

AUTISM DOG SERVICES INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2018

AUTISM DOG SERVICES INC.

DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **Autism Dog Services Inc.**

I have audited the accompanying financial statements of **Autism Dog Services Inc.**, which comprise the statement of financial position as at December 31, 2018 and the statement of operations and net assets, and statement of 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 of 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit (charitable) organizations, the organization derives part of its revenue from donations and other fundraising events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to receipts, excess of receipts over expenses, current assets and net assets at December 31, 2018 and December 30, 2017.

Qualified Opinion

In my opinion, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2018 and the results of its operations and net assets and statement of cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Brantford, Ontario
March 21, 2019

CPA, Chartered Accountant, LPA

AUTISM DOG SERVICES INC.

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

| | <u>2018</u> | <u>2017</u> |
|-----------------------------------------|--------------------------|--------------------------|
| ASSETS | | |
| Current Assets | | |
| Petty cash and bank | \$ 174,567 | \$ 102,667 |
| Accounts receivable | 1,838 | 2,800 |
| Prepaid expenses | <u>2,935</u> | <u>2,928</u> |
| | <u>179,340</u> | <u>108,395</u> |
| Total Assets | <u>\$ 179,340</u> | <u>\$ 108,395</u> |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts payable | \$ 16,327 | \$ 20,462 |
| Source deductions payable | 1,961 | 2,701 |
| Deferred revenue (Note 1) | <u>60,000</u> | <u>20,000</u> |
| Due to director | <u>8,969</u> | <u>14,469</u> |
| Total Liabilities | <u>87,257</u> | <u>57,632</u> |
| NET ASSETS | | |
| Unrestricted Net Assets | <u>92,083</u> | <u>50,763</u> |
| Total Liabilities and Net Assets | <u>\$ 179,340</u> | <u>\$ 108,395</u> |

APPROVED ON BEHALF OF THE BOARD

_____ Director
_____ Director

AUTISM DOG SERVICES INC.

STATEMENT OF OPERATIONS AND NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>2018</u> | <u>2017</u> |
|-----------------------------------------------------|-------------------------|-------------------------|
| RECEIPTS | | |
| Undesignated donations | \$ 114,627 | \$ 107,316 |
| Grants | 65,150 | 68,730 |
| Fees and other receipts | 13,808 | 2,886 |
| Donation - No Receipt | 21,173 | 24,937 |
| Fundraising | 65,076 | 75,988 |
| (Loss) on sale of assets | - | (2,414) |
| | <u>279,834</u> | <u>277,443</u> |
| EXPENSES | | |
| Bank charges and interest | 3,581 | 4,657 |
| Professional fees | 6,190 | 8,767 |
| Telephone | 3,862 | 4,510 |
| Program fees | 16,569 | 11,088 |
| Wages and benefits | 163,885 | 147,207 |
| Advertising and promotion | 3,408 | 1,711 |
| Membership fees | 3,957 | 398 |
| Insurance | 3,995 | 4,055 |
| Administration expenses | 2,384 | 2,127 |
| Vehicle and travel | 12,473 | 7,996 |
| Fundraising expenses | 3,953 | 3,643 |
| Amortization | - | 21 |
| Office | 1,937 | 1,464 |
| Veterinary fees | 12,320 | 15,740 |
| | <u>238,514</u> | <u>213,384</u> |
| Excess of Receipts Over Expenses | 41,320 | 64,059 |
| Unrestricted net assets, beginning of year (Note 8) | <u>50,763</u> | <u>(16,730)</u> |
| Transfer from net assets | <u>-</u> | <u>3,434</u> |
| Unrestricted net assets, end of year | \$ <u>92,083</u> | \$ <u>50,763</u> |

Audited - See Independent Auditor's Report
D.M. Austin, CPA, CA.

AUTISM DOG SERVICES INC.

STATEMENT OF CASH FLOWS

DECEMBER 31, 2018

| | <u>2018</u> | <u>2017</u> |
|---------------------------------------------------------|-------------------|------------------|
| Cash Provided by Operating Activities | | |
| Excess of Funding over Expenditures for the year | \$ <u>41,320</u> | \$ <u>64,059</u> |
| Items not requiring an outlay of cash: | | |
| Amortization of tangible assets | - | 21 |
| Loss on sale of assets | - | <u>2,414</u> |
| | <u>41,320</u> | <u>66,494</u> |
| Changes in non-cash working capital: | | |
| | (100) | - |
| HST / GST rebate | 1,062 | 2,124 |
| Prepaid expenses | (7) | (310) |
| Accounts Payable and accrued liabilities | (867) | (22,705) |
| Deferred Revenue | 40,000 | (2,500) |
| Source Deduction | - | (1,807) |
| Due to Director | <u>(1,000)</u> | <u>(15,469)</u> |
| Net Cash Provided by Operating Activities | <u>39,088</u> | <u>(40,667)</u> |
| | | |
| Net Increase in Cash and Cash Equivalents | 80,408 | 25,827 |
| Net Cash and Cash Equivalents, beginning of year | <u>76,561</u> | <u>50,734</u> |
| Net Cash and Cash Equivalents, end of year | <u>\$ 156,969</u> | <u>\$ 76,561</u> |
| | | |
| <i>Cash and cash equivalents is comprised of:</i> | | |
| Petty cash | \$ 134 | \$ 132 |
| Bank | 174,433 | 97,966 |
| Cashable variable rate GIC | - | - |
| | <u>\$ 174,567</u> | <u>\$ 98,098</u> |

Audited - See Independent Auditor's Report
D.M. Austin, CPA, CA.

AUTISM DOG SERVICES INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

Purpose Of The Organization

The mission of Autism Dog Services Inc., "Charity" is to foster the integration of children with autism by training, placing and supporting dogs that offer companionship and independence. It operates in Brantford, Ontario. The Charity was incorporated under the Ontario Corporations Act without share capital. The organization is a registered charitable organization and is exempt from tax under the Income Tax Act of Canada.

1. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant that are in addition to that note:

(a) Measurement Uncertainty

Financial statements are based on representations that may require estimates to be made in anticipation of future transactions and events that may, by their nature, be approximations.

(b) Revenue Recognition

Contributions/Receipts

The Organization follows the deferral method of accounting for contributions. Restricted contributions related to expenses of future periods are deferred and recognized as revenue in the year in which the related expenses are incurred. All other contributions are reported as revenue in the current period.

Contributed materials are recognized as donations when fair value can be determined. During the year, \$(2,970) (2017 - \$(4,008)) was recognized as donations in-kind.

Donated/Contributed Services

The work of the organization is dependent on the voluntary service of its Board members and volunteers. The value of donated services is not recognized in these statements.

Fundraising receipts

Receipts are recognized when event takes place.

Fees and other revenue

Fees and other revenue is recognized when received.

(c) Financial Instruments

The organization initially recognizes financial instruments at fair value. Subsequent measurement of financial instruments is based on the classification of the financial instrument. The organization subsequently measures its financial instruments as follows:

Cash is measured at amortized cost.

Accounts receivable are measured at amortized cost.

AUTISM DOG SERVICES INC.

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Accounts payable and accrued liabilities and loan payable are measured at amortized cost.

The Charity has not designated any financial asset or liability to be measured at fair value.

(d) **Tangible Capital Assets**

Purchased equipment is recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution, if reasonably determinable. Amortization is provided in the accounts using following rates:

Computer software - 30% declining balance

Vehicle - 30% declining balance

(e) **Use of Estimates**

The preparation of financial statements required management to make estimates and assumptions that affect the reported amounts of assets and liabilities, receipts and expenses during the reporting period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

(f) **HST/GST Rebate**

The organization is a registered charity and therefore is entitled to claim a rebate of 50% of the federal portion and 82% of the provincial portion of the HST paid on purchases.

2. **Loan Payable**

The loan is non-interest bearing, with no fixed terms of repayment. The loan is from a related party.

3. **Deferred Contributions**

Deferred contributions represent unspent resources restricted by the donor. Changes in the deferred contributions are as follows:

| | | | | |
|-------------------------------------------|----|---------------|----|---------------|
| Balance, beginning of year | \$ | 20,000 | \$ | 22,500 |
| Amounts received in the year | | 60,000 | | 20,000 |
| Amounts recognized as revenue in the year | | (20,000) | | (22,500) |
| Balance, end of year | \$ | <u>60,000</u> | \$ | <u>20,000</u> |

General Objective, Policies and Processes:

AUTISM DOG SERVICES INC.

NOTES TO THE FINANCIAL STATEMENTS

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The Board and management are responsible for determination of the Organization's risk management objectives and policies and designing operating processes that ensure the effective implementation of the objectives and policies. In general, the Organization measures and monitors risk through the preparation and review of monthly reports by management. The main objectives of the Organization's risk management processes are to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The Organization may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The principal risks to which the Organization is exposed to are described below.

Liquidity Risk

Liquidity risk is the risk the Organization will not be able to meet its financial obligations as they come due. The Organization has taken steps to ensure that it will have sufficient working capital available to meet its obligations. They have assessed their liquidity risk as not material and is unchanged from the prior year.