

Financial Statements of

AUTISM SOCIETY ONTARIO

And Independent Auditors' Report thereon

Year ended March 31, 2019




INDEPENDENT AUDITORS' REPORT

To the Members of Autism Society Ontario

Qualified Opinion

We have audited the financial statements of Autism Society Ontario (the Entity), which comprise:

- the statement of financial position as at March 31, 2019
- the statement of revenue and expenses for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

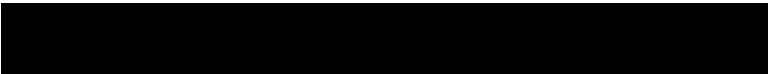
(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "***Basis for Qualified Opinion***" section of our auditors' report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for non-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Entity.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at March 31, 2019 and March 31, 2018
 - the donation revenue and excess (deficiency) of revenue over expenses reported in the statements of revenue and expenses for the years ended March 31, 2019 and March 31, 2018
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- the operating fund balances, at the beginning and end of the year, reported in the statements of changes in fund balances for the years ended March 31, 2019 and March 31, 2018
- the excess of revenue over expenses reported in the statements of cash flows for the years ended March 31, 2019 and March 31, 2018

Our opinion on the financial statements for the year ended March 31, 2018 was qualified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the Entity 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 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 the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' 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 auditors' 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 the 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 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.



Page 4

- 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.



Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

September 28, 2019

AUTISM SOCIETY ONTARIO

Statement of Financial Position

March 31, 2019, with comparative information for 2018

	2019		2018	
	Provincial office	Chapters	Total	Total
Assets				
Current assets:				
Cash and cash equivalents (note 2)	\$ 2,298,112	\$ 1,873,271	\$ 4,171,383	\$ 3,875,985
Amounts receivable	319,722	43,081	362,803	410,866
Prepaid expenses and other assets	32,671	1,632	34,303	23,811
Short-term investments (note 3)	—	—	—	289,446
	2,650,505	1,917,984	4,568,489	4,600,108
Long-term investments (note 3)	292,630	—	292,630	—
Capital assets (note 4)	158,405	822	159,227	31,225
	\$ 3,101,540	\$ 1,918,806	\$ 5,020,346	\$ 4,631,333

Liabilities and Fund Balances

Current liabilities:				
Accounts payable and accrued liabilities (note 5)	\$ 594,003	\$ 138,908	\$ 732,911	\$ 568,113
Deferred donations and grants	—	24,000	24,000	—
Deferred membership fees (note 6)	37,140	—	37,140	47,987
	631,143	162,908	794,051	616,100
Deferred membership fees (note 6)	3,550	—	3,550	10,300
Deferred capital contributions (note 7)	107,658	—	107,658	27,896
Fund balances:				
Unrestricted	1,407,083	1,538,225	2,945,308	2,917,544
Restricted	952,106	217,673	1,169,779	1,042,810
Internally Restricted (note 8)	—	—	—	16,683
	2,359,189	1,755,898	4,115,087	3,977,037

Lease commitments (note 10)

	\$ 3,101,540	\$ 1,918,806	\$ 5,020,346	\$ 4,631,333
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See accompanying notes to financial statements.

On behalf of the Board

Director
Director

AUTISM SOCIETY ONTARIO

Statement of Revenue and Expenses

Year ended March 31, 2019, with comparative information for 2018

	Provincial office		Chapters		2019	2018
	Unrestricted Fund	Restricted Fund	Unrestricted Fund	Restricted Fund	Total	Total
Revenue:						
Amortization of deferred capital contributions	\$ -	\$ 13,948	\$ -	\$ -	\$ 13,948	\$ 9,299
Charitable gaming	-	248,014	565	204,092	452,671	398,286
Donations	129,315	101,295	422,509	31,532	684,651	607,305
Educational materials	772	-	7,744	-	8,516	24,443
Events and fundraising	134,575	-	618,959	77,653	831,187	901,866
Foundation grants	50,000	-	1,264	249,174	300,438	513,117
Investment income	3,317	-	18,788	-	22,105	3,338
Membership fees (note 6)	84,997	-	-	-	84,997	97,628
Ministry of Children, Community and Social Services ("MCCSS") grants (note 9)	-	3,521,215	-	11,500	3,532,715	6,609,554
Programs	147,116	-	60,249	266,556	473,921	550,451
Scholarship fund - education	-	32,821	-	-	32,821	3,125
	550,092	3,917,293	1,130,078	840,507	6,437,970	9,718,412
Expenses:						
Amortization	16,148	-	823	-	16,971	11,954
Charitable gaming	-	204,415	-	87,271	291,686	241,699
Events and fundraising	40,604	-	203,465	32,904	276,973	270,998
MCCSS grants (note 9)	-	3,521,215	-	11,500	3,532,715	6,609,554
Occupancy	56,372	-	95,427	10,896	162,695	160,798
Office	38,297	-	62,249	-	100,546	78,166
Professional fees	102,185	-	45,431	-	147,616	175,631
Programs, services and publications	11,130	42,855	227,347	187,863	469,195	427,958
Salaries and benefits	295,870	82,349	418,761	439,563	1,236,543	1,024,029
Scholarship fund	-	10,000	-	-	10,000	11,695
Seminars and meetings	42,896	-	12,084	-	54,980	40,033
	603,502	3,860,834	1,065,587	769,997	6,299,920	9,052,515
Excess (deficiency) of revenue over expenses	\$ (53,410)	\$ 56,459	\$ 64,491	\$ 70,510	\$ 138,050	\$ 665,897

See accompanying notes to financial statements.

AUTISM SOCIETY ONTARIO

Statement of Changes in Fund Balances

Year ended March 31, 2019, with comparative information for 2018

	Provincial office		Chapters			2019	2018
	Unrestricted Fund	Restricted Fund	Unrestricted Fund	Restricted Fund	Internally Restricted	Total	Total
Fund balances, beginning of year	\$ 1,443,810	\$ 895,647	\$ 1,473,734	\$ 147,163	\$ 16,683	\$ 3,977,037	\$ 3,311,140
Excess (deficiency) of revenue over expenses	(53,410)	56,459	64,491	70,510	—	138,050	665,897
Interfund transfers (note 8)	16,683	—	—	—	(16,683)	—	—
Fund balances, end of year	\$ 1,407,083	\$ 952,106	\$ 1,538,225	\$ 217,673	\$ —	\$ 4,115,087	\$ 3,977,037

See accompanying notes to financial statements.

AUTISM SOCIETY ONTARIO

Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 138,050	\$ 665,897
Items not involving cash:		
Amortization of capital assets	16,971	11,954
Accrued interest on investments	(3,184)	(3,149)
Amortization of deferred capital contributions	(13,948)	(9,299)
Change in non-cash operating working capital:		
Amounts receivable	48,063	(195,066)
Prepaid expenses and other assets	(10,492)	—
Accounts payable and accrued liabilities	164,798	(34,885)
Deferred membership fees	(17,597)	(19,097)
Deferred donations and grants	24,000	—
	346,661	416,355
Financing activities:		
Deferred capital contributions received	93,710	37,195
Investing activities:		
Purchase of capital assets	(144,973)	(38,540)
Increase in cash and cash equivalents	295,398	415,010
Cash and cash equivalents, beginning of year	3,875,985	3,460,975
Cash and cash equivalents, end of year	\$ 4,171,383	\$ 3,875,985

See accompanying notes to financial statements.

AUTISM SOCIETY ONTARIO

Notes to Financial Statements

Year ended March 31, 2019

Autism Society Ontario (the "Organization") is a provincial charitable organization that was incorporated without share capital under the laws of the Province of Ontario for charitable purposes. The Organization is a not-for-profit organization and, as such, is exempt from income taxes under Section 149(1)(f) of the Income Tax Act (Canada). The mission of the Organization is to ensure that each individual with Autism Spectrum Disorders is provided the means to achieve quality of life as a respected member of society.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Fund accounting:

The Organization follows the restricted fund method of accounting for contributions. The Organization ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purposes for which they were provided.

For financial reporting purposes, the accounts have been classified into the following funds:

(i) Unrestricted Fund:

The Unrestricted Fund accounts for the Organization's general programs, fundraising and administrative activities. The Unrestricted Fund reports unrestricted resources available for immediate purposes.

(ii) Restricted Fund:

The Restricted Fund consists of those funds where resources are to be used for an identified purpose as specified by the donors and funders.

(iii) Internally Restricted Fund:

These funds reflect assets designated by the Board of Directors to provide funds for operations and special purposes. These amounts are disclosed in note 8.

AUTISM SOCIETY ONTARIO

Notes to Financial Statements (continued)

Year ended March 31, 2019

1. Significant accounting policies (continued):

(b) Revenue recognition:

Unrestricted contributions are recognized as revenue of the Unrestricted Fund and externally restricted contributions for specific purposes are recognized as revenue of the Restricted Fund in the year in which the contributions are received or receivable if collectibility can be reasonably assured.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a systematic basis, at a rate corresponding with the amortization rate of the related capital assets.

Annual memberships are recognized into revenue on a monthly basis over the term of the memberships.

(c) Capital assets:

Purchased capital assets are recorded at cost. Donated capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

Amortization is recorded over the estimated useful lives of the assets at the following bases and annual rates:

Asset	Basis	Rate
Computer equipment	Declining balance	50%
Furniture and fixtures	Declining balance	50%
Leasehold improvements	Straight line	Term of lease
Website and software	Straight line	3 years

AUTISM SOCIETY ONTARIO

Notes to Financial Statements (continued)

Year ended March 31, 2019

1. Significant accounting policies (continued):

(d) Donated services:

The work of the Organization is dependent on the voluntary services of the community. Since these services are not normally purchased by the Organization and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

It is management's opinion that there is no exposure to significant amounts of credit, interest or foreign exchange risk.

(f) Cash and cash equivalents:

Cash and cash equivalents consist of cash on deposit and cashable guaranteed investment certificates ("GICs"). GICs are recorded at cost plus accrued interest.

(g) Use of estimates:

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

AUTISM SOCIETY ONTARIO

Notes to Financial Statements (continued)

Year ended March 31, 2019

2. Cash and cash equivalents:

	2019	2018
Operating bank accounts	\$ 2,754,317	\$ 2,427,707
Cashable GICs	238,467	288,467
Savings accounts	1,178,599	1,159,811
	<u>\$ 4,171,383</u>	<u>\$ 3,875,985</u>

Cashable GICs bear interest at rates between 0.50% and 0.85% (2018 - 0.50% and 0.85%) with maturity dates ranging from May 24, 2019 to March 22, 2020 (2018 - August 15, 2018 to June 3, 2019).

3. Investments:

Investments consist of locked-in guaranteed investment certificates ("Locked-In GICs"). Investments with maturities less than one year are classified as short-term investments. The Locked-In GICs bear interest at a rate of 1.75% (2018 - 1.10%) and have a maturity date of March 22, 2021 (2018 - March 22, 2019).

4. Capital assets:

			2019	2018
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 66,536	\$ 46,921	\$ 19,615	\$ 31,079
Furniture and fixtures	5,738	5,665	73	146
Leasehold improvements	80,302	80,302	—	—
Website and software	139,539	—	139,539	—
	<u>\$ 292,115</u>	<u>\$ 132,888</u>	<u>\$ 159,227</u>	<u>\$ 31,225</u>

The new website launched in April, 2019. Therefore, no amortization expenses were claimed in 2019.

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at March 31, 2019 are government remittances payable of \$25,422 (2018 - \$21,782) relating to payroll-related taxes.

AUTISM SOCIETY ONTARIO

Notes to Financial Statements (continued)

Year ended March 31, 2019

6. Deferred membership fees:

Deferred membership fees represent monies received from members in conjunction with memberships.

	2019		2018	
	Lifetime membership fees	Annual membership fees	Total	Total
Balance, beginning of year	\$ 19,450	\$ 38,837	\$ 58,287	\$ 77,384
Amounts received	1,000	66,400	67,400	78,531
Amounts recognized into revenue	(9,250)	(75,747)	(84,997)	(97,628)
Balance, end of year	11,200	29,490	40,690	58,287
Less current portion of deferred membership fees	7,650	29,490	37,140	47,987
Long-term deferred membership fees	\$ 3,550	\$ —	\$ 3,550	\$ 10,300

7. Deferred capital contributions:

	2019	2018
Balance, beginning of year	\$ 27,896	\$ —
Contribution received	93,710	37,195
	121,606	37,195
Less amounts amortized to revenue	13,948	9,299
	\$ 107,658	\$ 27,896

8. Internally Restricted Fund:

The Board of Directors had internally restricted an amount for the System Integration Project in 2011. This project was completed in 2014. During the year, the Board of Directors approved to release the remaining balance of \$16,683 from Internally Restricted Fund to Unrestricted Fund. The balance of the Internally Restricted Fund as at March 31, 2019 is nil (2018 - \$16,683).

AUTISM SOCIETY ONTARIO

Notes to Financial Statements (continued)

Year ended March 31, 2019

9. Ministry of Children, Community and Social Services:

	2019	2018
Funding received:		
Potential program	\$ 2,499,000	\$ 3,460,109
Summer camps and March Break program	730,000	2,993,140
Provider list	177,100	—
██████████ website	120,000	147,000
Navigation service	88,825	—
Support services - Niagara chapter	11,500	11,500
French translation	—	15,000
Transition to life group - one-time funding	—	20,000
	3,626,425	6,646,749
Less funding used to purchase capital assets	93,710	37,195
	\$ 3,532,715	\$ 6,609,554
Expenses:		
Potential program	\$ 2,499,000	\$ 3,422,914
Summer camps and March Break program	730,000	2,993,140
██████████ website	114,898	147,000
Navigation service	88,825	—
Provider list	88,492	—
Support services - Niagara chapter	11,500	11,500
French translation	—	15,000
Transition to life group - one-time funding	—	20,000
	\$ 3,532,715	\$ 6,609,554

10. Lease commitments:

The Organization is committed under lease obligations for premises and office equipment with approximate annual rentals as follows:

2020	\$ 146,000
2021	30,200
2022	2,000
	\$ 178,200

AUTISM SOCIETY ONTARIO

Notes to Financial Statements (continued)

Year ended March 31, 2019

11. Comparative information:

The financial statement notes have been reclassified, where applicable, to confirm to the presentation used in the current year. The changes do not affect prior year earnings.