

Autism Speaks Canada

Financial Statements

For the Year Ended December 31, 2017



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 statement of financial position as at December 31, 2017 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 (expenses over revenues), cash provided by operations for the year ended December 31, 2017, current assets as at December 31, 2017 and fund balances as at January 1, 2017 and December 31, 2017.

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, 2017, 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.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
March 9, 2018
Toronto, Ontario

Autism Speaks Canada
Statement of Financial Position
As at December 31, 2017

	Operating Fund	Restricted Fund	2017	2016
Assets				
Current				
Cash	\$ 1,686,459	\$ 66,031	\$ 1,752,490	\$ 1,724,156
Amounts receivable	200,034	300,000	500,034	240,182
HST recoverable	24,141	-	24,141	16,831
Prepaid expenses	33,579	-	33,579	21,547
Due from Autism Speaks (Note 6)	-	62,815	62,815	-
	1,944,213	428,846	2,373,059	2,002,716
Other assets (Note 4)	21,255	-	21,255	24,579
Capital assets (Note 5)	6,533	-	6,533	2,674
	\$ 1,972,001	\$ 428,846	\$ 2,400,847	\$ 2,029,969

Liabilities

Current

Accounts payable and accrued liabilities	\$ 191,838	\$ -	\$ 191,838	\$ 31,420
Grants payable (Note 7)	427,069	311,890	738,959	434,900
	618,907	311,890	930,797	466,320

Surplus

Fund Balances	1,353,094	116,956	1,470,050	1,563,649
	\$ 1,972,001	\$ 428,846	\$ 2,400,847	\$ 2,029,969

Commitments (Note 7)

Approved by the Board



Director



Director

Autism Speaks Canada
Statement of Operations and Changes in Fund Balances
Year Ended December 31, 2017

	Operating Fund	Restricted Fund	2017	2016
Revenue				
Corporate contributions	\$ 1,086,501	\$ -	\$ 1,086,501	\$ 1,009,830
Walk revenue	1,029,942	-	1,029,942	944,360
Major gifts contributions	206,846	446,253	653,099	698,224
Third party events	275,854	166,682	442,536	326,393
Autism Speaks (Note 6)	-	392,340	392,340	-
General donations income	125,140	-	125,140	109,251
Other income	32,044	-	32,044	37,481
Grant income	-	-	-	30,000
	2,756,327	1,005,275	3,761,602	3,155,539
Direct costs				
Fundraising	1,011,327	-	1,011,327	1,007,135
Operations	492,981	12,392	505,373	495,093
	1,504,308	12,392	1,516,700	1,502,228
Funds available for mission	1,252,019	992,883	2,244,902	1,653,311
Mission expenditures				
Research	245,229	1,053,628	1,298,857	912,860
Family service	566,325	44,274	610,599	661,320
Collaboration and awareness	429,045	-	429,045	404,749
	1,240,599	1,097,902	2,338,501	1,978,929
Excess of revenues over expenses (expenses over revenues)	11,420	(105,019)	(93,599)	(325,618)
Fund balance, beginning of year	1,341,674	221,975	1,563,649	1,889,267
Fund balance, end of year	\$ 1,353,094	\$ 116,956	\$ 1,470,050	\$ 1,563,649

Autism Speaks Canada
Statement of Cash Flows
Year Ended December 31, 2017

	2017	2016
Cash provided by (used in)		
Operations		
Excess (deficiency) of revenues over expenses	\$ (93,599)	\$ (325,618)
Amortization	11,078	16,016
	(82,521)	(309,602)
Net changes in non-cash working capital		
Amounts receivable	(259,852)	26,668
HST recoverable	(7,310)	34,323
Prepaid expenses	(12,032)	15,659
Due from Autism Speaks	(62,815)	16,971
Accounts payable and accrued liabilities	160,418	(14,388)
Grants payable	304,059	(60,596)
Cash provided by (used in) operations	39,947	(290,965)
Investing		
Purchase of capital assets	(5,014)	-
Purchase of other assets	(6,599)	(18,433)
Cash provided by (used in) investing	(11,613)	(18,433)
Increase (decrease) in cash	28,334	(309,398)
Cash, beginning of year	1,724,156	2,033,554
Cash, end of year	\$ 1,752,490	\$ 1,724,156

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 public foundation, the Organization is tax exempt under paragraph 149.1(1)(g) of the Income Tax Act.

The mission of the Organization is:

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.

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. 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 and due from Autism Speaks. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and family service 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 are accrued and expensed 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 Organizations operations and would otherwise have been purchased.

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 equipment - 4 to 5 years straight line

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.

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.

3. PLEDGE RECEIVABLE

In 2014, 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, the second instalment of \$300,000 in 2015, the third instalment of \$300,000 in 2016, and the remaining amounts are to be received in annual instalments of \$300,000 ending in 2019. The Organization will record the contributions from this pledge within the restricted fund as received. As at December 31, 2017, \$1,100,000 of the funds have been received, with the fourth instalment of \$300,000 recorded as receivable as at year end.

In 2016, a donor committed to provide \$500,000 to support the MSSNG project at the Hospital for Sick Children. The Organization received the first two instalments of the pledge in the amounts of \$50,000 during 2016 and \$49,051 during 2017 and the remaining amounts are to be received in annual instalments of \$50,000 ending in 2025. The Organization will record the contributions from this pledge within the restricted fund as received.

4. OTHER ASSETS

	Cost	Accumulated Amortization	Net 2017	Net 2016
Website development costs	\$ 80,235	\$ 58,980	\$ 21,255	\$ 24,579

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2017	Net 2016
Computer equipment	\$ 34,668	\$ 28,135	\$ 6,533	\$ 2,674

6. RELATED PARTY TRANSACTIONS AND BALANCES

In 2017, Autism Speaks, the controlling charity located in the United States granted the Organization USD\$303,693 to support the funding of research projects. The Organization recorded the revenue within the restricted fund. As at December 31, 2017, USD\$253,693 has been received and USD\$50,000 is recorded in accounts receivable.

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

7. COMMITMENTS

Rent

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

2018	\$ 59,054
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Family Services

In 2014, the Organization entered into a four year agreement with Integrated Services for Autism and Neurodevelopmental Disorders ("ISAND") to fund an autism research project in the amount of \$400,000 ending August 31, 2018. The title of the project is: Integrated Services for Autism and Neurodevelopmental Disorders ("ISAND"). To date, the Organization has advanced \$350,000 towards the project and \$50,000 is payable as at year end.

In 2015, the Organization entered into a five year agreement with Pacific Autism Family Centre Foundation to fund an autism research project in the amount of \$500,000 ending November 30, 2020. The title of the project is: Pacific Autism Family Centre ("PAFC"). To date, the Organization has advanced \$200,000 towards the project. The Organization had committed to advance \$100,000 in 2017 however this has been deferred to 2018 and, therefore, has committed to paying the remaining \$300,000 in yearly instalments of \$100,000 from 2018 to 2020.

Research Projects

In 2014, 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 \$534,000 related to the project.

7. COMMITMENTS (Cont'd)

Research Projects (Cont'd)

In 2015, the Organization collaborated with SickKids Foundation, the Hospital for Sick Children and Google to fund an autism research project known as the MSSNG project. The Collaborators agreed to set a fundraising target of \$10,000,000 which includes a \$2,000,000 pledge already committed to Autism Speaks Canada by KRG Children's Charitable Foundation ("KRG") (see Note 3) towards this project. To date, the Organization has advanced \$1,100,000 towards the project and \$300,000 is payable as at year end. The Organization has committed to paying the remaining \$600,000 in yearly instalments of \$300,000 in 2018 and 2019 as the pledged amounts from KRG are received.

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

2018	\$	666,000
2019		400,000
2020		100,000
		\$ 1,166,000

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, in USD as follows:

2018	\$	335,464	USD
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8. ALLOCATION OF GENERAL SUPPORT EXPENDITURES

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

	2017	2016
Operations	\$ 257,840	\$ 240,400
Fundraising	697,306	691,894
Collaboration and awareness	381,379	355,364
Family service	106,037	94,969
Research	81,387	76,123
	\$ 1,523,949	\$ 1,458,750