

# **Autism Speaks Canada**

**Financial Statements**

**For the Year Ended December 31, 2014**

## INDEPENDENT AUDITORS' REPORT

### **To the Board of Directors of Autism Speaks Canada**

We have audited the accompanying financial statements of Autism Speaks Canada (the "Organization") which comprise the balance sheet as at December 31, 2014 and the statements of operations and changes in fund balances and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

#### *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 of revenues over expenses for the year ended December 31, 2014, current assets as at December 31, 2014 and fund balances as at January 1, 2014 and December 31, 2014.

*Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Autism Speaks Canada as at December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Collins Barrow Toronto LLP*

Licensed Public Accountants  
Chartered Accountants  
June 18, 2015  
Toronto, Ontario

**Autism Speaks Canada**  
**Balance Sheet**  
**As at December 31, 2014**

	Operating Fund	Restricted Fund	2014	2013
<b>Assets</b>				
<b>Current</b>				
Cash	\$ 2,156,086	\$ 787,386	\$ 2,943,472	\$ 2,850,352
HST recoverable	53,283	-	53,283	155,390
Amounts receivable	138,743	-	138,743	-
Deposits	14,149	-	14,149	5,028
	2,362,261	787,386	3,149,647	3,010,770
<b>Other assets (Note 4)</b>	19,664	-	19,664	-
<b>Capital assets (Note 5)</b>	27,101	-	27,101	17,030
	\$ 2,409,026	\$ 787,386	\$ 3,196,412	\$ 3,027,800

**Liabilities**

**Current**

Accounts payable and accrued liabilities	\$ 301,363	\$ 200,000	\$ 501,363	\$ 566,761
--	------------	------------	------------	------------

<b>Deferred lease inducement</b>	-	-	-	8,122
----------------------------------	---	---	---	-------

	301,363	200,000	501,363	574,883
--	---------	---------	---------	---------

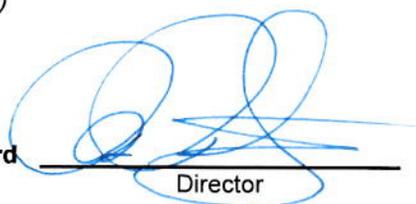
**Surplus**

<b>Fund Balances</b>	2,107,663	587,386	2,695,049	2,452,917
----------------------	-----------	---------	-----------	-----------

	\$ 2,409,026	\$ 787,386	\$ 3,196,412	\$ 3,027,800
--	--------------	------------	--------------	--------------

**Commitments (Note 7)**

Approved by the Board

  
 Director

  
 Director

**Autism Speaks Canada**  
**Statement of Operations and Changes in Fund Balances**  
**Year Ended December 31, 2014**

	Operating Fund	Restricted Fund	2014	2013
<b>Revenue</b>				
Walk revenue	\$ 1,222,825	\$ -	\$ 1,222,825	\$ 1,381,543
General donations income	89,420	-	89,420	303,698
Major gifts contributions	69,412	958,000	1,027,412	59,800
Corporate contributions	970,753	-	970,753	1,039,724
Third party events	390,078	-	390,078	211,525
Other income	31,128	-	31,128	73,796
	<b>2,773,616</b>	<b>958,000</b>	<b>3,731,616</b>	<b>3,070,086</b>
<b>Direct costs</b>				
Fundraising	861,120	-	861,120	633,409
Operations	611,810	-	611,810	440,238
	<b>1,472,930</b>	<b>-</b>	<b>1,472,930</b>	<b>1,073,647</b>
<b>Funds available for mission</b>	<b>1,300,686</b>	<b>958,000</b>	<b>2,258,686</b>	<b>1,996,439</b>
<b>Mission expenditures</b>				
Family service grants	492,782	-	492,782	540,496
Research grants	701,218	433,000	1,134,218	534,399
Advocacy and awareness	389,554	-	389,554	505,443
	<b>1,583,554</b>	<b>433,000</b>	<b>2,016,554</b>	<b>1,580,338</b>
<b>Excess of revenues over expenses (expenses over revenues)</b>	<b>(282,868)</b>	<b>525,000</b>	<b>242,132</b>	<b>416,101</b>
<b>Interfund transfer</b>	<b>24,580</b>	<b>(24,580)</b>	<b>-</b>	<b>-</b>
<b>Fund balance, beginning of year</b>	<b>2,365,951</b>	<b>86,966</b>	<b>2,452,917</b>	<b>2,042,816</b>
<b>Fund balance, end of year</b>	<b>\$ 2,107,663</b>	<b>\$ 587,386</b>	<b>\$ 2,695,049</b>	<b>\$ 2,458,917</b>

**Autism Speaks Canada**  
**Statement of Cash Flows**  
**Year Ended December 31, 2014**

	2014	2013
<b>Cash provided by (used in)</b>		
<b>Operations</b>		
Excess of revenues over expenses	\$ 242,132	\$ 416,101
Amortization	15,248	12,233
Lease inducement	(8,122)	(4,255)
	<b>249,258</b>	424,079
Net changes in non-cash working capital		
HST recoverable	102,107	(116,075)
Amounts receivable	(138,743)	-
Deposits	(9,121)	1,237
Accounts payable and accrued liabilities	(65,398)	550,577
<b>Cash provided by (used in) operations</b>	<b>138,103</b>	<b>859,818</b>
<b>Investing</b>		
Purchase of capital assets	(20,403)	(23,138)
Purchase of other assets	(24,580)	-
<b>Cash provided by (used in) investing</b>	<b>(44,983)</b>	<b>(23,138)</b>
<b>Financing</b>		
Payment made to Autism Speaks	-	(31,690)
Advances from Autism Speaks	-	15,845
<b>Cash provided by (used in) financing</b>	<b>-</b>	<b>(15,845)</b>
<b>Increase (decrease) in cash</b>	<b>93,120</b>	<b>820,835</b>
<b>Cash, beginning of year</b>	<b>2,850,352</b>	<b>2,029,517</b>
<b>Cash, end of year</b>	<b>\$ 2,943,472</b>	<b>\$ 2,850,352</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. The Organization has continued under the Canada Not-for-Profit Corporations Act on October 1, 2014. Accordingly the Organization is exempt from income taxes.

The mission of the Organization is to change the future for all who struggle with autism spectrum disorders. It is dedicated to funding global research into the causes, prevention, treatments, and cure for autism; to raising public awareness about autism and its effects on individuals, families, and society; and to bringing hope to all who deal with the hardships of this disorder by raising the funds necessary to support these goals. The Organization aims to bring the autism community together as one strong voice to urge the government and private sector to listen to their concerns and take action to address this urgent global health crisis.

**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.

**Restricted Fund**

The 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.

**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. The Organization subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include amounts receivable, pledge receivable and interfund balance. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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.

**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 Organizations operations and would otherwise have been purchased.

**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. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

**Other Asset**

Other asset consists of website development costs and is being amortized on a straight-line basis over five years. The asset is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is measured as the amount by which the carrying value of the asset exceeds its fair value.

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Capital Assets**

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 hardware	- 4 years straight line
Computer software	- 5 years straight line
Audio equipment	- 2 years straight line

When capital assets no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

**Research Awards**

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 balance sheet does not include a provision for funding on multi-year research projects that extend beyond the subsequent year.

**3. PLEDGE RECEIVABLE**

During the year, a donor committed to provide \$2,000,000 to support the MSSNG project at the Hospital for Sick Children. The Organization received the first instalment of the pledge in the amount of \$500,000 during 2014 and the remaining amounts are to be received in annual instalments of \$300,000 starting in 2015. The Organization will record the contributions from this pledge within the restricted fund as received. The Organization is in the process of finalizing the terms of the research project agreement with the Hospital for Sick Children. As at December 31, 2014 the Organization had not advanced any of the \$500,000 funds received, nor setup a liability.

**4. OTHER ASSETS**

	<b>2014</b>	<b>2013</b>
Website development costs	\$ 55,203	\$ 30,623
Website development costs - accumulated amortization	<b>(35,539)</b>	<b>(30,623)</b>
	<b>\$ 19,664</b>	<b>\$ -</b>

**5. CAPITAL ASSETS**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2014</b>	<b>Net 2013</b>
Computer equipment	\$ 24,712	\$ 11,639	\$ 13,073	\$ 16,383
Computer software	17,535	3,507	14,028	-
Audio equipment	1,295	1,295	-	647
	<b>\$ 43,542</b>	<b>\$ 16,441</b>	<b>\$ 27,101</b>	<b>\$ 17,030</b>

**6. RELATED PARTY TRANSACTIONS AND BALANCES**

As of December 31, 2014, the Organization owes Autism Speaks \$NIL (2013 - \$NIL) for general and administrative expenses paid by Autism Speaks on behalf of the Organization.

The transactions were conducted in the normal course of operations and are measured at the exchange amount. There is no interest payable on the balance owing to Autism Speaks and it is due on demand.

**7. COMMITMENTS**

**Rent**

The Organization has entered into long-term leases for premises expiring June 30, 2016 and August 31, 2018. Future minimum lease payments are as follows:

2015	\$ 107,955
2016	81,257
2017	54,559
2018	36,373
	<b>\$ 280,144</b>

**7. COMMITMENTS (Cont'd)**

**Research Projects**

In 2010, the Organization entered into an agreement with The Governors of the University of Alberta (the "University of Alberta") to fund an autism research project in the amount of \$1,008,704. The title of the project is: *Improving Early Diagnosis and Treatment for ASD: The Canadian Infant Sibling Project*. To date, the Organization has advanced \$1,008,704 and has satisfied its commitment.

In 2012, the Organization entered into an agreement with York University ("York") to fund an autism research project in the amount of \$75,000. The title of the project is: *CIHR Chair: Autism Spectrum Disorders Treatment and Care Research*. To date, the Organization has advanced \$37,500 related to the project.

During the year, the Organization entered into a three year agreement with the Hospital for Sick Children to fund an autism research project in the amount of \$800,000 ending November 30, 2017. The title of the project is: *Autism Spectrum Disorders: Genomes to Outcomes*. To date, the Organization has advanced \$133,000 related to the project.

The Organization has remaining multi-year funding on these research projects, as follows:

2015	\$	148,500
2016		282,000
2017		140,500
2018		133,000
		<hr/>
		<b>\$ 704,000</b>

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

2015	\$	269,642
2016		309,986
2017		280,000
		<hr/>
		<b>\$ 859,628</b>

**8. ALLOCATION OF GENERAL SUPPORT EXPENDITURES**

During the year, salaries and benefits were allocated amongst various activities as follows:

	<b>2014</b>	<b>2013</b>
Operations	<b>\$ 131,241</b>	\$ 161,067
Fundraising	<b>468,920</b>	184,084
Advocacy and awareness	<b>375,282</b>	182,278
Family service grants	<b>47,592</b>	63,756
Research grants	<b>45,766</b>	25,635
		<hr/>
		<b>\$ 1,068,801</b>
		<hr/>
		<b>\$ 616,820</b>