

Financial statements of

**Muscular Dystrophy Canada**

March 31, 2018

# Muscular Dystrophy Canada

March 31, 2018

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## Independent Auditor's Report

To the Directors and Members of  
Muscular Dystrophy Canada

We have audited the accompanying financial statements of Muscular Dystrophy Canada, which comprise the statement of financial position as at March 31, 2018, and the statements of revenue and expenditures, changes in net assets and cash flows for the year then ended, and the related notes, which comprise 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Basis for Qualified Opinion

In common with many not-for-profit organizations, Muscular Dystrophy Canada derives revenues from the general public, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Muscular Dystrophy Canada. Therefore, we were not able to determine whether any adjustments might be necessary to general campaign and donations revenue, excess of revenue over expenditures and cash flows from operations for the years ended March 31, 2018 and March 31, 2017, current assets as at March 31, 2018 and March 31, 2017 and net assets as at the beginning and the end of the years ended March 31, 2018 and March 31, 2017.

**Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Muscular Dystrophy Canada as at March 31, 2018 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.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
June 15, 2018

# Muscular Dystrophy Canada

## Statement of financial position as at March 31, 2018

	2018	2017
	\$	\$
<b>Assets</b>		
Current assets		
Cash	1,533,654	1,672,537
Restricted cash (Note 2)	512,843	553,451
Short-term investments (Note 3)	852,965	811,382
Amounts receivable	335,988	182,575
Prepaid expenses and supplies	117,018	251,487
	<b>3,352,468</b>	<b>3,471,432</b>
Long-term investments (Note 4)	7,835,824	7,591,249
Capital assets (Note 5)	210,306	296,311
	<b>11,398,598</b>	<b>11,358,992</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	687,649	1,356,424
Deferred revenue (Note 7)	199,474	113,083
Commitments for research grants (Note 16)	460,000	260,000
	<b>1,347,123</b>	<b>1,729,507</b>
Long-term commitments for research grants (Note 16)	258,333	360,000
Deferred contributions related to (Note 6)		
Neuromuscular research	1,923,858	2,257,877
Services	1,304,409	1,327,357
Education	182,684	179,597
British Columbia gaming	270,827	277,085
	<b>3,681,778</b>	<b>4,041,916</b>
	<b>5,287,234</b>	<b>6,131,423</b>
Commitments (Note 13)		
<b>Net assets</b>		
Restricted for endowment purposes	909,300	869,420
Invested in Board Approved Priorities	983,085	983,085
Invested in capital assets	210,306	296,311
Unrestricted	4,008,673	3,078,753
	<b>6,111,364</b>	<b>5,227,569</b>
	<b>11,398,598</b>	<b>11,358,992</b>

Approved by the Board of Directors

Director

Director

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

# Muscular Dystrophy Canada

## Statement of revenue and expenditures year ended March 31, 2018

	2018	2017
	\$	\$
<b>Revenue (Note 6)</b>		
General campaign and donations	8,577,182	8,638,328
Other revenue	757,286	1,608,157
	9,334,468	10,246,485
Investment and sundry income	237,094	231,306
	9,571,562	10,477,791
<b>Expenditures</b>		
Fundraising (Notes 8 and 9)	2,795,300	3,835,983
Fundraising operating support (Note 9)	1,531,252	1,441,053
	4,326,552	5,277,036
Volunteer support and governance	285,268	486,832
	4,611,820	5,763,868
<b>Net funds available for programs and services</b>	4,959,742	4,713,923
<b>Programs and services</b>		
Research programs	918,519	863,512
Services	1,804,302	1,573,781
Education and information services	811,697	925,746
Other programs (Note 9)	327,075	288,180
Services operating support (Note 9)	183,342	647,429
	4,044,935	4,298,648
Excess of revenue over expenditures before the undernoted	914,807	415,275
Amortization of capital assets	(109,359)	(119,386)
Change in fair value of investments	78,347	408,535
Excess of revenue over expenditures for the year before restructuring costs	883,795	704,424
Restructuring costs (Note 17)	-	(724,000)
Excess (deficiency) of revenue over expenditures for the year	883,795	(19,576)

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, 2018

	2018				
	Invested in Board Approved priorities	Restricted for endowment purposes	Invested in capital assets	Unrestricted	Total
	\$	\$	\$	\$	\$
<b>Net assets, beginning of year</b>	983,085	869,420	296,311	3,078,753	5,227,569
Excess (deficiency) of revenue over expenditures for the year	-	-	(109,359)	993,154	883,795
Purchase of capital assets	-	-	23,354	(23,354)	-
Inter-fund transfer (Note 10)	-	39,880	-	(39,880)	-
<b>Net assets, end of year</b>	983,085	909,300	210,306	4,008,673	6,111,364

	2017				
	Invested in Board Approved priorities	Restricted for endowment purposes	Invested in capital assets	Unrestricted	Total
	\$	\$	\$	\$	\$
<b>Net assets, beginning of year</b>	1,103,746	834,426	372,545	2,936,428	5,247,145
(Deficiency) excess of revenue over expenditures for the year	(120,661)	-	(119,386)	220,471	(19,576)
Purchase of capital assets	-	-	43,152	(43,152)	-
Inter-fund transfer (Note 10)	-	34,994	-	(34,994)	-
<b>Net assets, end of year</b>	983,085	869,420	296,311	3,078,753	5,227,569

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, 2018

	2018	2017
	\$	\$
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenditures for the year	883,795	(19,576)
Items not involving cash		
Amortization of capital assets	109,359	119,386
Change in fair value of investments - realized gains	(182,089)	(168,056)
Change in fair value of investments - unrealized (gains) losses	57,516	(240,479)
	868,581	(308,725)
Changes in non-cash working capital		
Increase in amounts receivable	(153,413)	(31,894)
Decrease in prepaid expenses and supplies	134,469	83,075
(Decrease) increase in accounts payable and accrued liabilities	(668,775)	312,888
Increase (decrease) in deferred revenue	86,391	(102,894)
Increase in commitments for research grants	98,333	284,619
Decrease in deferred contributions	(360,138)	(614,831)
	5,448	(377,762)
<b>Investing activities</b>		
Purchase of investments	(161,585)	(101,457)
Purchase of capital assets	(23,354)	(43,152)
	(184,939)	(144,609)
Decrease in cash and restricted cash during the year	(179,491)	(522,371)
Cash and restricted cash, beginning of year	2,225,988	2,748,359
<b>Cash and restricted cash, end of year</b>	<b>2,046,497</b>	<b>2,225,988</b>
<b>Cash and restricted cash represented by</b>		
Cash	1,533,654	1,672,537
Restricted cash	512,843	553,451
	2,046,497	2,225,988

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



# Muscular Dystrophy Canada

## Notes to the financial statements

March 31, 2018

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### 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 expenditures are incurred. Undesignated contributions are recognized in revenue when received. Endowment contributions are recognized as direct increases in net assets.

Designated investment income is recognized as revenue in the year in which the related expenses are incurred. Undesignated investment 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.

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.

Investment income, including interest income, is recognized as revenue when earned.

# Muscular Dystrophy Canada

## Notes to the financial statements

March 31, 2018

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### 1. Summary of significant accounting policies (continued)

#### *Allocation of expenditures*

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.

Expenditures have been charged to programs and services, fundraising and administration according to the activity to which they relate or benefit. Expenditures 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 expenditures 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 expenditures.

#### *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 expenditures 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.

#### *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.

# Muscular Dystrophy Canada

## Notes to the financial statements

March 31, 2018

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### 1. Summary of significant accounting policies (continued)

#### *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 expenditures.

Financial assets measured at amortized cost include cash and restricted cash and amounts receivable. Short-term and long-term investments, including fixed income investments, are measured at fair value.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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

#### *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 expenditures 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 expenditures 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 expenditures.

# Muscular Dystrophy Canada

## Notes to the financial statements

March 31, 2018

### 3. Short-term investments

	2018		2017	
	Cost	Fair value	Cost	Fair value
	\$	\$	\$	\$
Treasury bills	-	-	22,246	22,246
High interest savings account	-	-	792,316	789,136
Money market	32,096	32,205	-	-
Short-term bond fund	826,348	820,760	-	-
	858,444	852,965	814,562	811,382

### 4. Long-term investments

	2018		2017	
	Cost	Fair value	Cost	Fair value
	\$	\$	\$	\$
Cash and cash equivalents	859,378	862,247	595,579	595,579
Fixed income	3,382,245	3,176,060	3,383,263	3,272,620
Canadian equities	1,384,816	1,963,526	1,302,221	1,801,632
Foreign equities	1,209,601	1,824,177	1,144,032	1,911,614
	6,836,040	7,826,010	6,425,095	7,581,445
Cash surrender value of life insurance	59,535	9,814	59,535	9,804
	6,895,575	7,835,824	6,484,630	7,591,249

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 are 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 (2017 - \$9,804).

### 5. Capital assets

	2018		2017	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Information technology	440,422	335,341	105,081	165,172
Furniture and equipment	109,674	69,886	39,788	57,558
Leasehold improvements	95,352	29,916	65,436	73,581
	645,448	435,143	210,306	296,311

In the current year, \$172,397 (2017 - \$Nil) of fully amortized capital assets have been removed from the cost and accumulated amortization balances.

# Muscular Dystrophy Canada

## Notes to the financial statements

March 31, 2018

### 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:

					2018	2017
	Neuromuscular research	Services	Education	British Columbia gaming	Total	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	2,257,877	1,345,189	161,765	277,085	4,041,916	4,656,747
Recalssification to opening balance	-	(17,832)	17,832	-	-	-
Amounts received during the year	326,503	612,216	79,872	245,067	1,263,658	1,658,179
Amortization of deferred contributions during the year	(660,522)	(635,164)	(76,785)	(251,325)	(1,623,796)	(2,273,010)
Balance, end of year	1,923,858	1,304,409	182,684	270,827	3,681,778	4,041,916

Details of fundraising revenue are as follows:

	2018	2017
	\$	\$
General campaign and donations	8,212,908	8,589,107
Other revenue	761,422	1,042,547
Funds raised during the year	8,974,330	9,631,654
Transfer of deferred contributions	360,138	614,831
Fundraising revenue	9,334,468	10,246,485

# Muscular Dystrophy Canada

## Notes to the financial statements

March 31, 2018

### 6. Deferred contributions (continued)

Details of British Columbia gaming deferred contributions are as follows:

			2018	2017
	Fraser Valley Chapter	British Columbia Chapter	Total	Total
	\$	\$	\$	\$
Amount received	21	245,045	245,066	286,149
Expenditures				
Programs and services				
Equipment	-	142,370	142,370	139,198
Advocacy, education information and support	-	-	-	61,362
Program and services operating support	20	108,934	108,954	61,618
	20	251,304	251,324	262,178
Excess (deficiency) of amount received over expenditures for the year	1	(6,259)	(6,258)	23,971

### 7. Deferred revenue

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

	2018	2017
	\$	\$
Balance, beginning of year	113,083	215,977
Amortization of revenue during the year	(113,083)	(215,977)
Amounts received during the year	199,474	113,083
Balance, end of year	199,474	113,083

Included within deferred revenue balance at year-end is \$29,286 (2017 - \$37,857) with respect to deferred lease inducements.

### 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.

	2018	2017
	\$	\$
Total fundraising revenue	9,334,468	10,246,485
Total fundraising expenses	2,795,300	3,835,983
Total donations receipted for tax purposes	3,331,712	3,826,567
Total expenditures on charitable activities	4,520,712	4,298,648

# Muscular Dystrophy Canada

## Notes to the financial statements

March 31, 2018

### 9. Allocation of expenses

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

	2018			2017		
	Salaries and benefits	Operational expenses	Total	Salaries and benefits	Operational expenses	Total
	\$	\$	\$	\$	\$	\$
Fundraising operating support	981,225	550,027	1,531,252	641,434	799,619	1,441,053
Services operating support	-	183,342	183,342	288,180	359,249	647,429
Other programs	-	327,075	327,075	-	288,180	288,180
	<u>981,226</u>	<u>1,060,444</u>	<u>2,041,669</u>	<u>929,614</u>	<u>1,447,048</u>	<u>2,376,662</u>

### 10. Inter-fund transfer

Muscular Dystrophy Canada's Board approved an appropriation relating to fiscal 2018 of \$39,880 (2017 - \$34,994) from the Unrestricted fund to the Restricted for endowment purposes fund.

### 11. Government remittances

Government remittances consist of harmonized sales tax, provincial sales tax and payroll taxes payable and amounted to \$Nil as at March 31, 2018 (2017 - \$695).

### 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 \$125,243 (2017 - \$138,469) and employee contributions were \$ 125,243 (2017 - \$138,469).

### 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:

	\$
2019	386,233
2020	270,855
2021	245,425
2022	221,273
2023	171,204
Thereafter	325,945
	<u>1,620,935</u>

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.

# Muscular Dystrophy Canada

Notes to the financial statements

March 31, 2018

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## 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 expenditures, 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.

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.



# Muscular Dystrophy Canada

## Notes to the financial statements

March 31, 2018

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### 14. Financial instrument risk (continued)

#### *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 expenditures 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:

	\$
2019	460,000
2020	200,000
2021	58,333
	<hr/> 718,333

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

### 17. Restructuring costs

In the year ended March 31, 2017, Muscular Dystrophy Canada incurred restructuring costs totaling \$724,000 in relation to a reorganization of the Organization to support a revised strategic plan and direction. The costs incurred included severance, legal and consulting expenses.