Financial statements of
Muscular Dystrophy Canada

March 31, 2019

Deloitte.

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Independent Auditor's Report

To the Directors of Muscular Dystrophy Canada

Qualified Opinion

We have audited the financial statements of Muscular Dystrophy Canada, which comprise the statement of financial position as at March 31, 2019, and the statements of revenue and expenses, 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 (collectively referred to as the "financial statements").

In our opinion, except for the possible 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 Muscular Dystrophy Canada as at March 31, 2019, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Muscular Dystrophy Canada derives revenue from general campaign and donations, 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 Muscular Dystrophy Canada and we were not able to determine whether any adjustments might be necessary to recorded general campaign and donations revenue, the excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2019 and 2018, current assets as at March 31, 2019 and 2018 and net assets as at April 1 and March 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Muscular Dystrophy Canada 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 audit opinion.

Responsibilities of Management and Those Charged with Governance 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 Muscular Dystrophy Canada'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 Muscular Dystrophy Canada or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Muscular Dystrophy Canada'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 GAAS 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 GAAS, 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 Muscular Dystrophy Canada’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 Muscular Dystrophy Canada’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 Muscular Dystrophy Canada 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 15, 2019

Muscular Dystrophy Canada

Statement of financial position

As at March 31, 2019

	Notes	2019 $	2018 $ (Note 18)
Assets			
Current assets			
Cash		**1,517,597**	1,533,654
Restricted cash	2	**372,506**	512,843
Short-term investments	3	**864,120**	852,965
Amounts receivable		**364,985**	335,988
Prepaid expenses and supplies		**234,205**	117,018
		3,353,413	3,352,468
Long-term investments	4	**8,227,170**	7,835,824
Capital assets	5	**160,489**	210,306
		11,741,072	11,398,598
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11	**734,329**	687,649
Deferred revenue	7	**151,280**	170,188
Deferred lease inducements	17	**27,212**	4,286
Commitments for research grants	16	**300,000**	460,000
		1,212,821	1,322,123
Long-term deferred lease inducements	17	**129,613**	25,000
Long-term commitments for research grants	16	**258,333**	258,333
Deferred contributions related to	6		
Neuromuscular research		**1,407,385**	1,923,858
Services		**1,528,661**	1,304,409
Education		**271,684**	182,684
British Columbia gaming		**202,063**	270,827
		3,409,793	3,681,778
		5,010,560	5,287,234
Commitments	13		
Net assets			
Net assets restricted for endowment purposes		**950,691**	909,300
Net assets invested in Board Approved Priorities	10	**—**	983,085
Net assets invested in capital assets		**160,489**	210,306
Unrestricted net assets		**5,619,332**	4,008,673
		6,730,512	6,111,364
		11,741,072	11,398,598

The accompanying notes to the financial statements are an integral part of this financial statement.

Approved by the Board of Directors

, Director

, Director

Muscular Dystrophy Canada

Statement of revenue and expenses

Year ended March 31, 2019

	Notes	2019 $	2018 $ (Note 18)
Revenue	6		
General campaign and donations		**7,740,931**	8,577,182
Other revenue		**1,191,581**	757,286
		8,932,512	9,334,468
Investment and sundry income		**409,521**	237,094
		9,342,033	9,571,562
Expenses			
Fundraising	8 and 9	**2,425,343**	2,795,300
Fundraising operating support	9	**1,534,515**	1,531,252
		3,959,858	4,326,552
Volunteer support and governance		**287,756**	285,268
		4,247,614	4,611,820
Excess of revenue over expenses before programs and services		**5,094,419**	4,959,742
Programs and services			
Research programs		**1,142,189**	918,519
Services		**1,918,371**	1,804,302
Education and information services		**975,284**	811,697
Other programs	9	**316,972**	327,075
Services operating support	9	**194,533**	183,342
		4,547,349	4,044,935
Excess of revenue over expenses before the undernoted		**547,070**	914,807
Amortization of capital assets		**(93,781)**	(109,359)
Loss on disposal of capital assets		**(53,454)**	—
Change in fair value of investments		**219,313**	78,347
Excess of revenue over expenses for the year		**619,148**	883,795

The accompanying notes to the financial statements are an integral part of this financial statement.

Muscular Dystrophy Canada

Statement of changes in net assets

Year ended March 31, 2019

	Notes	Invested in Board Approved priorities $	Restricted for endowment purposes $	Invested in capital assets $	Unrestricted $	2019 Total $
Net assets, beginning of year		**983,085**	**909,300**	**210,306**	**4,008,673**	**6,111,364**
(Deficiency) excess of revenue over expenses for the year		**—**	**—**	**(93,781)**	**712,929**	**619,148**
Loss on disposal of capital assets		**—**	**—**	**(53,454)**	**53,454**	**—**
Invested in capital assets		**—**	**—**	**97,418**	**(97,418)**	**—**
Interfund transfer	10	**(983,085)**	**41,391**	**—**	**941,694**	**—**
Net assets, end of year		**—**	**950,691**	**160,489**	**5,619,332**	**6,730,512**

	Notes	Invested in Board Approved priorities $	Restricted for endowment purposes $	Invested in capital assets $	Unrestricted $	2018 Total $
Net assets, beginning of year		983,085	869,420	296,311	3,078,753	5,227,569
(Deficiency) excess of revenue over expenses for the year		—	—	(109,359)	993,154	883,795
Invested in capital assets		—	—	23,354	(23,354)	—
Interfund transfer	10	—	39,880	—	(39,880)	—
Net assets, end of year		983,085	909,300	210,306	4,008,673	6,111,364

The accompanying notes to the financial statements are an integral part of this financial statement.

Muscular Dystrophy Canada

Statement of cash flows

Year ended March 31, 2019

	2019 $	2018 $ (Note 18)
Operating activities		
Excess of revenue over expenses for the year	**619,148**	883,795
Change in restricted cash	**140,337**	40,608
Items not involving cash		
Amortization of capital assets	**93,781**	109,359
Loss on disposal of capital assets	**53,454**	—
Change in fair value of investments - realized gains	**(469,798)**	(182,089)
Change in fair value of investments - unrealized losses	**211,374**	57,516
	648,296	909,189
Changes in non-cash working capital		
Increase in amounts receivable	**(28,997)**	(153,413)
(Increase) decrease in prepaid expenses and supplies	**(117,187)**	134,469
Increase (decrease) in accounts payable and accrued liabilities	**46,680**	(668,775)
(Decrease) increase in deferred revenue	**(18,908)**	94,962
Increase (decrease) in deferred lease inducements	**127,539**	(8,571)
(Decrease) increase in commitments for research grants	**(160,000)**	98,333
Decrease in deferred contributions	**(271,985)**	(360,138)
	225,438	46,056
Investing activities		
Purchase of investments	**(144,077)**	(161,585)
Purchase of capital assets	**(97,418)**	(23,354)
	(241,495)	(184,939)
Decrease in cash during the year	**(16,057)**	(138,883)
Cash, beginning of year	**1,533,654**	1,672,537
Cash, end of year	**1,517,597**	1,533,654

The accompanying notes to the financial statements are an integral part of this financial statement.

Nature of operations

Muscular Dystrophy Canada is registered as a charitable organization without share capital under the Canada Corporations Act. As such, Muscular Dystrophy Canada is not liable for any federal or provincial income taxes under the provisions of the Income Tax Act (Canada). On August 28, 2014, Muscular Dystrophy Canada was granted continuance under the Canada Not-for-Profit Corporations Act. Muscular Dystrophy Canada is a national voluntary organization committed to improving the quality of life of people with neuromuscular disorders and to finding a cure. Muscular Dystrophy Canada supports the independence and full participation of Canadians with neuromuscular disorders, assists individuals to participate in decisions that affect them and to collaborate with others for social change.

1. Summary of significant accounting policies

Basis of accounting

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) in Part III of the Chartered Professional Accountants of Canada Handbook. The financial statements include the following significant accounting policies.

Fund accounting

These financial statements include the following funds:

- Restricted for endowment purposes - includes donations that are required to be maintained by Muscular Dystrophy Canada on a permanent basis, and also includes investment income earned on these funds.
- Invested in capital assets - reflects amounts that have been designated for the purchase of capital assets, net of accumulated amortization.
- Unrestricted - includes the cumulative net assets of operating revenues over expenses.
- Invested in Board Approved Priorities - reflects amounts that have been designated for priorities relating to the development of a strategic plan, strategic marketing plan, website refresh and respiratory care initiatives.

Cash and restricted cash

Cash comprises cash on hand and bank balances. Restricted cash includes amounts held in bank accounts in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario that have been secured from gaming activities and other designated funds.

Revenue recognition

Muscular Dystrophy Canada follows the deferral method of accounting for contributions. Designated contributions are recognized as revenue in the year in which the related expenses are incurred. Undesignated contributions are recognized as revenue when received. Endowment contributions are recognized as direct increases in net assets.

Investment income, including interest income, is recognized as revenue when earned. Investment income allocated to the endowment assets is recognized as undesignated income. Investment income allocated to endowment funds in excess of that spent in the current year is added to the endowment funds. Donated insurance premiums are recognized as revenue in the year received.

1. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Funds received related to events that have not occurred are recorded as deferred revenue and recognized as revenue when the event takes place.

Unrestricted government grants are recognized as revenue in the year received.

Allocation of expenses

Muscular Dystrophy Canada engages in providing research, support and advocacy, equipment funding and public education services. The costs of each service include the costs of personnel, premises and other expenses that are directly related to providing the services.

Expenses have been charged to programs and services, fundraising and administration according to the activity to which they relate or benefit. Expenses relating to, or benefitting, more than one activity are allocated on a predetermined basis, which management reviews on an ongoing basis. Thus, certain salaries and benefits are allocated based on management's estimated percentage of time spent and certain operational expenses are allocated based on the square footage being used by each functional unit. Central services expenses are allocated to fundraising programs and services based on estimated usage.

Research grants

Commitments for research grants, which are payable over a specified number of years, are included in expenses in the year the Board approves the commitment.

Research commitments made under these research partnerships are made directly to the institutions that support the research activity.

Capital assets

Capital assets, which are initially recorded at cost, are amortized on the straight-line basis over their estimated useful lives as follows:

Information technology	20%
Furniture and equipment	20%
Leasehold improvements	over term of lease

Muscular Dystrophy Canada reviews the carrying amounts of its long-lived assets regularly. If the long-lived assets no longer have any long-term service potential to Muscular Dystrophy Canada, the excess of the net carrying amount over any residual value is recognized as an expense in the Statement of revenue and expenses.

Leases, rent expense and deferred lease inducements

Leases are accounted for as operating leases, wherein rental payments are initially recorded in the Statement of revenue and expenses and are adjusted to the straight-line basis over the term of the related lease. The difference between the straight-line rent expense and the rental payments, as stipulated under the lease agreement, is included in accounts payable and accrued liabilities. Lease inducements are deferred and amortized on the straight-line basis over the term of the related lease.

1. Summary of significant accounting policies (continued)

Contributed goods and services

Volunteers contribute a significant amount of time to assist Muscular Dystrophy Canada in carrying out its activities. Because of the difficulty in determining its fair value, contributed time is not recognized in the financial statements.

Contributed goods and gifts-in-kind, for which fair value has been determined and receipts have been issued, are recorded at fair value at the time of receipt.

Financial instruments

Financial assets and financial liabilities are initially measured at fair value. Muscular Dystrophy Canada subsequently measures all its financial assets and financial liabilities at amortized cost, except for short-term and long-term investments which are measured at fair value. Changes in the fair value are recognized in the statement of revenue and expenses.

Financial assets, other than those measured at fair value, are tested for impairment at the end of each reporting period when there are indicators the assets may be impaired.

Short-term and long-term investments

Muscular Dystrophy Canada classifies its short-term and long-term investments based on intention for use, rather than the composition and maturity dates of the underlying investments. Although Muscular Dystrophy Canada has the ability to liquidate a portion of the long-term investments at any given time based on their composition, in substance management intends to hold the long-term investments for a period greater than one year, to earn investment income. Long-term investments are held solely for earning investment income and are not held for operating purposes. The proceeds from the sale of long-term investments are not withdrawn from the investment portfolios; instead they are reinvested to purchase additional investments to be held for the purpose of earning investment income.

Cash surrender value of life insurance

The life insurance policies are initially measured at the cash surrender value, as the fair value is not reasonably estimable. Subsequently, the life insurance policies are held at cash surrender value. Changes in cash surrender value are recognized in the Statement of revenue and expenses.

Use of estimates

The preparation of these financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

2. Restricted cash

Restricted cash includes amounts held in bank accounts in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario that have been secured from gaming activities and other designated funds. The monies are restricted to eligible expenses to be made to benefit persons with neuromuscular disorders residing in the province where the proceeds were received. Funds are transferred to the general operating bank account based on proof of payment of such eligible expenses.

3. Short-term investments

		2019		2018
	Cost	**Fair value**	Cost	Fair value
	$	**$**	$	$
Money market	**40,320**	**40,403**	32,096	32,205
Short-term bond fund	**830,443**	**823,717**	826,348	820,760
	870,763	**864,120**	858,444	852,965

4. Long-term investments

		2019		2018
	Cost	**Fair value**	Cost	Fair value
	$	**$**	$	$
Cash and cash equivalents	**1,116,975**	**1,119,164**	859,378	862,247
Fixed income	**3,382,245**	**3,222,410**	3,382,245	3,176,060
Canadian equities	**1,286,148**	**1,849,405**	1,384,816	1,963,526
Foreign equities	**1,511,309**	**2,026,377**	1,209,601	1,824,177
	7,296,677	**8,217,356**	6,836,040	7,826,010
Cash surrender value of life insurance	**59,535**	**9,814**	59,535	9,814
	7,356,212	**8,227,170**	6,895,575	7,835,824

Muscular Dystrophy Canada is the beneficiary of life insurance policies for a previous board member and three donors. The cash surrender value of the life insurance policies is recorded as an asset at the value determined by the underwriters of the policies. The total amount receivable on death of the insured persons is $9,814 (2018 - $9,814).

5. Capital assets

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
	$	$	$	$
Information technology	323,053	262,178	60,875	105,081
Furniture and equipment	108,638	76,512	32,126	39,788
Leasehold improvements	76,124	8,636	67,488	65,436
	507,815	347,326	160,489	210,306

In the current year, $181,598 (2018 - $172,397) of fully amortized capital assets have been removed from the cost and accumulated amortization balances.

6. Deferred contributions

Deferred contributions represent unspent resources externally designated for specific purposes. Muscular Dystrophy Canada classifies these deferred contributions as neuromuscular research, services, education or British Columbia gaming, depending on the designation of the resource as defined by the external donor.

Changes in the deferred contributions balance are as follows:

	Neuromuscular research	Services	Education	British Columbia gaming	2019 Total	2018 Total
	$	$	$	$	$	$
Balance, beginning of year	1,923,858	1,304,409	182,684	270,827	3,681,778	4,041,916
Amounts received during the year	343,185	807,357	114,218	225,080	1,489,840	1,263,658
Amortization of deferred contributions during the year	(859,658)	(583,105)	(25,218)	(293,844)	(1,761,825)	(1,623,796)
Balance, end of year	1,407,385	1,528,661	271,684	202,063	3,409,793	3,681,778

6. Deferred contributions (continued)

Details of revenue are as follows:

	2019	2018
	$	$
General campaign and donations	7,747,743	8,212,908
Other revenue	912,784	761,422
Funds raised during the year	8,660,527	8,974,330
Transfer of deferred contributions	271,985	360,138
Fundraising revenue	8,932,512	9,334,468

Details of British Columbia gaming deferred contributions are as follows:

	Fraser valley Chapter	British Columbia Chapter	2019 Total	2018 Total
	$	$	$	$
Amount received	51	225,029	225,080	245,066
Expenditures				
Programs and services				
Equipment	—	161,973	161,973	142,370
Program and services operating support	—	131,871	131,871	108,954
	—	293,844	293,844	251,324
Excess (deficiency) of amount received over expenditures for the year	51	(68,815)	(68,764)	(6,258)

7. Deferred revenue

The changes for the year in deferred revenue balance are as follows:

	2019	2018
	$	$
		(Note 18)
Balance, beginning of year	170,188	113,083
Amortization of revenue during the year	(170,188)	(113,083)
Amounts received during the year	151,280	170,188
Balance, end of year	151,280	170,188

8. Disclosure in compliance with the Imagine Canada Ethical Fundraising and Financial Accountability Code

Muscular Dystrophy Canada's governing board has adopted the Ethical Fundraising and Financial Accountability Code of Imagine Canada.

	2019	2018
	$	$
Total fundraising revenue	**8,932,512**	9,334,468
Total fundraising expenses	**2,425,343**	2,795,300
Total donations receipted for tax purposes	**3,350,595**	3,331,712
Total expenditures on charitable activities	**4,547,349**	4,044,935

9. Allocation of expenses

Salaries and benefits and certain operational expenses, such as rent and capital maintenance, have been allocated as follows:

	Salaries and benefits	**Operational expenses**	**2019 Total**	Salaries and benefits	Operational expenses	2018 Total
	$	**$**	**$**	$	$	$
Fundraising operating support	**950,917**	**583,598**	**1,534,515**	981,225	550,027	1,531,252
Services operating support	**—**	**194,533**	**194,533**	—	183,342	183,342
Other programs	**—**	**316,972**	**316,972**	—	327,075	327,075
	950,917	**1,095,103**	**2,046,020**	981,225	1,060,444	2,041,669

10. Inter-fund transfer

Muscular Dystrophy Canada's Board approved an appropriation relating to fiscal 2019 of $41,391 (2018 - $39,880) from the Unrestricted fund to the Restricted for endowment purposes fund. Net assets invested in Board Approved priorities of $983,085 (2018 - $Nil) were transferred to unrestricted in fiscal 2019.

11. Accounts payable and accrued liabilities

There are no outstanding government remittances as at March 31, 2019 and 2018.

12. Pension plan

Muscular Dystrophy Canada has a defined contribution pension plan. Under the terms of the plan, eligible employees contribute a range of 2% to 5% of their earnings. Muscular Dystrophy Canada is required to match the employees' contributions. Employer contributions for the year were $118,359 (2018 - $125,243) and employee contributions were $118,359 (2018 - $125,243).

13. Commitments

Muscular Dystrophy Canada rents office space under the terms of various operating lease agreements. These leases have aggregate minimum annual lease payments, exclusive of operating costs and realty taxes, as follows:

	$
2020	323,655
2021	298,225
2022	274,873
2023	227,204
2024	190,925
Thereafter	177,020
	1,491,902

In relation to these leases, Muscular Dystrophy Canada has agreed to indemnify the landlord against losses occurring on the leased premises, which may arise out of a breach of the lease agreement.

14. Financial instrument risk

Muscular Dystrophy Canada holds securities subject to market price risk, credit risk, interest rate risk, liquidity risk and foreign currency risk.

Market price risk

Market price risk is the risk the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuers or all factors affecting all instruments traded in the market. As all of Muscular Dystrophy Canada's financial instruments are carried at fair value with fair value changes recognized in the statement of revenue and expenses, all changes in market conditions will directly result in an increase (decrease) in net assets. Market price risk is managed through construction of a diversified portfolio of instruments traded on various markets and across various industries.

Credit risk

Financial instruments that potentially subject Muscular Dystrophy Canada to concentrations of credit risk are cash and investments. Muscular Dystrophy Canada places its cash in interest bearing accounts and instruments insured by a Canadian chartered bank, or in highly liquid investments that are readily convertible into known amounts of cash.

Interest rate risk

Interest rate risk arises from the possibility changes in interest rates will affect the value of fixed income securities held by Muscular Dystrophy Canada. Muscular Dystrophy Canada manages this risk by holding fixed income government bonds and guaranteed investment certificates and by staggering the terms of the investments held.

Liquidity risk

Liquidity risk is the risk an entity will encounter difficulty in meeting obligations associated with financial liabilities.

14. Financial instrument risk (continued)

Liquidity risk (continued)

All of Muscular Dystrophy Canada's investments are considered to be readily realizable, as they can be quickly liquidated at amounts close to their fair value in order to meet liquidity requirements.

Foreign currency risk

Foreign currency risk is the risk the value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. Muscular Dystrophy Canada invests in financial instruments and enters into transactions denominated in various foreign currencies other than its measurement currencies. Consequently, Muscular Dystrophy Canada is exposed to risks the exchange rate of the various currencies may change in a manner that will have an adverse effect on the value of the portion of Muscular Dystrophy Canada's assets denominated in currencies other than the Canadian dollar. Currently, the only other currency in which Muscular Dystrophy Canada holds investments is the US dollar.

15. Contingencies

From time to time, lawsuits and claims have been brought against Muscular Dystrophy Canada. Muscular Dystrophy Canada vigorously contests such lawsuits and claims and management believes any resulting outcome would not have a material effect on the financial position or the statement of revenue and expenses of Muscular Dystrophy Canada. At this time, there is no outstanding litigation against the organization.

16. Commitments for research grants

Muscular Dystrophy Canada issued commitments for research grants to institutions that support Neuromuscular research activities, which are payable over a specified number of years as follows:

	$
2020	300,000
2021	158,333
2022	100,000
	558,333

In relation to these research grants made under the research partnerships, commitments are made directly to the institutions that support the research activity.

17. Deferred revenue - lease inducements

The increase in deferred lease inducements is related to the relocation of a Muscular Dystrophy Canada office to a new space, as well as amounts related to an old lease inducement. The deferred lease inducement is being amortized over the term of the lease as follows:

	$
Current deferred lease inducements	**27,212**
Long-term deferred lease inducements	**129,613**
Total	**156,825**

17. Deferred revenue - lease inducements (continued)

	$
2020	27,212
2021	27,212
2022	27,212
2023	27,212
2024	27,212
Thereafter	20,765
	156,825

18. Comparative figures

Certain prior year comparative figures have been reclassified to conform to the current year's financial statement presentation. The reclassifications relate primarily to deferred revenue balances and the presentation of restricted cash on the statement of cash flow.