

Autism Speaks Canada

Financial Statements

For the Year Ended December 31, 2021



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Autism Speaks Canada

Qualified Opinion

We have audited the financial statements of Autism Speaks Canada, (the "Organization"), which comprise the statement of financial position as at December 31, 2021 and the statements of operations, 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.

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 the Organization as at December 31, 2021, and 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 charitable organizations, the Organization derives revenues from donations and other fundraising activities, 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 the Organization and we were not able to determine whether any adjustments might be necessary to public contributions, excess (deficiency) of revenues over expenses, cash and cash equivalents provided by operations for the year ended December 31, 2021, current assets as at December 31, 2021 and fund balances as at January 1, 2021 and December 31, 2021. Our audit opinion on the financial statements for the year ended December 31, 2021 was modified 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 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 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 Organization'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 Organization'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 the Organization 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.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
April 21, 2022
Toronto, Ontario

Autism Speaks Canada
Statement of Financial Position
As at December 31, 2021

	Operating Fund	Restricted Fund	2021	2020
Assets				
Current				
Cash	\$ 2,256,830	\$ 697,760	\$ 2,954,590	\$ 3,717,354
Investments (Note 4)	1,512,145	-	1,512,145	511,460
Amounts receivable (Note 6)	103,097	100,000	203,097	141,882
HST recoverable	24,767	-	24,767	44,507
Prepaid expenses	26,898	8,520	35,418	37,826
Due from Autism Speaks (Note 3)	-	29,708	29,708	31,291
	3,923,737	835,988	4,759,725	4,484,320
Other assets (Note 5)	-	-	-	182,173
Tangible and intangible assets (Note 5)	5,349	351,354	356,703	8,228
	\$ 3,929,086	\$ 1,187,342	\$ 5,116,428	\$ 4,674,721

Liabilities

Current				
Accounts payable and accrued liabilities	\$ 81,085	\$ -	\$ 81,085	\$ 47,500
Grants payable (Note 6)	382,352	600,000	982,352	779,720
	463,437	600,000	1,063,437	827,220

Net Assets

Unrestricted	1,965,649	-	1,965,649	3,267,233
Externally restricted	-	587,342	587,342	580,268
Internally restricted (Note 8)	1,500,000	-	1,500,000	-
	3,465,649	587,342	4,052,991	3,847,501
	\$ 3,929,086	\$ 1,187,342	\$ 5,116,428	\$ 4,674,721

Commitments (Note 6)

Approved by the Board

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Autism Speaks Canada
Statement of Operations
Year Ended December 31, 2021

	Operating Fund	Externally Restricted Fund	2021	2020
Revenue				
Contributions	\$ 1,339,334	\$ 942,596	\$ 2,281,930	\$ 3,941,623
Events revenue	528,789	-	528,789	449,432
Autism Speaks (Note 3)	-	528,447	528,447	417,713
Grant income	-	177,966	177,966	291,667
Other income (Note 9)	554,553	16,053	570,606	455,322
	2,422,676	1,665,062	4,087,738	5,555,757
Direct costs				
Fundraising	540,655	41,091	581,746	598,002
Operations	630,570	82,315	712,885	659,291
	1,171,225	123,406	1,294,631	1,257,293
Funds available for mission	1,251,451	1,541,656	2,793,107	4,298,464
Mission expenditures				
Services and support	523,127	140,993	664,120	340,334
Collaboration and awareness	507,559	152,875	660,434	525,903
Research	22,349	1,240,714	1,263,063	1,024,497
	1,053,035	1,534,582	2,587,617	1,890,734
Excess of revenues over expenses	\$ 198,416	\$ 7,074	\$ 205,490	\$ 2,407,730

Autism Speaks Canada
Statement of Changes in Net Assets
Year Ended December 31, 2021

	Unrestricted Net Assets	Externally Restricted Net Assets	Internally Restricted Net Assets	Total 2021	Total 2020
Fund balances, beginning of year	\$ 3,267,233	\$ 580,268	\$ -	\$ 3,847,501	\$ 1,439,771
Excess of revenue over expenses	198,416	7,074	-	205,490	2,407,730
Interfund transfer (Note 8)	(1,500,000)	-	1,500,000	-	-
Fund balances, end of year	\$ 1,965,649	\$ 587,342	\$ 1,500,000	\$ 4,052,991	\$ 3,847,501

Autism Speaks Canada
Statement of Cash Flows
Year Ended December 31, 2021

	2021	2020
Cash provided by (used in)		
Operations		
Excess of revenues over expenses	\$ 205,490	\$ 2,407,730
Amortization	44,311	15,120
	249,801	2,422,850
Net changes in non-cash working capital		
Amounts receivable	(61,215)	49,308
HST recoverable	19,740	(22,202)
Prepaid expenses	2,408	(10,337)
Due from Autism Speaks	1,583	(31,291)
Accounts payable and accrued liabilities	33,585	10,834
Grants payable	202,632	(68,925)
Cash provided by operations	448,534	2,350,237
Investing		
Purchase of capital assets	(210,613)	(12,833)
Purchase of other assets	-	(177,253)
Purchase of investments	(1,000,685)	(511,460)
Cash used in investing	(1,211,298)	(701,546)
Increase in cash	(762,764)	1,648,691
Cash, beginning of year	3,717,354	2,068,663
Cash, end of year	\$ 2,954,590	\$ 3,717,354

1. PURPOSE OF ORGANIZATION

Autism Speaks Canada, formerly National Alliance for Autism Research (Canada), (the "Organization") was incorporated on October 27, 2003 under the laws of the Canada Corporations Act as a not-for-profit organization without share capital and is a registered charity within the meaning of the Income Tax Act. As a registered charitable organization, the Organization is tax exempt under paragraph 149.1(1)(g) of the Income Tax Act.

Autism Speaks Canada is dedicated to promoting solutions, across the spectrum and throughout the lifespan, for the needs of individuals with autism and their families by supporting and working with community partners; enhancing resources and services; increasing understanding, acceptance and inclusion of people with autism spectrum disorder; and advancing research into causes and better interventions for autism spectrum disorder and related conditions.

2. SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Organization follows the restricted fund method of accounting for contributions. For financial reporting purposes, the accounts have been classified into the following funds:

Operating Fund

The Operating Fund comprises the unrestricted resources of the Organization or restricted resources for which a specific fund does not exist.

Externally Restricted Fund

The Externally Restricted Fund reports any resources that have been provided to the Organization with specific designated purposes that include supporting family services, web development, public awareness and other specific research programs.

Internally Restricted Fund

The Internally Restricted Fund are net assets that can only be used for the purposes specified by the Board of Directors.

Revenue Recognition

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Of the unrestricted contributions, approximately thirty percent of the revenue recognized is received from one corporation.

Restricted contributions for which a specific fund does not exist are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred.

Contributions to the Restricted Fund are recognized as revenue of the Restricted Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include amounts receivable, investments, and amounts due from Autism Speaks. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and grants payable.

Transaction costs and financing fees are expensed as incurred for financial instruments measured at fair value and capitalized for financial instruments that are subsequently measured at cost or amortized cost.

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in the excess of revenues over expenses. Reversals of impairment are recorded to the extent that the value has increased, up to 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 the excess of revenues over expenses.

Grant and Research Awards Recognition

Grants payable are accrued and expensed to research mission expenditures in the year they are awarded.

Rescinded or returned grants are recorded as recoveries in the year of determination that the grant will be rescinded or returned. Grants are rescinded or returned when circumstances arise in which a previously recorded grant amount must be revised, such as when a given project requires less than the amount originally awarded or cannot be completed.

Certain research projects funded by the Organization extend over a number of years. Such projects are reviewed annually and further funding is provided conditional upon accomplishment of specified performance criteria and availability of research funds. Accordingly, the statement of financial position does not include a provision for funding on multi-year research projects that extend beyond the current year.

Contributed Materials and Services

A substantial number of volunteers have made significant contributions of their time to the Organization and its purpose. The value of this contributed time is not reflected in these financial statements.

The Organization recognizes contributed materials, when a fair value can be reasonably estimated and when the materials are used in the normal course of the Organization's operations and would otherwise have been purchased.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Tangible and Intangible Capital Assets

Tangible and intangible capital assets are recorded at cost less accumulated amortization. The cost is being amortized over the estimated useful life of the assets as follows:

Computer equipment	- 4 to 5 years straight line
Website development	- 5 years straight line

When conditions indicate the carrying value of a tangible or intangible capital asset is impaired, it will be written down to fair value or replacement cost, with the write-down recorded as an expense. Write-downs will not be reversed.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant estimates included in these financial statements are with respect to the allocation of general support expenditures. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

Foreign Currency Translation

Transactions denominated in U.S. dollars (USD) are translated into Canadian dollars (CAD) using the exchange rate in effect on the transaction date. At each statement of financial position date, monetary assets and liabilities denominated in USD are translated into CAD at the exchange rate in effect at that date. Unrealized exchange gains and losses arising on translation of USD denominated monetary assets and liabilities are recognized in the excess of revenues over expenses.

3. RELATED PARTY TRANSACTIONS AND BALANCES

In 2021, Autism Speaks, the controlling charity located in the United States, granted the Organization \$528,447 (USD\$398,273) (2020 - \$417,713 (USD\$283,881)) to support the funding of research projects. The Organization recorded the revenue within the restricted fund.

As of December 31, 2021, Autism Speaks, the controlling charity located in the United States, owes the Organization \$29,708 (2020 - \$31,291) for expenses paid by the Organization on behalf of Autism Speaks.

The transactions were conducted in the normal course of operations and were measured at the exchange amount.

4. INVESTMENTS

Investments consist of guaranteed investment certificates with maturity dates between April 2022 and January 2023 bearing interest at rates between 0.8% and 3.310%. Included in investments is \$1,500,000 restricted for the internally restricted fund.

5. CAPITAL ASSETS AND OTHER ASSETS

	Cost	Accumulated Amortization	Net 2021	Net 2020
Unrestricted				
Computer equipment	\$ 51,381	\$ 46,032	\$ 5,349	\$ 6,318
Website development	93,164	93,164	-	1,910
	144,545	139,196	5,349	8,228
Restricted				
Website development costs	385,655	34,301	351,354	-
	\$ 530,200	\$ 173,497	\$ 356,703	\$ 8,228

Included in other assets are deposits on the development of a website in the amount of \$Nil (2020 - \$173,653). \$173,653 of 2020 other assets relating to the website development were capitalized to website development costs in the current year.

6. COMMITMENTS

Services and Support

In 2015, the Organization entered into a five year agreement with Pacific Autism Family Centre Foundation to fund operational expenses for their main and regional centres in the amount of \$500,000. The agreement ended November 30, 2020. The title of the project is: Pacific Autism Family Centre ("PAFC"). To date, the Organization has paid \$500,000 towards the project with the final \$100,000 paid during the year.

Research Projects

In December 2020, the Organization entered into a five year agreement with The Hospital for Sick Children Foundation, and the Wise Family Foundation to fund work in autism science in the amount of \$3,500,000. Of this amount \$2,700,000 is to be paid directly to the Organization from the Wise Family Foundation. In turn, the Organization will fund research at The Hospital for Sick Children. To date, the Organization has received and funded \$1,200,000. The remaining \$1,500,000 will be paid when the funding is received by the Organization.

Pursuant to a memorandum of understanding with Autism Speaks, the Organization will fund select Autism Speaks awards to Canadian recipients. The Organization has multi-year funding related to these research projects as follows:

2022	\$ 670,409 USD	\$ 871,532 CAD
2023	261,313 USD	339,708 CAD
2024	47,008 USD	61,111 CAD
2025	47,008 USD	61,111 CAD
	\$ 1,025,738 USD	\$ 1,333,462 CAD

7. ALLOCATION OF GENERAL SUPPORT EXPENDITURES

During the year, salaries and benefits were allocated amongst various activities based on the estimated percentage of time spent as follows:

	2021	2020
Operations	\$ 366,068	\$ 345,802
Fundraising	451,242	437,369
Collaboration and awareness	506,671	469,697
Services and support	274,210	206,082
Research	22,349	6,438
	\$ 1,620,540	\$ 1,465,388

8. INTERNALLY RESTRICTED NET ASSETS

During the year, the Board of Directors established an emergency reserve fund in the amount of \$1,500,000. This fund is intended to provide financial support to the Organization in a time of unexpected financial difficulties. The Board also established an opportunities reserve for opportunities that are of strategic importance as approved by the Board. No funds have been transferred to the opportunities reserve at year end.

9. GOVERNMENT ASSISTANCE

During the year, the Organization applied for and received \$352,021 (2020 - \$433,111) from the Federal government under the Canada Emergency Wage Subsidy ("CEWS") program. The full support received is included in other income.