
**THE MYALGIC
ENCEPHALOMYELITIS
ASSOCIATION OF ONTARIO (MEAO)**

FINANCIAL STATEMENTS

DECEMBER 31, 2017

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of The Myalgic Encephalomyelitis Association of Ontario,

We have reviewed the accompanying financial statements of The Myalgic Encephalomyelitis Association of Ontario that comprise the statement of financial position as at December 31, 2017 and the statements of operations and changes in net assets and 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of The Myalgic Encephalomyelitis Association of Ontario as at December 31, 2017, 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.

Conperthwaite Mehta

Chartered Professional Accountants
Licensed Public Accountants

March 26, 2018
Toronto, Ontario

THE MYALGIC ENCEPHALOMYELITIS ASSOCIATION OF ONTARIO

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

	2017	2016
ASSETS		
Current assets		
Cash	\$ 8,722	\$ 6,639
Short-term investments (note 4)	35,906	51,602
Accounts receivable	1,160	333
Prepaid expenses	<u>400</u>	<u>400</u>
	<u>\$ 46,188</u>	<u>\$ 58,974</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ <u>667</u>	\$ <u>157</u>
Net assets		
Unrestricted	<u>45,521</u>	<u>58,817</u>
	<u>\$ 46,188</u>	<u>\$ 58,974</u>

Approved on behalf of the Board:

Original signed _____, Director
President, Denise Magi

Original signed _____, Director
Secretary-Treasurer, Adrianna Tetley

see accompanying notes

THE MYALGIC ENCEPHALOMYELITIS ASSOCIATION OF ONTARIO

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

UNAUDITED

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
REVENUE		
Donations	\$ 3,064	\$ 2,641
Membership fees	903	1,026
Investment income	<u>340</u>	<u>484</u>
	<u>4,307</u>	<u>4,151</u>
EXPENSES		
Professional fees	8,590	1,479
Personnel related	3,083	988
Office and general	2,262	2,371
Program and outreach	1,365	1,637
Promotion	1,354	1,120
Insurance	856	856
Annual General Meeting and report	<u>93</u>	<u></u>
	<u>17,603</u>	<u>8,451</u>
EXCESS OF EXPENSES OVER REVENUE FOR THE YEAR	(13,296)	(4,300)
Net assets, beginning of year	<u>58,817</u>	<u>63,117</u>
NET ASSETS, END OF YEAR	<u>\$ 45,521</u>	<u>\$ 58,817</u>

see accompanying notes

THE MYALGIC ENCEPHALOMYELITIS ASSOCIATION OF ONTARIO

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess of expenses over revenue for the year	\$ (13,296)	\$ (4,300)
Changes in non-cash working capital items-	<u>(317)</u>	<u>(2,694)</u>
Net cash used for operating activities	(13,613)	(6,994)
INVESTING ACTIVITIES		
Redemption of short-term investments	<u>15,696</u>	<u>4,559</u>
NET INCREASE (DECREASE) IN CASH FOR THE YEAR	2,083	(2,435)
Cash, beginning of year	<u>6,639</u>	<u>9,074</u>
CASH, END OF YEAR	<u><u>\$ 8,722</u></u>	<u><u>\$ 6,639</u></u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Accounts receivable	\$ (827)	\$ 191
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	<u>510</u>	<u>(2,885)</u>
	<u><u>\$ (317)</u></u>	<u><u>\$ (2,694)</u></u>

see accompanying notes

THE MYALGIC ENCEPHALOMYELITIS ASSOCIATION OF ONTARIO

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. THE ORGANIZATION

The Myalgic Encephalomyelitis Association of Ontario (MEAO) is a not-for-profit organization incorporated in the Province of Ontario without share capital. MEAO is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

MEAO provides voice and support to individuals, their families, caregivers who are living with complex, chronic environmentally-linked medical conditions, focused on but not limited to myalgic encephalomyelitis/chronic fatigue syndrome (ME/CFS), fibromyalgia (FM) and environmental sensitivities/multiple chemical sensitivity (ES/MCS) in Ontario.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

Capital assets

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives.

Revenue recognition

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- i) Membership fees received are non-refundable and recognized as revenue in the membership period to which they apply.
- ii) MEAO follows the deferral method of revenue recognition for contributions. Contributions related to current expenditures are reflected in the accounts as a revenue item in the current year. Grants received in the year for expenses to be incurred in the following fiscal year are recorded as deferred revenue.
- iii) Fundraising and donation revenue is recorded when funds are received. Donated materials and services which are normally purchased by the organization are not recorded in the accounts.
- iv) Investment income is recognized in the period earned.

3. FINANCIAL INSTRUMENTS

MEAO records financial instruments, which include cash, short-term investments, accounts receivable and accounts payable, initially at fair value. Subsequently, short-term investments are recorded at cost plus accrued interest. All others are recorded net of any provisions for impairment in value.

4. SHORT-TERM INVESTMENTS

Short-term investments comprises a 0.50% guaranteed investment certificate issued by a major Canadian chartered bank and maturing in November 2018.