


AUTISM SOCIETY OF NEWFOUNDLAND AND LABRADOR INC.
Financial Statements
Year Ended March 31, 2019



HARRIS RYAN



AUTISM SOCIETY OF NEWFOUNDLAND AND LABRADOR INC.
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Year Ended March 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of Autism Society of Newfoundland and Labrador Inc.

Qualified Opinion

We have audited the financial statements of Autism Society of Newfoundland and Labrador Inc. (the Society), which comprise the statement of financial position as at March 31, 2019, and the statements of changes in net assets, revenues and expenditures 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 Society 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 not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the society derives revenue from fundraising activities and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the society and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this limitation of 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 Society 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 audit 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 Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

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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 Society'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 Society'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 Society 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.

Maris Ryan Professional Corporation

AUTISM SOCIETY OF NEWFOUNDLAND AND LABRADOR INC.

Statement of Financial Position

March 31, 2019

	Autism Centre Fund (note 6) 2019	General Fund 2019	Internally restricted fund 2019	2019	2018
ASSETS					
CURRENT					
Cash	\$ -	\$ 198,527	\$ -	\$ 198,527	\$ 363,870
Accounts receivable	-	304,944	-	304,944	47,727
Inventory (Note 4)	-	1,836	-	1,836	7,780
Prepaid expenses	-	27,668	-	27,668	36,301
Investments (Note 3)	422,145	34,982	129,066	586,193	749,569
	422,145	567,957	129,066	1,119,168	1,205,247
PROPERTY, PLANT AND EQUIPMENT (Note 5)	1,067,947	13,743	-	1,081,690	1,091,664
	\$ 1,490,092	\$ 581,700	\$ 129,066	\$ 2,200,858	\$ 2,296,911
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable	\$ -	\$ 60,342	\$ -	\$ 60,342	\$ 65,655
Government remittances payable	-	22,313	-	22,313	21,961
Funds held and owing to chapters	-	200,984	-	200,984	145,930
Deferred contributions	-	238,326	-	238,326	152,718
	-	521,965	-	521,965	386,264
NET ASSETS					
Unrestricted net assets	-	45,992	-	45,992	69,414
Investment in capital assets	1,067,947	13,743	-	1,081,690	1,091,664
Restricted net assets	422,145	-	-	422,145	451,961
Internally restricted net assets	-	-	129,066	129,066	297,608
	1,490,092	59,735	129,066	1,678,893	1,910,647
	\$ 1,490,092	\$ 581,700	\$ 129,066	\$ 2,200,858	\$ 2,296,911

See notes to financial statements

AUTISM SOCIETY OF NEWFOUNDLAND AND LABRADOR INC.

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

AUTISM SOCIETY OF NEWFOUNDLAND AND LABRADOR INC.

Statement of Changes in Net Assets

Year Ended March 31, 2019

	Unrestricted net assets	Investment in capital assets	Restricted net assets	Internally Restricted Fund	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 69,413	\$ 1,091,664	\$ 451,961	\$ 297,608	\$ 1,910,646	\$ 2,023,024
Deficiency of revenue over expenses	(231,753)	-	-	-	(231,753)	(112,378)
Capital asset additions	(33,801)	68,783	(34,982)	-	-	-
Investment income	(6,624)	-	5,166	1,458	-	-
Amortization	78,757	(78,757)	-	-	-	-
Transfer from internally restricted fund	170,000	-	-	(170,000)	-	-
NET ASSETS - END OF YEAR	\$ 45,992	\$ 1,081,690	\$ 422,145	\$ 129,066	\$ 1,678,893	\$ 1,910,646

See notes to financial statements

AUTISM SOCIETY OF NEWFOUNDLAND AND LABRADOR INC.
Statement of Revenues and Expenditures
Year Ended March 31, 2019

	2019	2018
REVENUE		
Grants revenue <i>(Note 8)</i>	\$ 976,878	\$ 1,107,584
Fundraising revenue	466,699	407,460
Pantry revenue	157,400	160,091
Good Roots Gardening Revenue	27,489	34,234
Program revenue	61,983	89,813
	1,690,449	1,799,182
EXPENSES		
Fundraising expenses	75,682	98,253
Pantry expenses <i>(Note 9)</i>	150,422	148,686
Good Roots Gardening expenses <i>(Note 9)</i>	41,015	48,028
Program expenses	74,830	71,841
Payroll expenses	1,251,414	1,208,723
General and Administration Expenses <i>(Schedule 1)</i>	328,839	336,029
	1,922,202	1,911,560
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (231,753)	\$ (112,378)

See notes to financial statements

AUTISM SOCIETY OF NEWFOUNDLAND AND LABRADOR INC.**Statement of Cash Flows****Year Ended March 31, 2019**

	2019	2018
OPERATING ACTIVITIES		
Deficiency Of Revenue Over Expenses	\$ (231,753)	\$ (112,378)
Item not affecting cash:		
Amortization of capital assets	78,757	84,394
	(152,996)	(27,984)
Changes in non-cash working capital:		
Accounts receivable	(257,217)	30,134
Inventory	5,944	2,919
Accounts payable	(5,316)	17,916
Prepaid expenses	8,633	(5,659)
Investments	163,378	(7,971)
Government remittances payable	352	2,973
Funds held and owing to chapters	55,054	50,860
Deferred contributions	85,608	81,652
	56,436	172,824
Cash flow from operating activities	(96,560)	144,840
INVESTING ACTIVITY		
Purchase of capital assets	(68,783)	(7,609)
Cash flow used by investing activity	(68,783)	(7,609)
INCREASE (DECREASE) IN CASH FLOW	(165,343)	137,231
Cash - beginning of year	363,870	226,639
CASH - END OF YEAR	\$ 198,527	\$ 363,870

See notes to financial statements

AUTISM SOCIETY OF NEWFOUNDLAND AND LABRADOR INC.

Notes to Financial Statements

Year Ended March 31, 2019

1. PURPOSE OF THE SOCIETY

The Autism Society of Newfoundland and Labrador Inc. (the "society") is a provincial organization which provides services to people with autism spectrum disorder and their families. The society is incorporated under the Corporations Act of Newfoundland And Labrador as a corporation without share capital. The society is a registered charity under the Income Tax Act (Canada) and is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Land improvements	40 years	straight-line method
Buildings	40 years	straight-line method
Motor vehicles	5 years	straight-line method
Equipment	5 years	straight-line method
Resource library	10 years	straight-line method
Pavement	10 years	straight-line method
Chapter assets	10 years	straight-line method

(continues)

AUTISM SOCIETY OF NEWFOUNDLAND AND LABRADOR INC.

Notes to Financial Statements

Year Ended March 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The society recognizes revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured.

Interest income is recognized on the accrual basis as earned.

Fundraising revenue is recognized when received.

The society follows the deferral basis of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. INVESTMENTS

Investments consist of short term guaranteed investment certificates savings account purchased through the Newfoundland and Labrador Credit Union with a market value of \$586,193 (2018 - \$749,569). The guaranteed investment certificates are earning interest at rates between 1.25% and 2.30%

AUTISM SOCIETY OF NEWFOUNDLAND AND LABRADOR INC.**Notes to Financial Statements****Year Ended March 31, 2019**

4. INVENTORY

	2019	2018
Fundraising and restaurant supplies	\$ 1,836	\$ 7,780

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Buildings	\$ 1,440,597	\$ 415,333	\$ 1,025,264	\$ 1,004,406
Equipment	356,302	340,667	15,635	25,968
Motor vehicles	39,891	39,891	-	4,378
Resource library	83,582	76,940	6,642	14,100
Pavement	83,118	60,260	22,858	31,169
Chapter assets	40,021	28,730	11,291	11,643
	\$ 2,043,511	\$ 961,821	\$ 1,081,690	\$ 1,091,664

6. RESTRICTED NET ASSETS

Since 1998, the society has been working towards the creation of a Provincial Centre for Autism, a centre for the provision of vocational and therapeutic programs to persons with autism spectrum disorder. Contributions restricted for the construction, furnishing and equipping of the Centre's building are presented in the Autism Centre Fund (Restricted net assets).

Restricted net assets consist of donations received for the construction of the Centre in excess of the cost to build the Centre. These amounts were recorded as revenue in the year received and are to be used for Centre capital projects only.

7. INTERNALLY RESTRICTED NET ASSETS

The Board has established an internally restricted fund. This fund can only be used for special projects that meet the objectives and align with the mission of the organization. During the prior year, it was resolved to transfer \$294,443 to this fund. Interest accrues on these investments. Board approval is required prior to expenditures from this fund.

AUTISM SOCIETY OF NEWFOUNDLAND AND LABRADOR INC.**Notes to Financial Statements****Year Ended March 31, 2019**

8. GRANT REVENUE

	2019	2018
<u>Grant Revenue</u>		
Department of Children, Seniors and Social Development	\$ 632,650	\$ 777,500
Advanced Education Labour and Skills	143,000	143,000
Services Canada	25,804	16,325
Exploits Community Employment Corporation	12,117	11,217
Joyce Family Foundation	23,500	23,500
Sinneave Foundation	125,074	90,692
Other	14,733	45,350
	\$ 976,878	\$ 1,107,584

9. SOCIAL ENTERPRISE EXPENSES

	Labour	Other	2019	2018
Pantry Expenses	\$ 100,754	\$ 49,668	\$ 150,422	\$ 148,686
Good Roots Gardening Expenses	35,775	5,240	41,015	48,028

10. ECONOMIC DEPENDENCE

The society is economically dependent on the Government of Newfoundland and Labrador from which it derives a substantial portion of its funding.

11. LEASE COMMITMENTS

The society has a long term lease with respect to its Eastern Chapter premises. Future minimum lease payments as at March 31, 2019, are as follows:

2020	\$ 18,000
2021	18,000
2022	1,500

AUTISM SOCIETY OF NEWFOUNDLAND AND LABRADOR INC.

Notes to Financial Statements

Year Ended March 31, 2019

12. FINANCIAL INSTRUMENTS

The society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the society's risk exposure and concentration as of March 31, 2019.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The society is exposed to credit risk from customers. In order to reduce its credit risk, the society reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The society has a significant number of customers which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The society is exposed to this risk mainly in respect of its receipt of funds and accounts payable.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The society is mainly exposed to interest rate risk.

(d) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the society manages exposure through its normal operating and financing activities. The society is exposed to interest rate risk primarily through its investments.

Unless otherwise noted, it is management's opinion that the society is not exposed to significant other price risks arising from these financial instruments.

13. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

AUTISM SOCIETY OF NEWFOUNDLAND AND LABRADOR INC.**General and Administration Expenses****(Schedule 1)****Year Ended March 31, 2019**

	2019	2018
EXPENSES		
Annual general meeting	\$ 1,566	\$ 1,294
Advertising	-	3,780
Awareness	27,809	33,522
Website Fees	-	115
Postage	2,230	3,637
Bad debt	8,952	12,963
Bank charges	737	644
Cleaning	10,972	11,463
Copier	6,689	6,179
Credit card	17,439	14,954
Depreciation	78,757	84,394
Garbage collection	150	610
Gas	1,084	1,665
Insurance	14,195	13,237
Meals and entertainment	3,089	3,927
Miscellaneous	1,569	752
Office supplies	5,296	7,221
Payroll provider	3,784	3,811
Professional fees	15,541	16,302
Rent	55,181	47,886
Repairs and maintenance	12,859	12,824
Security monitoring	648	624
Telephone and internet	31,806	26,324
Training	1,277	4,288
Travel	12,436	11,567
Utilities	14,773	12,046
	\$ 328,839	\$ 336,029