

# **Autism Speaks Canada**

**Financial Statements**

**For the Year Ended December 31, 2022**



## 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, 2022 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, 2022, 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 provided by operations for the year ended December 31, 2022, current assets as at December 31, 2022 and fund balances as at January 1, 2022 and December 31, 2022. 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  
March 31, 2023  
Toronto, Ontario

**Autism Speaks Canada**  
**Statement of Financial Position**  
**As at December 31, 2022**

	Operating Fund	Restricted Fund	2022	2021
<b>Assets</b>				
<b>Current</b>				
Cash (Note 4)	\$ 1,713,582	\$ 528,650	\$ 2,242,232	\$ 2,954,590
Investments (Note 4)	1,214,159	-	1,214,159	1,512,145
Amounts receivable	82,018	100,000	182,018	203,097
HST recoverable	22,583	-	22,583	24,767
Prepaid expenses	34,246	13,339	47,585	35,418
Due from Autism Speaks (Note 3)	-	-	-	29,708
	<b>3,066,588</b>	<b>641,989</b>	<b>3,708,577</b>	<b>4,759,725</b>
<b>Tangible and intangible assets (Note 5)</b>	<b>3,566</b>	<b>290,452</b>	<b>294,018</b>	<b>356,703</b>
	<b>\$ 3,070,154</b>	<b>\$ 932,441</b>	<b>\$ 4,002,595</b>	<b>\$ 5,116,428</b>

**Liabilities**

**Current**

Accounts payable and accrued liabilities	\$ 115,592	\$ 96,627	\$ 212,219	\$ 81,085
Grants payable (Note 6)	-	600,000	600,000	982,352
	<b>115,592</b>	<b>696,627</b>	<b>812,219</b>	<b>1,063,437</b>


**Net Assets**

<b>Unrestricted</b>	<b>1,450,996</b>	<b>-</b>	<b>1,450,996</b>	<b>1,960,300</b>
<b>Invested in tangible and intangible assets</b>	<b>3,566</b>	<b>290,452</b>	<b>294,018</b>	<b>356,703</b>
<b>Externally restricted</b>	<b>-</b>	<b>(54,638)</b>	<b>(54,638)</b>	<b>235,988</b>
<b>Emergency reserve fund (Note 8)</b>	<b>1,500,000</b>	<b>-</b>	<b>1,500,000</b>	<b>1,500,000</b>
	<b>2,954,562</b>	<b>235,814</b>	<b>3,190,376</b>	<b>4,052,991</b>
	<b>\$ 3,070,154</b>	<b>\$ 932,441</b>	<b>\$ 4,002,595</b>	<b>\$ 5,116,428</b>

**Commitments (Note 6)**

Approved by the Board

DocuSigned by:  
  
 James Kelsey  
 Director

DocuSigned by:  
  
 K. Kops  
 Director

**Autism Speaks Canada**  
**Statement of Operations**  
**Year Ended December 31, 2022**

	Operating Fund	Externally Restricted Fund	2022	2021
<b>Revenue</b>				
Contributions	\$ 847,463	\$ 750,096	\$ 1,597,559	\$ 2,281,930
Events revenue	570,325	-	570,325	528,789
Autism Speaks (Note 3)	-	733,707	733,707	528,447
Grant income	-	166,667	166,667	177,966
Other income (Note 10)	184,661	-	184,661	570,606
	<b>1,602,449</b>	<b>1,650,470</b>	<b>3,252,919</b>	<b>4,087,738</b>
<b>Direct costs</b>				
Fundraising	840,237	25,074	865,311	581,746
Operations	729,642	61,330	790,972	712,885
	<b>1,569,879</b>	<b>86,404</b>	<b>1,656,283</b>	<b>1,294,631</b>
<b>Funds available for mission</b>	<b>32,570</b>	<b>1,564,066</b>	<b>1,596,636</b>	<b>2,793,107</b>
<b>Mission expenditures</b>				
Services and support	81,975	284,474	366,449	664,120
Collaboration and awareness	461,682	69,052	530,734	660,434
Research	-	1,562,068	1,562,068	1,263,063
	<b>543,657</b>	<b>1,915,594</b>	<b>2,459,251</b>	<b>2,587,617</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ (511,087)</b>	<b>\$ (351,528)</b>	<b>\$ (862,615)</b>	<b>\$ 205,490</b>

**Autism Speaks Canada**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2022**

	<b>Unrestricted Net Assets</b>	<b>Invested in Tangible and Intangible Assets</b>	<b>Externally Restricted Net Assets</b>	<b>Emergency Reserve Fund Net Assets</b>	<b>2022 Total</b>	<b>2021 Total</b>
Fund balances opening	\$ 1,960,300	\$ 356,703	\$ 235,988	\$ 1,500,000	\$ 4,052,991	\$ 3,847,501
Excess (deficiency) of revenues over expenses	(511,087)	-	(351,528)	-	(862,615)	205,490
Interfund transfer - amortization expense	1,783	(82,208)	80,425	-	-	-
Interfund transfer - capital asset additions	-	19,523	(19,523)	-	-	-
	<b>\$ 1,450,996</b>	<b>\$ 294,018</b>	<b>\$ (54,638)</b>	<b>\$ 1,500,000</b>	<b>\$ 3,190,376</b>	<b>\$ 4,052,991</b>

**Autism Speaks Canada**  
**Statement of Cash Flows**  
**Year Ended December 31, 2022**

	2022	2021
<b>Cash provided by (used in)</b>		
<b>Operations</b>		
Excess (deficiency) of revenues over expenses	\$ (862,615)	\$ 205,490
Amortization	82,208	44,311
	<b>(780,407)</b>	249,801
Net changes in non-cash working capital		
Amounts receivable	21,079	(61,215)
HST recoverable	2,184	19,740
Prepaid expenses	(12,167)	2,408
Due from Autism Speaks	29,708	1,583
Accounts payable and accrued liabilities	131,134	33,585
Grants payable	(382,352)	202,632
<b>Cash provided by (used in) operations</b>	<b>(990,821)</b>	448,534
<b>Investing</b>		
Purchase of tangible and intangible assets	(19,523)	(210,613)
Purchase of investments	(2,045,606)	(1,000,685)
Proceeds on disposal of investments	2,343,592	-
<b>Cash provided by (used in) investing</b>	<b>278,463</b>	(1,211,298)
<b>Increase in cash</b>	<b>(712,358)</b>	(762,764)
<b>Cash, beginning of year</b>	<b>2,954,590</b>	3,717,354
<b>Cash, end of year</b>	<b>\$ 2,242,232</b>	<b>\$ 2,954,590</b>

**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.

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, except non-arm's length transactions which are measured at the exchange amount. The Organization subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include amounts receivable, and investments. 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 Assets**

Tangible and intangible 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 2022, Autism Speaks, the controlling charity located in the United States, granted the Organization \$733,707 (USD\$561,028) (2021 - \$528,447 (USD\$398,273)) to support the funding of research projects. The Organization recorded the revenue within the restricted fund.

As of December 31, 2022, Autism Speaks, the controlling charity located in the United States, owes the Organization \$Nil (2021 - \$29,708) 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 March 2023 and February 2024 bearing interest at rates between 1.15% and 5.05%. Included in cash and investments is \$1,500,000 restricted for the internally restricted fund.

**5. TANGIBLE AND INTANGIBLE ASSETS**

	Cost	Accumulated Amortization	Net 2022	Net 2021
<b>Unrestricted</b>				
Computer equipment	\$ 42,579	\$ 39,013	\$ 3,566	\$ 5,349
Website development	93,164	93,164	-	-
	<b>135,743</b>	<b>132,177</b>	<b>3,566</b>	<b>5,349</b>
<b>Restricted</b>				
Website development costs	385,655	111,432	274,223	351,354
Computer equipment	28,326	12,097	16,229	-
	<b>413,981</b>	<b>123,529</b>	<b>290,452</b>	<b>351,354</b>
	<b>\$ 549,724</b>	<b>\$ 255,706</b>	<b>\$ 294,018</b>	<b>\$ 356,703</b>

**6. COMMITMENTS**

**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 \$1,800,000, of which \$600,000 is recorded as accounts payable and accrued liabilities at December 31, 2022. The remaining \$900,000 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:

2023	\$ 492,021 USD	\$ 639,627 CAD
2024	325,958 USD	423,746 CAD
2025	47,008 USD	61,111 CAD
	<b>\$ 864,987 USD</b>	<b>\$ 1,124,484 CAD</b>

**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:

	<b>2022</b>	2021
Operations	\$ 495,800	\$ 366,068
Fundraising	697,470	451,242
Collaboration and awareness	371,796	506,671
Services and support	296,114	274,210
Research	24,523	22,349
	<b>\$ 1,885,703</b>	<b>\$ 1,620,540</b>

**8. INTERNALLY RESTRICTED NET ASSETS**

In fiscal 2021, 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. No funds were transferred to the emergency reserve fund in fiscal 2022. 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. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the current year's presentation.

**10. GOVERNMENT ASSISTANCE**

During the year, the Organization applied for and received \$40,026 (2021 - \$352,021) from the Federal government under the Canada Emergency Wage Subsidy ("CEWS") program, \$33,097 (2021 - \$Nil) under the Canada Recovery Hiring Program ("CRHP") and \$19,864 (2021 - \$Nil) under ICTC Canada subsidy (hiring STEM students). The full support received is included in other income.