lease inducement	(55,906)	(4,051)
Deferred contributions recognized in revenues	(140,562)	-
	<u>807,796</u>	<u>733,220</u>
Changes in non-cash working capital items		
Decrease (increase) in accounts receivable	904,001	(854,918)
Decrease (increase) in inventory	11,235	(1,790)
Decrease in prepaid expenses	2,941	52,677
Increase (decrease) in accounts payable and accrued liabilities	(57,202)	551,703
Increase (decrease) in deferred revenues	(23,561)	5,140
Increase in deferred contributions	10,421	126,324
	<u>847,835</u>	<u>(120,864)</u>
	<u>1,655,631</u>	<u>612,356</u>
<b>Financing activities</b>		
Payment of obligations under capital leases	-	(547)
Payment of annuity	(3,174)	(3,065)
Increase in long-term debt	-	60,000
	<u>(3,174)</u>	<u>56,388</u>
<b>Investing activities</b>		
Acquisition of investments	(10,000)	(10,000)
Proceeds on sale of investments	110,005	10,000
Acquisition of capital assets	(34,061)	(253,042)
	<u>65,944</u>	<u>(253,042)</u>
<b>Net increase in cash during the year</b>	<u>1,718,401</u>	<u>415,702</u>
<b>Cash – Beginning of year</b>	<u>2,740,958</u>	<u>2,325,256</u>
<b>Cash – End of year</b>	<u>4,459,359</u>	<u>2,740,958</u>

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

# **The Multiple Sclerosis Society of Canada (Quebec Division) and Quebec Chapters**

Notes to Combined Financial Statements

**December 31, 2021**

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## **1 Organization**

The Multiple Sclerosis Society of Canada (Quebec Division) (the “Quebec Division”) and 18 Quebec Chapters included in these combined financial statements were all incorporated under Part III of the Quebec Companies Act and work collaboratively for the purposes of providing services to people living with multiple sclerosis (MS) in Quebec, educating the public and financing medical research.

The Quebec Division and 14 Quebec Chapters are registered charitable organizations under the Income Tax Act (Canada). The 4 other Chapters are non-profit organizations for the purposes of this legislation.

## **2 Summary of significant accounting policies**

### **Basis of accounting and presentation of combined financial statements**

These combined financial statements have been prepared in accordance with Part III of the CPA Canada Handbook – Accounting – Accounting Standards for Not-for-Profit Organizations (ASNPO). They present the combined assets, liabilities, net assets and operations of the Quebec Division and the Quebec Chapters (collectively, the “Society”).

All inter-Society transactions and balances have been eliminated.

### **Use of estimates**

The preparation of combined financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as disclosure of contingent assets and liabilities reported in the combined financial statements and the reported amounts of revenues and expenditures for the year. Actual results could differ from those estimates.

### **Volunteer services and contributed materials and services**

The work of the Society is dependent, among other things, on services provided by numerous volunteers. In addition, the Society may receive contributed materials and other services. Because these materials and services are not normally purchased by the Society, and because of the difficulty in determining their fair values, contributed materials and services are not recognized in these combined financial statements unless they relate to capital assets.

### **Revenue recognition – Contributions**

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures 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.

# **The Multiple Sclerosis Society of Canada (Quebec Division) and Quebec Chapters**

Notes to Combined Financial Statements

**December 31, 2021**

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## **Government grants**

On March 27, 2020, the federal government announced a Canada Emergency Wage Subsidy (CEWS), in effect, retroactively, from March 15 to August 29, 2020 and extended thereafter, allowing Canadian businesses economically affected by the COVID-19 pandemic (coronavirus disease) to keep workers employed. Certain eligibility criteria must be met in order to be eligible for the CEWS. The Society recognized an amount of \$676,884 in government grants revenue for the year ended December 31, 2021 in relation to this grant (2020 – \$1,005,701).

On October 9, 2020, the federal government proposed the Canada Emergency Rent Subsidy (CERS) to provide direct support to businesses, non-profits and charities that are economically affected by the COVID-19 pandemic (coronavirus disease). The CERS is a subsidy offered to cover part of the commercial rent or the real estate expenses retroactively for the period from September 27, 2020 until June 2021. The Society recognized an amount of \$94,133 in government grants revenue for the year ended December 31, 2021 with respect to this grant (2020 – \$39,628).

As an employer in Canada that continues to be impacted by the COVID-19 pandemic (coronavirus disease), the Society has also recognized an amount of \$1,684 related to the Canada's Recovery Hiring Program (CRHP) in government grants revenue for the year ended December 31, 2021 with respect to this grant (2020 – nil).

## **Inventory**

Inventory is valued at the lower of cost and current replacement cost. Cost is generally determined on a first-in, first-out basis. Inventory comprises campaign and informational material.

## **Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided for on a straight-line basis over the estimated useful lives of the assets. Amortization of computer and office equipment is provided for on a straight-line basis over a three- and five-year period, respectively. Leasehold improvements are amortized over the residual life of the lease.

## **Deferred lease inducement**

The Quebec Division has an office lease which began on March 1, 2020 and should have expired on June 30, 2032 for which it received free rent for a total period of four months. The free rent was amortized on a straight-line basis over the term of the lease. However, the Society assign this lease with effect from January 1, 2022 and therefore wrote off this provision for deferred lease inducement as at December 31, 2021.

# The Multiple Sclerosis Society of Canada (Quebec Division) and Quebec Chapters

Notes to Combined Financial Statements

December 31, 2021

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## Net assets

Net assets, other than those invested in capital assets and those that are internally restricted, are unrestricted. Internally restricted net assets result from a resolution of the Board of Directors of certain Chapters (note 11). Investment income earned on the restricted assets is unrestricted. The Society does not have externally imposed restrictions on its capital, except for the subsidized Chapters by the Programme de soutien aux organismes communautaires (PSOC) which must observe certain restrictions relating to the accumulation of surplus.

## Allocation of expenses

The Society provides direct services to people affected by MS, funding for research into the cause and cure for MS, public education and awareness-raising activities, volunteer development and support, advocacy with governments, and stakeholder advocacy programs. The cost of each program includes the costs of personnel responsible for delivering it as well as expenditures that are directly related to its operation.

The Society also incurs costs related to fundraising, administration and governance. The expenses associated with these activities include the salaries of personnel responsible for these activities and directly related expenses.

Salary expenses are charged to the activity or activities for which the personnel are accountable for based on the allocation of time required to carry out their individual roles and responsibilities. The salary expenses are reviewed on an annual basis as part of the budgeting process, and adjustments are made during the year for significant changes in an individual's area of responsibility.

In addition to these direct costs, a number of support expenditures are incurred that are shared among all activities. The support expenditures include office equipment, amortization of capital assets, office rent and occupancy costs, and audit fees. The Society attributes these program fees and activities based on the hours spent on programs and activities by its employees.

Salary expenses and support expenditures are attributed between programs and activities as follows:

			2021	2020
	Quebec Division \$	Quebec Chapters \$	Total \$	Total \$
Program spending	947,559	1,082,453	2,030,012	2,050,201
Fundraising expenditures	731,506	533,760	1,265,266	1,246,663
Administration	278,070	305,185	583,255	544,147
	1,957,135	1,921,398	3,878,533	3,841,011

# **The Multiple Sclerosis Society of Canada (Quebec Division) and Quebec Chapters**

Notes to Combined Financial Statements

**December 31, 2021**

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## **Financial instruments**

### Measurement of financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for equity investments quoted in active markets, if any, which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenditures for the year.

Financial assets measured at amortized cost consist of cash, accounts receivable and non-restricted investments, and financial assets measured at fair value consist of restricted investments. Financial liabilities measured at amortized cost consist of accounts payable and accrued liabilities, obligations under capital leases annuity payable and long-term debt.

### Presentation and transaction costs

Liabilities are classified as current unless the Society has an unconditional right to defer its settlement liabilities for at least 12 months after the combined balance sheet date.

Transaction costs on financial assets and financial liabilities measured at amortized cost, if any, are added to or netted against the carrying value of the related asset or liability and then recognized over the expected life of the instrument using the straight-line method.

### Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the writedown is recognized in excess of revenues over expenditures for the year. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it 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 excess of revenues over expenditures for the year.

# The Multiple Sclerosis Society of Canada (Quebec Division) and Quebec Chapters

Notes to Combined Financial Statements

December 31, 2021

## 3 Accounts receivable

	2021 \$	2020 \$
Receivable from the Multiple Sclerosis Society of Canada	157,409	457,829
CEWS receivable	174,475	682,515
CERS receivable	29,034	39,628
CRHP receivable	1,684	-
PSOC receivable	4,973	85,294
Sales taxes receivable	86,087	56,773
Others	197,624	233,248
	<u>651,286</u>	<u>1,555,287</u>

The other accounts receivable consist principally of sponsorships receivable, receivables related to special events and lottery deposits.

## 4 Investments

	2021 \$	2020 \$
<b>Restricted investments *</b>		
Mutual funds – Initial restricted amount	52,000	52,000
Reduction in value in mutual fund investments	(4,817)	(5,926)
	<u>47,183</u>	<u>46,074</u>
<b>Non-restricted investments</b>		
Term deposit, matured during the year	-	100,000
Non-refundable guaranteed investment certificates	16,500	16,500
Others	1,306	1,311
	<u>17,806</u>	<u>117,811</u>
	64,989	163,885
Less: Current portion	<u>11,822</u>	<u>101,827</u>
	<u>53,167</u>	<u>62,058</u>

\* These investments are restricted until 2026.

As at December 31, 2021, the non-redeemable guaranteed investment certificates bear interest at rates ranging between 0.57% and 1.50% (2020 – between 0.15% and 1.50%) and mature between December 2022 and 2023.

# The Multiple Sclerosis Society of Canada (Quebec Division) and Quebec Chapters

Notes to Combined Financial Statements

December 31, 2021

## 5 Capital assets

			2021	2020
	Cost	Accumulated	Net	Net
	\$	amortization	\$	\$
		\$		
Computer and office equipment	315,137	256,944	58,193	89,197
Leasehold improvements	58,995	44,658	14,337	201,390
	374,132	301,602	72,530	290,587

## 6 Accounts payable and accrued liabilities

	2021	2020
	\$	\$
Payable to the Multiple Sclerosis Society of Canada	1,541,331	1,398,525
Accounts payable and accrued liabilities	360,077	560,085
	1,901,408	1,958,610

## 7 Deferred revenues

Deferred revenues consist of government grants and amounts for which special conditions exist.

	2021	2020
	\$	\$
<b>Balance – Beginning of year</b>	172,777	167,637
Revenues		
Amount recognized in the combined statement of revenues and expenditures	(76,419)	(167,637)
Amount received relating to the following year	52,858	172,777
<b>Balance – End of year</b>	149,216	172,777

# The Multiple Sclerosis Society of Canada (Quebec Division) and Quebec Chapters

Notes to Combined Financial Statements

December 31, 2021

## 8 Annuity payable

On September 29, 2016, the Society received a donation of mutual funds units from an individual for an amount of \$52,000. The donation consists of two parts as follows:

- An amount of \$19,300 that must be held for a minimum of 10 years, which has been recorded as a deferred contribution in the combined balance sheet; and
- An amount of \$32,700 for which the Society must retain the invested capital of the donation at Investors Group Financial Services Inc. until the annuity is fully paid to the donor and annuitant, i.e. 120 monthly payments of \$321 as of January 1, 2017.

	2021 \$	2020 \$
Annuity payable, discounted at the implicit interest rate of 3.5% and maturing on December 1, 2026	17,645	20,819
Less: Current portion	3,287	3,174
	<u>14,358</u>	<u>17,645</u>

Future minimum payments of the annuity payable in the next five years are as follows:

	\$
2022	3,852
2023	3,852
2024	3,852
2025	3,852
2026	3,852
	<u>19,260</u>
Less: Interest	1,615
	<u>17,645</u>



# The Multiple Sclerosis Society of Canada (Quebec Division) and Quebec Chapters

Notes to Combined Financial Statements

December 31, 2021

## 9 Deferred contributions

Deferred contributions consist of donations received by the Society which are restricted by donors and which were not spent at the end of the fiscal year. As at December 31, 2020, the balance mainly includes amounts allocated to research (note 11).

	2021 \$	2020 \$
<b>Balance – Beginning of year</b>	187,733	61,409
Revenues		
Amount recognized in the combined statement of revenues and expenditures	(140,562)	-
Amount received relating to the following year	10,421	126,324
<b>Balance – End of year</b>	<u>57,592</u>	<u>187,733</u>

## 10 Long-term debt

	2021 \$	2020 \$
Government loan of \$60,000, interest-free, of which an amount of \$20,000 will be offered in the form of a forgivable loan if the Society repays \$40,000 by December 31, 2022	60,000	60,000
Less: Current portion	60,000	-
	<u>-</u>	<u>60,000</u>

# The Multiple Sclerosis Society of Canada (Quebec Division) and Quebec Chapters

Notes to Combined Financial Statements

December 31, 2021

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## 11 Internally restricted net assets

The following amounts are internally restricted following a resolution by the Board of Directors of the Abitibi-Témiscamingue, Bas-Saint-Laurent, Centre-du-Québec, Lac-St-Jean, Laurentides, Laval, Mauricie, Montréal and Saguenay Chapters:

	2021 \$	2020 \$
Emergency fund	33,449	37,000
Self-financing activities	108,592	80,156
Acquisition of computer and other equipment	21,245	16,000
Development of partnerships with the community	96,000	47,000
Updating of databases	5,000	5,000
Improvement of services and hiring of people	69,000	-
Contribution to the 2022-2023 mission	40,000	-
Training	27,228	-
	<hr/> 400,514	<hr/> 185,156

## 12 Combined statement of revenues and expenditures

These accounts comprise part of the amounts provided in the combined statement of revenues and expenditures:

	2021 \$	2020 \$
Amortization and writeoff of capital assets	252,118	79,431
Amortization and writeoff of deferred lease inducement	(55,906)	(4,051)

## 13 Research funding

An important part of the Society's mission is to finance medical research on MS. This contribution is presented in "Research" and "Research – Acts of greatness campaign" in the combined statement of revenues and expenditures. The amount of the annual contribution to research is determined by the Board of Directors of the Quebec Division and each of the Quebec Chapters, taking into account their respective financial situation.

# The Multiple Sclerosis Society of Canada (Quebec Division) and Quebec Chapters

Notes to Combined Financial Statements

December 31, 2021

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## 14 Commitments and contingencies

- a) Minimum rents for premises leased under long-term operating leases are as follows:

	\$
2022	207,951
2023	124,537
2024	117,768
2025	108,806
2026	98,727
Thereafter	<u>153,622</u>
	<u>811,411</u>

- b) Pursuant to the assignment of the office lease agreement by the Quebec Division, the Society remains a joint and several co-debtor until the termination of the original lease expiring June 30, 2032.

## 15 Financial instruments

### Credit risk

Financial instruments that potentially subject the Society to credit risk consist of cash, accounts receivable and investments. The Society has deposited its cash with reputable financial institutions. Accounts receivable primarily consist of amounts receivable from the Multiple Sclerosis Society of Canada and government entities. Management therefore considers that there is no credit risk as at December 31, 2021.

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Society is exposed to market risk relating to its investment in units of a mutual funds which is invested in US equities; however, this risk is limited given that the amount invested is not significant.

### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial obligations. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, obligations under capital leases, annuity payable, long-term debt and commitments for the rental of its premises. The Society minimizes this risk through an annual budget process and rigorous follow-up.

