

Financial Statements of

AUTISM SOCIETY ONTARIO

And Independent Auditors' Report thereon

Year ended March 31, 2020



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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, 2020
- 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, 2020, 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 these revenues 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, 2020 and March 31, 2019
- the donations revenue and excess (deficiency) of revenues over expenses reported in the statements of revenue and expenses for the years ended March 31, 2020 and March 31, 2019



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- the 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, 2020 and March 31, 2019
- the excess of revenues over expenses reported in the statements of cash flows for the years ended March 31, 2020 and March 31, 2019

Our opinion on the financial statements for the year ended March 31, 2019 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.



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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.



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- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

November 24, 2020

AUTISM SOCIETY ONTARIO

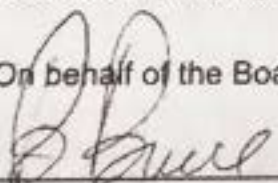
Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020		2019	
	Provincial office	Chapters	Total	Total
Assets				
Current assets:				
Cash and cash equivalents (note 2)	\$ 4,414,517	\$ 2,645,121	\$ 7,059,638	\$ 4,171,383
Amounts receivable	445,133	48,948	494,081	362,803
Short-term investments (note 3)	297,751	-	297,751	-
Prepaid expenses and other assets	32,671	2,288	34,959	34,303
	5,190,072	2,696,357	7,886,429	4,568,489
Long-term investments (note 3)	-	-	-	292,630
Capital assets (note 4)	222,344	411	222,755	159,227
	\$ 5,412,416	\$ 2,696,768	\$ 8,109,184	\$ 5,020,346
Liabilities and Fund Balances				
Current liabilities:				
Accounts payable and accrued liabilities (notes 5 and 10)	\$ 2,356,030	\$ 138,803	\$ 2,494,833	\$ 732,911
Deferred donations and grants	-	-	-	24,000
Deferred membership fees (note 6)	23,095	-	23,095	37,140
	2,379,125	138,803	2,517,928	794,051
Deferred membership fees (note 6)	1,625	-	1,625	3,550
Deferred capital contributions (note 7)	171,588	-	171,588	107,658
Fund balances:				
Unrestricted	1,829,779	2,003,865	3,833,644	2,945,308
Restricted	1,030,299	554,100	1,584,399	1,169,779
	2,860,078	2,557,965	5,418,043	4,115,087
Lease commitments (note 9)				
Subsequent event (note 10)				
	\$ 5,412,416	\$ 2,696,768	\$ 8,109,184	\$ 5,020,346

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

Treasurer

AUTISM SOCIETY ONTARIO

Statement of Changes in Fund Balances

Year ended March 31, 2020, with comparative information for 2019

	Provincial office		Chapters		2020		2019	
	Unrestricted Fund	Restricted Fund	Unrestricted Fund	Restricted Fund	Total	Total	Total	Total
Fund balances, beginning of year	\$ 1,407,083	\$ 952,106	\$ 1,538,225	\$ 217,673	\$ 4,115,087	\$ 4,115,087	\$ 3,977,037	
Excess of revenue over expenses	422,696	78,193	465,640	336,427	1,302,956	1,302,956	138,050	
Fund balances, end of year	\$ 1,829,779	\$ 1,030,299	\$ 2,003,865	\$ 554,100	\$ 5,418,043	\$ 5,418,043	\$ 4,115,087	

See accompanying notes to financial statements.

AUTISM SOCIETY ONTARIO

Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 1,302,956	\$ 138,050
Items not involving cash:		
Amortization of capital assets	56,302	16,971
Accrued interest on investments	(5,121)	(3,184)
Amortization of deferred capital contributions	(42,425)	(13,948)
Change in non-cash operating working capital:		
Amounts receivable	(131,278)	48,063
Prepaid expenses and other assets	(656)	(10,492)
Accounts payable and accrued liabilities	1,761,922	164,798
Deferred membership fees	(15,970)	(17,597)
Deferred donations and grants	(24,000)	24,000
	<u>2,901,730</u>	<u>346,661</u>
Financing activities:		
Deferred capital contributions received	106,355	93,710
Investing activities:		
Purchase of capital assets	(119,830)	(144,973)
Increase in cash and cash equivalents	2,888,255	295,398
Cash and cash equivalents, beginning of year	4,171,383	3,875,985
<u>Cash and cash equivalents, end of year</u>	<u>\$ 7,059,638</u>	<u>\$ 4,171,383</u>

See accompanying notes to financial statements.

AUTISM SOCIETY ONTARIO

Notes to Financial Statements

Year ended March 31, 2020

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 create a supportive and inclusive Ontario for autism.

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.

(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.

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Notes to Financial Statements (continued)

Year ended March 31, 2020

1. Significant accounting policies (continued):

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

(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.

AUTISM SOCIETY ONTARIO

Notes to Financial Statements (continued)

Year ended March 31, 2020

1. Significant accounting policies (continued):

(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) Allocation of expenses:

The Organization allocates certain expenses on the statement of operations to the MCCSS grants expenses. The allocation is based on estimated allocation of resources to support the programs funded by MCCSS. The basis of allocation varies depending on the nature of the expense and includes estimates of time spent, material costs and usage of certain resources.

(h) 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. Significant items subject to such estimates and assumptions include allocation of expenses. Actual results could differ from those estimates.

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Notes to Financial Statements (continued)

Year ended March 31, 2020

2. Cash and cash equivalents:

	2020	2019
Operating bank accounts	\$ 1,186,608	\$ 2,754,317
Cashable GICs	5,633,541	238,467
Savings accounts	239,489	1,178,599
	<u>\$ 7,059,638</u>	<u>\$ 4,171,383</u>

Cashable GICs bear interest at rates between 0.50% and 0.70% (2019 - 0.50% and 0.85%) with maturity dates ranging from March 22, 2021 to May 24, 2022 (2019 - May 24, 2019 to March 22, 2020).

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% (2019 - 1.75%) and have a maturity date of March 22, 2021 (2019 - March 22, 2021).

4. Capital assets:

			2020	2019
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 105,292	\$ 66,417	\$ 38,875	\$ 19,615
Furniture and fixtures	5,738	5,702	36	73
Leasehold improvements	80,302	80,302	—	—
Website and software	220,613	36,769	183,844	139,539
	<u>\$ 411,945</u>	<u>\$ 189,190</u>	<u>\$ 222,755</u>	<u>\$ 159,227</u>

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at March 31, 2020 are government remittances payable of \$36,931 (2019 - \$25,422) relating to payroll-related taxes.

AUTISM SOCIETY ONTARIO

Notes to Financial Statements (continued)

Year ended March 31, 2020

6. Deferred membership fees:

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

			2020	2019
	Lifetime membership fees	Annual membership fees	Total	Total
Balance, beginning of year	\$ 11,200	\$ 29,490	\$ 40,690	\$ 58,287
Amounts received	–	47,309	47,309	67,400
Amounts recognized into revenue	(7,650)	(55,629)	(63,279)	(84,997)
Balance, end of year	3,550	21,170	24,720	40,690
Less current portion of deferred membership fees	1,925	21,170	23,095	37,140
Long-term deferred membership fees	\$ 1,625	\$ –	\$ 1,625	\$ 3,550

7. Deferred capital contributions:

	2020	2019
Balance, beginning of year	\$ 107,658	\$ 27,896
Contribution received	106,355	93,710
	214,013	121,606
Less amounts amortized to revenue	42,425	13,948
	\$ 171,588	\$ 107,658

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Notes to Financial Statements (continued)

Year ended March 31, 2020

8. Ministry of Children, Community and Social Services:

	2020	2019
Funding received:		
Potential program	\$ 1,800,000	\$ 2,499,000
Summer camps and March Break program	1,408,000	730,000
Provider list	292,985	177,100
ABACUS website	120,000	120,000
Navigation service	3,666,679	88,825
Support services - Niagara chapter	11,500	11,500
French translation	24,450	–
	<u>7,323,614</u>	<u>3,626,425</u>
Less funding used to purchase capital assets (note 7)	106,355	93,710
Less funding to be returned (note 10)	878,599	–
	<u>\$ 6,338,660</u>	<u>\$ 3,532,715</u>
Expenses:		
Potential program	\$ 1,291,908	\$ 2,499,000
Summer camps and March Break program	1,014,645	730,000
ABACUS website	70,274	114,898
Navigation service	3,632,898	88,825
Provider list	292,985	88,492
Support services - Niagara chapter	11,500	11,500
French translation	24,450	–
	<u>\$ 6,338,660</u>	<u>\$ 3,532,715</u>

The Organization has allocated expenses relating to MCCSS programs as follows:

	2020	2019
Occupancy	\$ 73,288	\$ 35,131
Office	123,695	20,106
Salaries and benefits	3,711,542	423,609
	<u>\$ 3,908,525</u>	<u>\$ 478,846</u>

AUTISM SOCIETY ONTARIO

Notes to Financial Statements (continued)

Year ended March 31, 2020

9. Lease commitments:

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

2021	\$ 51,438
2022	8,488
2023	3,360
2024	3,360
2025	3,360
Thereafter	2,800
	<hr/>
	\$ 72,806

10. Subsequent event:

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus. The situation is constantly evolving, and the measures put in place are having a significant impact on economic and social matters.

Due to the global pandemic and social distancing requirements, the Organization was unable to provide Social Learning Opportunities. As a result, as at March 31, 2020, the Organization has recorded a payable to MCCSS in the amount of \$878,599 for this unused funding, and is included in accounts payable and accrued liabilities on the statement of financial position.

Management is closely monitoring the situation and evaluating the impact of guidance and regulations implemented by medical and government bodies across the country. As this new information becomes available management has continued to evaluate the impact on the March 31, 2020 financial statements.

The current events and conditions are expected to be temporary, however there is uncertainty around the length of the disruption and impact on future operations.