

**AUTISM ASPERGERS FRIENDSHIP SOCIETY OF
CALGARY**

FINANCIAL STATEMENTS

OCTOBER 31, 2018

AUTISM ASPERGERS FRIENDSHIP SOCIETY OF CALGARY

OCTOBER 31, 2018

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Scase & Partners

Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Autism Aspergers Friendship Society of Calgary:

We have audited the accompanying financial statements of Autism Aspergers Friendship Society of Calgary, which comprise the statement of financial position as at October 31, 2018, and the statements of operations, changes in net assets 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 audit opinion.

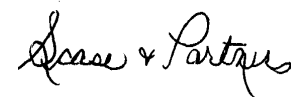
Basis for qualified opinion

Autism Aspergers Friendship Society of Calgary derives a portion of its revenues from donations, the completeness of which is not susceptible to audit verification. Consequently, we were unable to obtain sufficient appropriate audit evidence to support the completeness of donation revenue, and we were unable to determine whether any adjustments were necessary.

Qualified opinion

In our opinion, except for the effects of the matter described in basis of qualified opinion and in the other matters paragraph, the financial statements present fairly, in all material respects, the financial position of Autism Aspergers Friendship Society of Calgary as at October 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta
January 21, 2019



Professional Accountants

AUTISM ASPERGERS FRIENDSHIP SOCIETY OF CALGARY

STATEMENT OF FINANCIAL POSITION

AS AT OCTOBER 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash and cash equivalents, unrestricted (Note 2)	\$ -	\$ 24,512
Externally restricted cash (Note 3)	21,036	570
Short term investment	81,258	80,125
Accounts receivable	114,411	187,236
Prepaid expenses	9,821	85,621
	226,526	378,064
PROPERTY AND EQUIPMENT (Note 4)	17,494	10,773
	\$ 244,020	\$ 388,837
LIABILITIES		
CURRENT		
Bank indebtedness (Note 2)	\$ 2,056	\$ -
Short term debt (Note 10)	-	160,000
Accounts payable and accrued liabilities	26,752	29,543
Employee withholding tax payable	22,097	12,277
Deferred cash contributions (Note 3)	21,036	570
Deferred revenue (Note 11)	-	14,583
	71,941	216,973
DEFERRED CAPITAL CONTRIBUTIONS (Note 5)	2,182	3,110
	74,123	220,083
NET ASSETS		
OPERATING FUND	167,715	165,644
INVESTED IN PROPERTY AND EQUIPMENT	2,182	3,110
	169,897	168,754
	\$ 244,020	\$ 388,837

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

The notes form an integral part of these financial statements

AUTISM ASPERGERS FRIENDSHIP SOCIETY OF CALGARY

STATEMENT OF OPERATIONS FOR THE YEAR ENDED OCTOBER 31, 2018

	2018	2017
REVENUE		
Respite income	\$ 651,913	\$ 522,864
Program revenue	154,664	117,961
Contributions from grants (Note 6)	108,976	196,449
Donations	102,379	54,379
Fundraising revenue (Note 7)	65,776	96,911
Contributions from casino (Note 3)	49,841	73,120
Donations in kind	21,303	32,851
Membership fees	15,620	12,630
Interest income	2,754	724
Transportation fees	10	2,560
	1,173,236	1,110,449
COST OF OPERATIONS		
Program staff costs	697,551	576,403
Program delivery costs	166,773	124,177
Facility costs	55,413	47,777
Fund development costs	44,987	52,187
Transportation costs	24,165	35,508
	988,889	836,052
NET INCOME BEFORE GENERAL AND ADMINISTRATION	184,347	274,397
GENERAL AND ADMINISTRATION COSTS		
Salaries and wages administration	130,296	115,967
Bad debt expense	15,287	-
Office	9,796	7,953
Insurance	6,973	6,927
Interest and bank charges	6,875	6,597
Professional fees	5,900	7,396
	175,127	144,840
NET INCOME (LOSS) BEFORE AMORTIZATION	9,220	129,557
Amortized contributions (Note 5)	928	1,326
Amortization expense	(9,005)	(4,617)
NET AMORTIZATION	(8,077)	(3,291)
NET INCOME (LOSS) FOR THE YEAR	\$ 1,143	\$ 126,266

The notes form an integral part of these financial statements

AUTISM ASPERGERS FRIENDSHIP SOCIETY OF CALGARY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED OCTOBER 31, 2018

	Operating Fund	Invested in property and equipment	2018	2017
NET ASSETS , beginning of year	\$ 165,644	\$ 3,110	\$ 168,754	\$ 42,488
Excess (Deficiency) of revenue over expenses for the year	1,143	-	1,143	126,266
Amortization on assets from restricted funds	928	(928)	-	-
NET ASSETS , end of year	\$ 167,715	\$ 2,182	\$ 169,897	\$ 168,754

The notes form an integral part of these financial statements

AUTISM ASPERGERS FRIENDSHIP SOCIETY OF CALGARY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED OCTOBER 31, 2018

	2018	2017
CASH PROVIDED BY OPERATING ACTIVITIES		
Excess (Deficiency) of revenue over expenses for the year	\$ 1,143	\$ 126,266
Items not requiring an outlay of cash:		
Amortization	9,005	4,617
Amortized contributions	(928)	(1,326)
Changes in non-cash operating working capital:		
Accounts receivable	72,825	(130,337)
Goods and Services Tax receivable	-	1,757
Prepaid expenses	75,800	(64,537)
Short term investments	(1,134)	2,027
Accounts payable and accrued liabilities	(2,789)	37
Employee withholding tax payable	9,820	(36,474)
Deferred revenue	(14,583)	14,583
	149,159	(83,387)
FINANCING ACTIVITIES		
(Repayment), advances of term debt	(160,000)	160,000
(Use) proceeds of deferred cash contributions	20,466	(6,650)
	(139,534)	153,350
INVESTING ACTIVITIES		
Purchases of property and equipment	(15,727)	-
(DECREASE) INCREASE IN CASH , for the year	(6,102)	69,963
(BANK INDEBTEDNESS) CASH AND CASH EQUIVALENTS , beginning of year	25,082	(44,881)
(BANK INDEBTEDNESS) CASH AND CASH EQUIVALENTS , end of year	\$ 18,980	\$ 25,082
(BANK INDEBTEDNESS) CASH AND CASH EQUIVALENTS REPRESENTED BY:		
Cash (Bank indebtedness), unrestricted (Note 2)	\$ (2,056)	\$ 24,512
Externally restricted cash	21,036	570
	\$ 18,980	\$ 25,082

The notes form an integral part of these financial statements

AUTISM ASPERGERS FRIENDSHIP SOCIETY OF CALGARY

NOTES TO THE FINANCIAL STATEMENTS

AS AT OCTOBER 31, 2018

NATURE OF OPERATIONS

The Autism Aspergers Friendship Society of Calgary (the "Society") was incorporated on September 21, 2004.

The Society was established to provide respite care in a recreational environment for children, youth and adults on the autism spectrum. The purpose of this non-profit society is to provide a safe space for youth to learn social thinking and take social risks. The Society believes it is vital to connect our youth with other members of their community to share experiences as well as strengthen them as individuals and as a community.

The Society is registered as a charity and is exempt from income tax under the Income Tax Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. These financial statements have, in management's opinion, been properly prepared within the framework of the accounting policies summarized as follows:

(a) Cash and cash equivalents (bank indebtedness)

Cash and cash equivalents (bank indebtedness) include unrestricted cash on hand, bank balances, Paypal account and short term deposits with maturities in the current operating period.

Restricted cash and cash equivalents are reported separately.

(b) Externally restricted cash

Restricted cash consists of cash generated from participating in casinos. These funds are restricted by the Alberta Gaming and Liquor Commission. Under the terms of casino license application the Society is required to use these funds for previously approved specific purposes in current or future periods.

(c) Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

(d) Property and equipment

Property and equipment are recorded at cost and amortized over their estimated useful lives. Amortization is provided using the declining balance method with the half year rule. The annual amortization rates are as follows:

Vehicles	30% declining balance
Furniture and fixtures	20% declining balance
Computer equipment	50% declining balance

AUTISM ASPERGERS FRIENDSHIP SOCIETY OF CALGARY

NOTES TO THE FINANCIAL STATEMENTS

AS AT OCTOBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Contributed materials and services

Contributed materials and services are recognized in the financial statements when the fair value can be reasonably estimated, when the materials or services are used in the normal course of the Society's operations and when they would otherwise have been purchased. During the year \$21,303 (2017 - \$32,851) of donations in kind were received and recorded in these financial statements.

A substantial number of volunteers have made significant contributions of their time to develop the Society's programs and carry out its activities. The value of this contributed time is not reflected in these financial statements.

(f) 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 amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are accounts receivable, property, plant and equipment, accounts payable and accrued liabilities, and in-kind donations.

(g) Financial instruments

The Society initially measures its financial assets and financial liabilities at their fair value. The Society subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income.

Financial instruments measured at amortized cost includes cash and cash equivalents, accounts receivable, investments and accounts payable.

Risk Management

The carrying value of cash, short term investments, accounts receivable, and accounts payable and accrued liabilities approximate their fair value because of the short-term maturity of these items. It is managements' opinion that the Society is not exposed to significant interest rate, currency, credit, or market risks arising from these financial instruments.

AUTISM ASPERGERS FRIENDSHIP SOCIETY OF CALGARY

NOTES TO THE FINANCIAL STATEMENTS

AS AT OCTOBER 31, 2018

2. NET CASH BALANCE (INDEBTEDNESS)

The Society has a line of credit facility from the Scotia Bank for \$75,000 (2017 - \$75,000). The line of credit bears interest at prime plus 5% and must be repaid within 30 days. It is secured by a guaranteed investment certificate, valued at \$81,258 (2017 - \$80,125).

	<u>2018</u>	<u>2017</u>
Scotia Bank (overdraft)	\$ (4,281)	\$ 22,832
Paypal	2,042	256
Other operating accounts	<u>183</u>	<u>1,424</u>
	<u>\$ (2,056)</u>	<u>\$ 24,512</u>

3. EXTERNALLY RESTRICTED CASH/DEFERRED CASH CONTRIBUTIONS

	<u>2018</u>	<u>2017</u>
Casino revenue received from AGLC	\$ <u>70,351</u>	\$ <u>66,469</u>
Casino revenue earned during the year	\$ <u>49,841</u>	\$ <u>73,120</u>
 <u>Casino account transactions</u>		
Casino cash balance, beginning of the year	\$ 570	\$ 7,220
<u>Add:</u>		
Casino proceeds received	70,351	66,470
Donations received	20,000	-
Receipt from AGLC for volunteers	2,170	-
Transfer in from operating	<u>27,283</u>	<u>-</u>
Total	120,374	73,690
<u>Deduct</u>		
Expenditure/ income recognized during the year	(49,841)	(73,120)
Transfer to operating	(47,283)	-
Payment to AGLC	<u>(2,214)</u>	<u>-</u>
Casino cash balance, end of the year	<u>\$ 21,036</u>	<u>\$ 570</u>

The Casino funds has been used to pay for the staff costs and bank charges as per AGLC guidelines.

AUTISM ASPERGERS FRIENDSHIP SOCIETY OF CALGARY

NOTES TO THE FINANCIAL STATEMENTS

AS AT OCTOBER 31, 2018

4. PROPERTY AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2018</u>	<u>Net 2017</u>
Vehicles	\$ 49,453	\$ 41,912	\$ 7,541	\$ 10,773
Furniture and fixtures	4,826	4,826	-	-
Computer equipment	14,787	8,387	6,400	-
Office equipment	<u>4,264</u>	<u>711</u>	<u>3,553</u>	<u>-</u>
	<u>\$ 73,330</u>	<u>\$ 55,836</u>	<u>\$ 17,494</u>	<u>\$ 10,773</u>

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent casino or externally restricted contributions received to assist in the purchase of property and equipment. These contributions are amortized and brought into income on the same basis that the related asset is amortized and expensed.

	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 3,110	\$ 4,436
Amortization of deferred capital contributions	<u>(928)</u>	<u>(1,326)</u>
Ending balance	<u>\$ 2,182</u>	<u>\$ 3,110</u>

6. CONTRIBUTIONS FROM GRANTS

	<u>2018</u>	<u>2017</u>
Els for Autism Canada	\$ 25,000	\$ 25,000
Calgary Children's Foundation	15,000	15,000
Anonymous	12,000	-
Canada Alberta Job Grant - Break the Barrier Project	8,642	102,083
Lynn LaForge-Tiemen Fund	-	47,866
Shaw	16,930	-
Allies for Autism.	25,000	-
Totem Charitable Foundation	-	6,500
Others	<u>6,404</u>	<u>-</u>
	<u>\$ 108,976</u>	<u>\$ 196,449</u>

Certain grants are provided for specific purposes, such as adult programming and staff development. All grant revenue received has been completely earned in October 31, 2018 through the payment of eligible expenditures.

AUTISM ASPERGERS FRIENDSHIP SOCIETY OF CALGARY

NOTES TO THE FINANCIAL STATEMENTS

AS AT OCTOBER 31, 2018

7. FUNDRAISING REVENUE

	<u>2018</u>	<u>2017</u>
Birdies for Kids	\$ 36,358	\$ -
Government - Staff training	5,346	11,266
Beerfest	3,514	6,590
World Autism Awareness Day	856	-
Corporate sponsors	-	30,543
Rotary Club	-	16,000
Other	<u>19,702</u>	<u>32,512</u>
	<u>\$ 65,776</u>	<u>\$ 96,911</u>

8. FUNDRAISING EXPENSES

As required under section 7(2) of the Charitable Fundraising Regulations of Alberta, the following amounts are disclosed:

Direct costs incurred for the purpose of soliciting contributions \$7,603 (2017 - \$16,428).

Amounts paid as remuneration to employees whose principal duties involve fund raising \$37,384 (2017 - \$35,759).

9. SPECIAL PROJECT

The Society entered into an agreement in 2017 with Fresh Focus Media for staff training at the total cost of \$175,000. The funding for the project is summarised as follows.

	<u>2018</u>	<u>2017</u>
Canada Alberta Job Grant program	\$ -	\$ 116,666
Discovery Life Centre - rent remission 2017 fiscal year	-	24,500
Discovery Life Centre - rent remission 2018 fiscal year	17,500	-
Other sources of revenue	<u>-</u>	<u>16,334</u>
Annual funding	<u>\$ 17,500</u>	<u>\$ 157,500</u>
Project funding 2017	\$ 157,500	
Project funding 2018	<u>17,500</u>	
Total project funding	<u>\$ 175,000</u>	

The project was completed during 2018 and total funding from rent remission was \$17,500 (2017 - \$24,500). The Alberta Government paid \$110,725 (\$116,666 minus \$5,941) against the Canada Alberta Job Grant Program. The short funding of \$5,941 was paid from the internal sources of the Society.

AUTISM ASPERGERS FRIENDSHIP SOCIETY OF CALGARY

NOTES TO THE FINANCIAL STATEMENTS

AS AT OCTOBER 31, 2018

10. SHORT TERM DEBT

	<u>2018</u>	<u>2017</u>
Calgary Foundation	\$ -	\$ 160,000
Current portion	<u>-</u>	<u>(160,000)</u>
Long term portion	<u>\$ -</u>	<u>\$ -</u>

The Society obtained a loan of \$175,000 from Calgary Foundation for its Break the Barrier project in 2017, payable in three equal installments of \$58,333 plus accumulated interest calculated at 5.50% per annum. The loan was repaid in 2018.

11. DEFERRED REVENUE

The Department of Alberta Labour of the Alberta Provincial government has approved a Canada-Alberta Job Grant Training Program for the Society. The total grant amount approved was for \$116,666. The process for receipt of the funds for the grant was the Society to pay for the training following which an application would be made to Alberta Labour who would then advance one half of the grant and when the training was complete the Society would apply for the final one half of the grant. The Society has expensed the balance of training expenses \$72,917 (\$175,000 minus \$102,083) during the current year. At the year end date the Society has received payments from Alberta Government for the training as follows:

Amortized over 12 months

Fresh Focus Media - March 14, 2017	\$ <u>175,000</u>
Alberta Labour Grant	\$ 116,666
Amortized to October 31, 2017 and received March 2018	<u>(102,083)</u>
Unmerited balance 2017	14,583
Income recognized in current year but received after yearend	<u>(8,642)</u>
Short payment by Alberta Government	5,941
Internally funding by Autism	<u>(5,941)</u>
Unmerited balance 2018	<u>\$ -</u>

AUTISM ASPERGERS FRIENDSHIP SOCIETY OF CALGARY

NOTES TO THE FINANCIAL STATEMENTS

AS AT OCTOBER 31, 2018

12. COMMITMENTS

The Society entered into a lease arrangement for its premises based on a letter of intent dated June 23, 2016 with an all inclusive rent of \$3,500 per month plus GST.

March 1, 2017, a lease agreement was completed with an all inclusive monthly rent of \$3,500 plus GST with a term of 2 years.

March 19, 2018 an amending lease agreement, for the existing premises adding additional space, was entered into with an all inclusive monthly rent of \$4,500 plus GST, beginning April 1, 2018 and ending August 31, 2019.

Annual commitment

2019	\$ 45,000
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