

ACT - Autism Community Training Society

Financial Statements

December 31, 2020



BBA ACCOUNTING GROUP INC.
Chartered Professional Accountants

Independent Auditor's Report

**To the Members of
ACT - Autism Community Training Society**

Opinion

We have audited the financial statements of ACT - Autism Community Training Society, which comprise the statement of financial position as at December 31, 2020, and the statements of changes in net assets, operations, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with ASNPO.

Basis for Opinion

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 opinion.

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities 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 Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2020, current assets as at December 31, 2020, and net assets as at December 31, 2020.

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 ASNPO, 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 related 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.

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:

Independent Auditor's Report

- ◆ 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.

Report on Other Legal and Regulatory Requirements

As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

BBA Accounting Group Inc.

BBA Accounting Group Inc.
Chartered Professional Accountants
Vancouver, British Columbia
June 15, 2021

ACT - Autism Community Training Society
Statement of Financial Position

| As at December 31, | 2020 | 2019 |
|----------------------------------------------------------------------------|---------------------|-------------------|
| ASSETS | | |
| Current | | |
| Cash | \$ 303,191 | \$ 263,382 |
| Term deposits | 103,851 | 115,208 |
| Government assistance receivable | 32,470 | - |
| Accounts receivable | 38,539 | 14,422 |
| Prepaid expenses | 11,447 | 13,179 |
| Term deposit held for MCFD special projects contributions, current portion | 555,944 | 570,688 |
| | 1,045,442 | 976,879 |
| Property and equipment (note 3) | 5,772 | 8,185 |
| | \$ 1,051,214 | \$ 985,064 |
| LIABILITIES | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 36,848 | \$ 29,656 |
| Deferred gaming revenue (note 4) | 52 | - |
| Unearned revenue | 15,040 | 12,376 |
| Deferred MCFD special projects contributions, current amounts (note 5) | 555,944 | 570,688 |
| Deferred MCFD CRM database revenue, current amount (note 6) | - | 2,386 |
| | 607,884 | 615,106 |
| NET ASSETS | | |
| Invested in property and equipment | 5,772 | 8,185 |
| Unrestricted | 337,558 | 261,773 |
| Internally restricted | 100,000 | 100,000 |
| | 443,330 | 369,958 |
| | \$ 1,051,214 | \$ 985,064 |

Approved by the board

_____ Member

_____ Member

ACT - Autism Community Training Society
Statement of Changes in Net Assets

For the year ended December 31, 2020

| | Invested in property and equipment | Unrestricted | Internally restricted | Total 2020 | Total 2019 |
|---------------------------------------------------------|---------------------------------------------------|---------------------|----------------------------------|-----------------------|-----------------------|
| Balance, beginning of year | \$ 8,185 | \$ 261,773 | \$ 100,000 | \$ 369,958 | \$ 372,585 |
| Excess (deficiency) of revenues over expenditures | (4,690) | 78,062 | - | 73,372 | (2,627) |
| Purchase of property and equipment | 2,277 | (2,277) | - | - | - |
| Balance, end of year | \$ 5,772 | \$ 337,558 | \$ 100,000 | \$ 443,330 | \$ 369,958 |

ACT - Autism Community Training Society
Statement of Operations

| For the year ended December 31, | 2020 | 2019 |
|----------------------------------------------------------------|------------------|-------------------|
| Revenues | | |
| Government assistance (note 7) | \$ 144,618 | \$ - |
| Gaming revenue (note 4) | 110,000 | - |
| Event sponsorship income | 78,053 | 66,835 |
| Grant income | 77,380 | 138,215 |
| Donations | 72,608 | 54,969 |
| Revenue from workshops including ACT bursaries | 68,723 | 206,039 |
| MCFD special projects revenue | 20,000 | 463,393 |
| MCFD CRM database revenue | 2,386 | 9,543 |
| Interest income | 1,632 | 1,431 |
| Workshop book sale commission | - | 1,082 |
| | 575,400 | 941,507 |
| Expenditures | | |
| Salaries and related benefits | 325,128 | 286,570 |
| Event video recording | 29,890 | 26,405 |
| Rent | 28,841 | 25,337 |
| Workshop speaker fees | 26,158 | 51,605 |
| Website | 18,330 | 17,384 |
| Workshop equipment and facility rental | 10,534 | 9,422 |
| Advertising and promotion | 10,485 | 12,796 |
| Accounting and legal | 9,295 | 8,292 |
| Bursary | 8,415 | 12,885 |
| Telephone and utilities | 5,790 | 5,624 |
| Insurance | 4,841 | 4,641 |
| Office | 4,810 | 4,931 |
| Amortization | 4,690 | 11,723 |
| Sponsorship | 3,844 | - |
| Interest and bank charges | 2,870 | 5,204 |
| Travel | 2,333 | 1,059 |
| Staff training and development | 1,949 | 779 |
| Workshop food and beverages | 1,361 | 19,814 |
| Repairs and maintenance | 953 | 2,395 |
| Postage and courier | 719 | 3,756 |
| Board meetings | 402 | 3,383 |
| Workshop material | 201 | 1,218 |
| Community development | 189 | 1,125 |
| MCFD special projects expenses - contractor and other expenses | - | 427,540 |
| Foreign exchange loss (gain) | - | 170 |
| Printing and photocopying | - | 76 |
| | 502,028 | 944,134 |
| Excess (deficiency) of revenues over expenditures | \$ 73,372 | \$ (2,627) |

ACT - Autism Community Training Society
Statement of Cash Flows

| For the year ended December 31, | 2020 | 2019 |
|-----------------------------------------------------------------------|-------------------|-------------------|
| Cash flows from operating activities | | |
| Cash receipts from government assistance | \$ 112,778 | \$ - |
| Cash receipts from gaming revenue | 110,000 | - |
| Cash receipts from donations and fundraising | 88,934 | 70,627 |
| Cash receipts from grants | 64,750 | 150,215 |
| Cash receipts from workshop registrations | 63,699 | 186,869 |
| Cash receipts from sponsorships | 44,877 | 67,211 |
| Cash receipts from interest and other revenue | 9,862 | 12,594 |
| Cash receipts from book sale commission | 1,082 | - |
| Cash paid to suppliers and employees for other than special projects | (459,998) | (460,682) |
| Cash paid on account of special projects | (20,000) | (461,392) |
| | 15,984 | (434,558) |
| Cash flows from investing activity | | |
| Purchase of property and equipment | (2,276) | (1,095) |
| Increase (decrease) in cash and cash equivalents | 13,708 | (435,653) |
| Cash and cash equivalents, beginning of year | 949,278 | 1,384,931 |
| Cash and cash equivalents, end of year | \$ 962,986 | \$ 949,278 |
| Cash and cash equivalents consist of: | | |
| Cash | \$ 303,191 | \$ 263,382 |
| Term deposits | 103,851 | 115,208 |
| Term deposits held for MCFD restricted contributions, current portion | 555,944 | 570,688 |
| | \$ 962,986 | \$ 949,278 |

ACT - Autism Community Training Society
Notes to the Financial Statements
December 31, 2020

1. NATURE OF OPERATIONS

ACT - Autism Community Training Society was incorporated under the B.C. Society Act on November 18, 2004. The purpose of ACT - Autism Community Training Society is to provide families and professionals with a wide range of positive and practical information on autism related topics. The goal of the Society is to enable parents, professionals and para-professionals to help children and adults with Autism Spectrum Disorder to live productive, satisfying lives within their families and communities. ACT - Autism Community Training Society is a registered charity for income tax and GST purposes.

2. SIGNIFICANT ACCOUNTING POLICIES

The Society applies the Canadian accounting standards for not-for-profit organizations (ASNPO).

(a) Revenue recognition

Revenue related to contracts with government bodies is recognized using the accrual basis.

Revenue from workshops is recognized when the related workshop has been completed.

Unrestricted contributions and other revenues are recognized on the accrual basis provided amounts to be received can be reasonably estimated and collection is reasonably assured.

Volunteers occasionally contribute services in kind to the Society. Because of the difficulty in determining the fair market value of such services, these contributions are not recognized in the financial statements.

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

Restricted contributions for the purchase of property and equipment that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the property and equipment.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand and term deposits maturing within one year.

(c) Financial instruments

The Society initially measures its financial assets and liabilities at fair value. The Society subsequently measures its financial assets and financial liabilities at amortized cost, except for securities quoted in an active market, which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash, term deposits, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

ACT - Autism Community Training Society
Notes to the Financial Statements
December 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property and equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful lives on a straight-line method. The annual amortization rates are as follows:

| | |
|--------------------|-----------|
| Office equipment | 5 years |
| Computer equipment | 3-5 years |
| CRM Database | 5 years |

(e) Management estimates

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 and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3. PROPERTY AND EQUIPMENT

| | 2020 | | | 2019 | |
|--------------------|------------------|-----------------------------|-----------------|-----------------|--|
| | Cost | Accumulated amortization | Net book value | Net book value | |
| Office equipment | \$ 15,783 | \$ 15,783 | \$ - | \$ 433 | |
| Computer equipment | 16,874 | 12,115 | 4,759 | 3,679 | |
| CRM Database | 51,035 | 50,022 | 1,013 | 4,073 | |
| | \$ 83,692 | \$ 77,920 | \$ 5,772 | \$ 8,185 | |

4. DEFERRED GAMING REVENUE

| | 2020 | | 2019 | | |
|-------------------|--------------|--|------|-------------|---|
| Receipts | \$ 110,000 | | | \$ - | |
| Interest income | 52 | | | - | |
| Wage disbursement | (101,442) | | | | - |
| Disbursements | (8,558) | | | | - |
| Closing balance | \$ 52 | | | \$ - | |

ACT - Autism Community Training Society
Notes to the Financial Statements
December 31, 2020

5. MCFD SPECIAL PROJECTS CONTRIBUTIONS

Parent Coaching Project:

The goal of this project is to develop and evaluate over a three year period, a manualized parent-coaching early intervention research project for infants who are assessed as at risk for ASD.

MCFD distributed \$3.03 million to the Society during 2015 for purposes of this project. The Society managed the RFP process in collaboration with the project steering committee with representation from Ministry of Children and Family Development, the Pacific Autism Family Centre and the Michael Smith Foundation for Health Research.

The project was completed in 2020. However, as of December 31, 2020, the Society was waiting for an official confirmation from MCFD on how the remaining funds are to be used.

On February 4, 2021, the Society received confirmation that MCFD will allow the Society to retain the remaining funding.

| | 2020 | 2019 |
|-----------------------------------------------------|------------------|------------------|
| Opening balance | \$ 570,688 | \$ 1,009,869 |
| Interest income | 5,256 | 8,319 |
| Contractor and other project costs | - | (427,500) |
| Project management and administration disbursements | (20,000) | (20,000) |
| Transfer to unrestricted | - | - |
| | 555,944 | 570,688 |
| Current portion | (555,944) | (570,688) |
| Long term portion | \$ - | \$ - |

6. DEFERRED MCFD CRM DATABASE REVENUE

In 2014, the Society received \$150,000 from MCFD for the development of a new Client Relationship Management ("CRM") database. By the end of 2015, the Society had spent \$95,321 on the CRM database and \$42,999 for related support services. The amount spent on the development of the CRM database is being deferred and recognized as revenue on the same basis as the amortization expense of the database (note 3).

| | 2020 | 2019 |
|---------------------|----------------|-----------------|
| Opening balances | \$ 2,386 | \$ 11,928 |
| Annual amortization | (2,386) | (9,542) |
| | \$ - | \$ 2,386 |

ACT - Autism Community Training Society
Notes to the Financial Statements
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7. GOVERNMENT ASSISTANCE

The Society received the following COVID-19 related financial assistance from the Federal Government:

| | 2020 | 2019 |
|---------------------------------------------------------------------------|-------------------|-------------|
| Canada Emergency Wage Subsidy | \$ 127,142 | \$ - |
| 10% Temporary Wage Subsidy | 6,288 | - |
| Canada Emergency Commercial Rent Assistance (applied for by the landlord) | 11,188 | - |
| | \$ 144,618 | \$ - |

8. RESTRICTED FUNDS

Externally restricted funds are restricted according to the wishes of the donor. The Society is accountable for these funds.

The majority of the Society's externally restricted funds are for the MCFD special projects and grants. See note 5 and 6.

Internally restricted funds are restricted by resolution or determination of the Board of Directors as to how such funds should be spent.

In 2013, the Board of Directors passed a resolution to internally restrict \$100,000 for use in the event the MCFD funding is not renewed to cover staff wages during transition period. Alternatively, the \$100,000 may be used for any other emergency or unforeseen expense at the discretion of the Board. There was no spending from this fund for the year ended December 31, 2020.

9. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, term deposits, accounts receivable, and accounts payable. The fair value of the instruments are approximately their carrying values. Essentially all the Society's cash and term deposits are held at one major credit union and earn interest from approximately 0.45% to 1.8%. All term deposits mature annually either mid-July or early October.

Currency risk is the risk to the Society's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. US bank account balance with Vancity Credit Union was \$1,541 USD on December 31, 2020.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency, or other risks arising from these financial statements.

10. COMMITMENTS

In December 2019, the Society signed the lease modification agreement to extend the lease by 1 year which expired on January 31, 2021. Starting February 1, 2021 the lease is on a month to month basis as the building will be demolished and redeveloped in 2021.

On May 1, 2021, the Society signed a new office lease agreement expiring June 30, 2024. Contracted lease payments in each fiscal year ending December 31 are as follows:

ACT - Autism Community Training Society
Notes to the Financial Statements
December 31, 2020

10. COMMITMENTS (continued)

| | |
|-------|-----------|
| 2021 | \$ 26,793 |
| 2022 | 25,200 |
| 2023 | 25,200 |
| 2024 | 12,600 |
| <hr/> | |
| | \$ 89,793 |

11. REMUNERATION AND FINANCIAL ASSISTANCE DISCLOSURE

The Society did not pay any remuneration to its board of directors in fiscal 2020. The Society paid \$82,689 to the Executive Director and did not pay any other employee or contractor remuneration in excess of \$75,000 in fiscal 2020.

The Society did not provide any financial assistance to any entity outside of the ordinary course of the Society's activities.

This disclosure is made in accordance with the new BC Societies Act.

12. COVID-19

Events have occurred as a result of the COVID-19 (coronavirus) pandemic that have caused economic uncertainty. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government responses, remain unclear at this time. Potential risks that the Society faces as a result of the pandemic are as follows:

- (i) Significant change in operational costs
 - ◆ Assessment and response:
In-person events, such as training workshops have been postponed or held virtually wherever possible.

The Society has positive working capital. The Society continues to be a going concern.