

AUTISM SERVICES OF SASKATOON INC.

FINANCIAL STATEMENTS

MARCH 31, 2018





**BUCKBERGER BAERG
& PARTNERS LLP**
CHARTERED PROFESSIONAL ACCOUNTANTS

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**services provided through
professional corporation*

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Autism Services of Saskatoon Inc.

We have audited the accompanying financial statements of Autism Services of Saskatoon Inc., which comprise the statement of financial position as at March 31, 2018, and the statement of operations, statement of changes in fund balances 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 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 judgement, 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 organization'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 in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Basis for Qualified Opinion

In common with many charitable organizations, Autism Services of Saskatoon Inc. derives a material amount of revenue from donations and fundraising, 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. We were unable to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, assets and fund balances.

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 Services of Saskatoon Inc. as at March 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.

SASKATOON, SASKATCHEWAN

Buchberger Berg & Partners LLP

June 15, 2018

Chartered Professional Accountants

AUTISM SERVICES OF SASKATOON INC.
STATEMENT OF FINANCIAL POSITION

MARCH 31, 2018

	<u>Operating fund</u>	<u>Capital fund</u>	<u>Reserve fund</u>	<u>Total 2018</u>	<u>Total 2017</u>
ASSETS					
Current assets					
Cash	\$ 583,591	\$ 14,581	\$ 178,182	\$ 776,354	\$ 1,484,662
Accounts receivable	49,840	-	-	49,840	46,008
Short-term investment	500,000	-	-	500,000	-
Inventory	3,085	-	-	3,085	2,199
Prepaid expenses	66,664	-	-	66,664	50,679
	1,203,180	14,581	178,182	1,395,943	1,583,548
Cash held in trust	40,119	-	-	40,119	32,270
Capital assets (Note 3)	-	3,127,876	-	3,127,876	3,327,386
	\$ 1,243,299	\$ 3,142,457	\$ 178,182	\$ 4,563,938	\$ 4,943,204
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities (Note 4)	\$ 564,127	\$ -	\$ -	\$ 564,127	\$ 485,885
Deferred revenue (Note 5)	230,281	-	-	230,281	354,826
Funds held in trust	47,772	-	-	47,772	38,281
Current portion of long-term debt due within one year (Note 6)	-	410,836	-	410,836	1,780,988
Callable portion of long-term debt (Note 6)	-	1,308,512	-	1,308,512	-
	842,180	1,719,348	-	2,561,528	2,659,980
Long-term debt (Note 6)	-	273,276	-	273,276	349,887
	842,180	1,992,624	-	2,834,804	3,009,867
FUND BALANCES					
Invested in capital assets	-	1,135,252	-	1,135,252	1,196,511
Externally-restricted (Note 7)	-	14,581	178,182	192,763	309,607
Unrestricted	401,119	-	-	401,119	427,219
	401,119	1,149,833	178,182	1,729,134	1,933,337
	\$ 1,243,299	\$ 3,142,457	\$ 178,182	\$ 4,563,938	\$ 4,943,204

See accompanying notes

Approved on behalf of the board

Director 

Director 

AUTISM SERVICES OF SASKATOON INC.

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2018

	(Schedule 1) Operating fund	Capital fund	Reserve fund	Total 2018	Total 2017
Revenue					
Ministry of Social Services (Note 11)	\$ 2,672,493	\$ 133,520	\$ 8,120	\$ 2,814,133	\$ 2,846,891
Saskatchewan Health	2,537,202	-	-	2,537,202	2,447,367
Programs and services	117,387	-	-	117,387	104,303
Other grants	96,722	-	-	96,722	39,673
Other income	59,570	-	-	59,570	61,049
Donations	57,303	204	-	57,507	78,353
Net fundraising (Note 10)	48,223	-	-	48,223	39,271
Other provincial funding	35,721	-	-	35,721	31,299
Saskatchewan Housing Corporation (Note 8)	21,477	14,599	-	36,076	37,696
United Way	13,211	-	-	13,211	28,029
Interest income	10,711	-	-	10,711	5,415
	<u>5,670,020</u>	<u>148,323</u>	<u>8,120</u>	<u>5,826,463</u>	<u>5,719,346</u>
Expenses					
Amortization	-	238,884	-	238,884	246,709
Benefits	509,683	-	-	509,683	457,975
Contract service	262,382	-	-	262,382	229,581
Food	78,538	-	-	78,538	78,284
Housekeeping	14,501	-	-	14,501	13,400
Insurance	24,122	-	-	24,122	23,053
Interest and bank charges	19,380	-	-	19,380	20,136
Interest on long-term debt	12,485	79,453	-	91,938	109,047
Medical supplies	3,455	-	-	3,455	4,283
Office	37,498	-	-	37,498	32,076
Other	9,482	-	-	9,482	8,361
Professional fees	46,858	-	-	46,858	47,525
Program costs	60,414	-	-	60,414	77,488
Promotions and public relations	8,613	-	-	8,613	6,284
Recoveries	-	-	-	-	12,848
Rent and occupancy	379,725	-	-	379,725	370,467
Repairs and maintenance	34,530	8,463	7,432	50,425	42,311
Salaries	3,740,363	-	-	3,740,363	3,512,163
Staff travel and expenses	30,802	-	-	30,802	38,034
Telephone	33,845	-	-	33,845	34,895
Transportation	144,429	-	-	144,429	133,534
Utilities	60,677	-	-	60,677	55,166
	<u>5,511,782</u>	<u>326,800</u>	<u>7,432</u>	<u>5,846,014</u>	<u>5,553,620</u>
Excess (deficiency) of revenue over expenses before undernoted items	158,238	(178,477)	688	(19,551)	165,726
Loss on disposal of capital assets	-	(783)	-	(783)	(702)
Reserve fund transfer for day program support (Note 7)	13,736	-	(13,736)	-	-
	<u>\$ 171,974</u>	<u>\$ (179,260)</u>	<u>\$ (13,048)</u>	<u>\$ (20,334)</u>	<u>\$ 165,024</u>

See accompanying notes

BUCKBERGER BAERG & PARTNERS LLP

AUTISM SERVICES OF SASKATOON INC.

STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED MARCH 31, 2018

	<u>Operating fund</u>	<u>Capital fund</u>	<u>Reserve fund</u>	<u>Total 2018</u>	<u>Total 2017</u>
Balance, beginning of year	\$ 427,219	\$ 1,211,092	\$ 295,026	\$ 1,933,337	\$ 1,768,313
Excess (deficiency) of revenue over expenses	171,974	(179,260)	(13,048)	(20,334)	165,024
Purchase of capital assets	(34,735)	40,157	(5,421)	-	-
Repayment of long-term debt	(138,251)	138,251	-	-	-
Interfund transfer (Note 7)	(87,837)	-	87,837	-	-
Other interfund transfers	49,901	(49,901)	-	-	-
Expense recoveries (Note 7)	-	(10,506)	(173,364)	(183,870)	-
CLSD repayment accrued in prior year operating fund (Note 7)	12,848	-	(12,848)	-	-
Balance, ending of year	\$ 401,119	\$ 1,149,833	\$ 178,182	\$ 1,729,134	\$ 1,933,337

See accompanying notes

AUTISM SERVICES OF SASKATOON INC.

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
Cash flows (used in) from operating activities		
Excess (deficiency) of revenue over expenses	\$ (20,334)	\$ 165,024
Adjustments for		
Amortization	238,884	246,709
Loss on disposal of capital assets	<u>783</u>	<u>702</u>
	<u>219,333</u>	<u>412,435</u>
Change in non-cash working capital items		
Accounts receivable	(3,832)	(15,084)
Inventory	(886)	(59)
Prepaid expenses	(15,985)	10,509
Accounts payable and accrued liabilities	78,242	136,760
Deferred revenue	(124,545)	34,473
Funds held in trust	<u>9,492</u>	<u>(1,598)</u>
	<u>161,819</u>	<u>577,436</u>
Cash flows used in investing activities		
Purchase of capital assets	(40,157)	(58,424)
Proceeds on disposal of capital assets	-	5,400
Purchase of short-term investment	<u>(500,000)</u>	<u>-</u>
	<u>(540,157)</u>	<u>(53,024)</u>
Cash flows used in financing activities		
Repayment of long-term debt	(138,251)	(662,696)
Proceeds from issuance of long-term debt	-	402,000
Expense recovery payments	<u>(183,870)</u>	<u>-</u>
	<u>(322,121)</u>	<u>(260,696)</u>
Net (decrease) increase in cash during the year	(700,459)	263,716
Cash, beginning of year	<u>1,516,932</u>	<u>1,253,216</u>
Cash, end of year	\$ <u>816,473</u>	\$ <u>1,516,932</u>
Cash consists of:		
Cash	\$ 776,354	\$ 1,484,662
Cash held in trust	<u>40,119</u>	<u>32,270</u>
	\$ <u>816,473</u>	\$ <u>1,516,932</u>

See accompanying notes

AUTISM SERVICES OF SASKATOON INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

1. Nature of operations

Autism Services of Saskatoon Inc. (the "organization"), operating as Autism Services, is a provincially incorporated charitable organization dedicated to providing quality programming, educational and advocacy services to individuals with autism spectrum disorders and to their families. Included in these ongoing services is the operation of five group homes in Saskatoon, Saskatchewan.

The organization was incorporated in 1979 under the Non-profit Corporations Act, Saskatchewan under the original name of Northern Saskatchewan Society for Autistic Children. The name of the organization has changed a number of times since incorporating, the most recent being in June 2013 when the name of the organization officially changed to Autism Services of Saskatoon Inc.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The significant accounting policies are detailed as follows:

Fund accounting

The organization has adopted the principles of fund accounting.

The operating fund reflects the primary operations of the organization, which includes the revenues and donations received from various government and other agencies for provision of client service and related expenses.

The capital fund is a restricted fund that reflects the equity of the organization in tangible capital assets after taking into consideration any long-term debt. The capital fund includes revenues received from various government agencies designated for the construction of capital projects and/or the acquisition of tangible capital assets as well as donations designated for capital purposes by the contributor. Expenses consist primarily of depreciation of tangible capital assets and interest on long-term debt. The capital fund also includes a reserve to provide for replacement of buildings and equipment. The reserve is under the control of the Saskatchewan Housing Corporation and, is therefore, externally-restricted.

The organization, through a combination of various funding agencies and certain policies of the organization, has established two externally-restricted reserve funds. The Building and Maintenance Reserve was established to fund major capital outlays as they pertain to the group homes, and the Equipment and Furnishings Reserve was established to fund replacements of various types of furnishings and equipment as they pertain to the group homes.

Short-term investment

The short-term investment consists of a guaranteed investment certificate that matures in the next fiscal year.

AUTISM SERVICES OF SASKATOON INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

2. Significant accounting policies (continued)

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

Capital assets

Capital assets are recorded at cost, less accumulated amortization. Amortization in the current year is recorded at one-half the annual rate. The organization provides for amortization using methods and rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Buildings	Declining balance	5%
Computer equipment	Straight-line	30%
Computer software	Straight-line	100%
Furniture and equipment	Straight-line	20%
Leasehold improvements	Straight-line	10%
Vehicles	Straight-line	20%

Impairment of long-lived assets

The organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

Interfund transfers

Certain amounts from time to time are transferred between funds in order to fund disbursements for activities, programs and operations and to offset capital amortization.

Revenue recognition

The organization follows the restricted fund method of accounting for contributions. Restricted contributions related to general operations are recognized as revenue of the operating fund in the year in which the related expenditures are incurred. All other restricted contributions are recognized as revenue of the appropriate fund.

Unrestricted contributions are recognized as revenue of the operating fund in the year received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

Grant revenue is recognized as revenue of the related fund in the year that the terms of the granting agreement have been met if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fundraising, programming and other revenue is 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. Interest income is recognized as it is earned.

AUTISM SERVICES OF SASKATOON INC.
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

2. Significant accounting policies (continued)

Donated materials and services

The organization benefits from the donation of materials and services from its members. These financial statements do not reflect the value of these donations-in-kind since a fair value cannot be reasonably estimated.

Allocated expenses

The organization allocates certain of its general support expenses by identifying the appropriate basis of allocating each component of the expense and applying that basis consistently each year in accordance with applicable contribution agreements. Wages and benefits and other administrative support expenses are allocated to programs.

Financial instruments

The organization initially measures its financial instruments at fair value, except for a related party transaction, which is recorded at the carrying or exchange amount depending on the circumstances.

Transaction costs are recognized in excess of revenue over expenses in the period incurred. However, transaction costs associated with financial instruments carried at cost or amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the expected life of the instrument.

Financial assets and financial liabilities subsequently measured at amortized cost include cash, short-term investment, accounts receivable, accounts payable and accrued liabilities and long-term debt.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected, the proceeds that could be realized from the sale of the financial asset, or the amount that could be realized by exercising the right to any collateral held to secure repayment of the asset. Such impairments can be subsequently reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized.

Use of 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 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 the valuation of accounts receivable and the estimated useful lives of capital assets.

AUTISM SERVICES OF SASKATOON INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

3. Capital assets

			<u>2018</u>	<u>2017</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Buildings	\$ 2,404,093	\$ 547,240	\$ 1,856,853	\$ 1,954,582
Computer equipment	174,975	153,619	21,356	14,734
Computer software	176,831	78,781	98,050	77,917
Furniture and equipment	181,491	159,177	22,314	31,474
Leasehold improvements	1,193,756	412,345	781,411	900,787
Vehicles	14,320	14,320	-	-
	<u>4,145,466</u>	<u>1,365,482</u>	<u>2,779,984</u>	<u>2,979,494</u>
Land	347,892	-	347,892	347,892
	<u>\$ 4,493,358</u>	<u>\$ 1,365,482</u>	<u>\$ 3,127,876</u>	<u>\$ 3,327,386</u>

Included in computer software is a software system with a cost of \$98,051 (2017 - \$77,917), which is not being amortized since it is under development.

4. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$87,527 (2017 - \$50,926).

5. Deferred revenue

	<u>2018</u>	<u>2017</u>
Saskatoon Health Region	\$ 190,271	\$ 280,271
Other grants	13,750	41,700
Fundraising events revenue	22,000	25,460
Programs and services	4,260	7,395
	<u>\$ 230,281</u>	<u>\$ 354,826</u>

6. Long-term debt

	<u>2018</u>	<u>2017</u>
4.49% Affinity Credit Union demand mortgage, repayable in monthly instalments of \$4,653, including interest, secured by specific land and buildings located at 538 Evergreen Blvd. with a net book value of \$844,958, the land and buildings located at 94 Lennon Crescent with a net book value of \$52,109, and a general security agreement over the organization's assets, due January 2023	\$ 680,083	\$ 704,371

AUTISM SERVICES OF SASKATOON INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

6. Long-term debt (continued)

	<u>2018</u>	<u>2017</u>
4.49% Affinity Credit Union demand mortgage, repayable in monthly instalments of \$4,653, including interest, secured by specific land and buildings located at 534 Evergreen Blvd. with a net book value of \$850,187, the land and buildings located at 94 Lennon Crescent with a net book value of \$52,109, and a general security agreement over the organization's assets, due January 2023	680,083	704,371
3.77% Royal Bank of Canada leasehold improvements loan, repayable in blended monthly instalments of \$7,363, secured by a general security agreement, due August 2019	282,743	358,862
5.44% Affinity Credit Union mortgage, payable in blended monthly instalments of \$1,821, secured by specific land and building located at 638 Peterson Crescent with a net book value of \$401,393 and a general security agreement over the organization's assets, due January 2019	273,358	280,294
1.92% Saskatchewan Housing Corporation mortgage, payable in blended monthly instalments of \$679, secured by specific land and building located at 94 Lennon Crescent with a net book value of \$52,109, due April 2019	<u>76,357</u>	<u>82,977</u>
	1,992,624	2,130,875
Less: current portion of long-term debt due within one year	410,836	1,780,988
Less: callable portion of long-term debt	<u>1,308,512</u>	<u>-</u>
	\$ <u>273,276</u>	\$ <u>349,887</u>

All loans that are demand in nature must be presented as a current liability. Accordingly, the organizations demand loans are presented as a current liability even though the payment terms extend beyond one year.

Based on payment terms and maturity dates, estimated long-term debt repayments are as follows:

2019	\$ 410,836
2020	327,300
2021	56,498
2022	59,088
2023	1,138,902

AUTISM SERVICES OF SASKATOON INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

7. Externally-restricted fund

Ministry of Social Services - Building and Maintenance Reserve

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 207,372	\$ 66,569
Revenues	3,600	3,600
Transfers from operating fund relating to surplus in housing	61,486	197,118
Transfer to operating fund for day program support	(9,615)	-
Transfer to operating fund for CLSD recovery paid	(130,348)	-
Transfer to operating fund	<u>-</u>	<u>(59,915)</u>
Balance, end of year	\$ <u>132,495</u>	\$ <u>207,372</u>

The operating fund transferred \$61,486 (2017 - \$197,118) to the Building and Maintenance Reserve related to the revenue and related surplus realized in the year from the various group homes and programming.

The board also approved a motion to transfer \$130,348 (2017 - \$nil) to the operating fund for the CLSD recovery paid out of the operating fund cash.

The board approved a motion to transfer \$13,736 (2017 - \$nil) to the operating fund to fund day program support for several clients as approved by CSLD. This transfer was prorated such that \$9,615 was from the Building and Maintenance reserve and \$4,121 was from the Equipment and Furnishings reserve.

Ministry of Social Services - Equipment and Furnishings Reserve

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 87,654	\$ 36,640
Revenues	4,520	4,520
Transfer to operating fund for repairs and maintenance	(7,432)	(6,571)
Transfers from operating fund relating to surplus in housing	26,351	84,478
Transfers to operating fund for capital asset purchases	(5,421)	-
Transfer to operating fund for day program support	(4,121)	-
Transfer to operating fund	<u>-</u>	<u>(31,413)</u>
Transfer to operating fund for CLSD recovery paid	<u>(55,864)</u>	<u>-</u>
Balance, end of year	\$ <u>45,687</u>	\$ <u>87,654</u>

AUTISM SERVICES OF SASKATOON INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

7. Externally-restricted fund (continued)

The operating fund transferred \$26,351 (2017 - \$84,478) to the Equipment and Furnishings Reserve related to the revenue and any related surplus realized in the year from the various group homes and programming. The board approved a motion to transfer \$7,433 (2017 - \$6,571) from the Equipment and Furnishings Reserve to the operating fund to fund certain repairs and maintenance initiatives. In addition, the board approved a motion to transfer \$5,420 (2017 - \$nil) from the Equipment and Furnishings Reserve to the operating fund to fund the purchase of furniture and equipment.

The board also approved a motion to transfer \$55,864 (2017 - \$nil) to the operating fund for the CLSD recovery paid out of the operating fund cash.

In addition to these transfers, \$12,848 of the CLSD recovery paid in the current year had been accrued in the operating fund in the prior year. As a result, \$12,848 was transferred from the reserve fund to the operating fund when the recoveries were paid in the current year. The total expense recoveries in the Ministry of Social Services reserve funds were \$186,212, however the statement of operations only includes expense recoveries of \$173,364 since \$12,848 was expensed in the capital fund in the prior year.

Saskatchewan Housing Corporation - Replacement Reserve

The balance in the Saskatchewan Housing Corporation - Replacement Reserve at year end is \$14,581 (2017 - \$14,581).

<u>Externally-restricted fund</u>	<u>2018</u>	<u>2017</u>
Ministry of Social Services		
Building and Maintenance Reserve	\$ 132,495	\$ 207,372
Equipment and Furnishings Reserve	<u>45,687</u>	<u>87,654</u>
Total Ministry of Social Services	178,182	295,026
Saskatchewan Housing Corporation - Replacement Reserve	<u>14,581</u>	<u>14,581</u>
Total externally-restricted fund	\$ <u>192,763</u>	\$ <u>309,607</u>

8. Forgivable loans

The organization received a forgivable loan on July 3, 2013 in the amount of \$420,000 from the Saskatchewan Housing Corporation. The loan was received for the purpose of developing two group homes in Saskatoon, Saskatchewan and will be forgiven over a five-year period. At March 31, 2018, the remaining unforgiven portion of the original loan advanced was \$84,000 and is secured by specific land and buildings.

AUTISM SERVICES OF SASKATOON INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

9. Contingent liabilities

The organization has been named as a defendant on a legal claim relating to an employee benefit plan. Management believes this claim is unfounded and no liability has been accrued as a result of this claim.

10. Fundraising

Net fundraising income is comprised of the following:

	<u>2018</u>	<u>2017</u>
Total fundraising revenue	\$ 87,159	\$ 81,525
Total fundraising expenditures	<u>(38,936)</u>	<u>(42,254)</u>
	\$ <u>48,223</u>	\$ <u>39,271</u>

11. Ministry of Social Services

During the year, the following contracts from the Ministry of Social Services relating to the group homes have been combined in Schedule 2 of the financial statements:

- 638 Peterson - Contract #ACA107; and,
Complex Needs Contract #A107CN048
- 534 Evergreen - Contract #ACA213; and,
Complex Needs Contracts #A213CN052 & #A213CN046

12. Lease obligations

The organization has entered into building leases for their corporate office space, as well as one of their group homes. Future minimum lease payments under the operating leases are as follows:

	<u>Rent</u>	<u>Occupancy</u>
2019	\$ 263,913	\$ 94,224
2020	270,060	94,224
2021	276,193	94,224
2022	282,325	94,224
2023	288,463	94,224

The organization has also entered into several operating leases for vehicles and equipment. Future minimum lease payments under these leases are as follows:

2019	\$ 8,747
2020	3,502

AUTISM SERVICES OF SASKATOON INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

13. Pension plan

The organization's employees participate in the retirement plan of the Saskatchewan Association of Rehabilitation Centres, which is a multi-employer defined contribution plan. The organization's financial obligation to the plan is limited to making required payments to match amounts contributed by employees for current services. The pension expense for the year was \$95,168 (2017 - \$82,764).

14. Related party transaction

During the year, the organization purchased \$2,295 (2017 - \$38,509) for maintenance and leasehold additions from a company controlled by a board member.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

15. Economic dependence

The organization is economically dependent on continued funding from the Government of Saskatchewan and its agencies.

16. Financial instruments

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in interest rates. The organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments, which comprise the long-term debt, subject the organization to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risk relates to its accounts receivable.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect to its accounts payable and accrued liabilities and long-term debt. The organization maintains sufficient cash reserves to settle liabilities when they become due.

AUTISM SERVICES OF SASKATOON INC.

SCHEDULE OF OPERATING FUND REVENUE AND EXPENSES

YEAR ENDED MARCH 31, 2018

	Saskatchewan Health	Adult support programs	General Operations	Total 2018	Total 2017
Revenue					
Ministry of Social Services	\$ -	2,672,493 \$	\$ -	2,672,493 \$	2,705,251
Saskatchewan Health	2,291,727	9,000	236,475	2,537,202	2,447,367
Programs and services (Note 11)	-	11,508	105,879	117,387	104,303
Other grants	40,000	-	56,722	96,722	39,673
Other income	-	53,720	5,850	59,570	61,049
Donations	2,540	-	54,763	57,303	62,515
Fundraising	13,069	-	35,154	48,223	39,271
Other provincial funding	-	33,154	2,567	35,721	31,299
Saskatchewan Housing Corporation	-	21,477	-	21,477	25,747
United Way	-	-	13,211	13,211	18,029
Interest income	-	-	10,711	10,711	5,415
	<u>2,347,336</u>	<u>2,801,352</u>	<u>521,332</u>	<u>5,670,020</u>	<u>5,539,919</u>
Expenses					
Benefits	190,926	289,311	29,446	509,683	457,975
Contract service	229,411	26,750	6,221	262,382	229,581
Food	-	78,538	-	78,538	78,284
Housekeeping	-	14,501	-	14,501	13,400
Insurance	6,495	14,450	3,177	24,122	23,053
Interest and bank charges	6,302	10,342	2,736	19,380	20,136
Interest on long-term debt	8,240	-	4,245	12,485	27,910
Medical supplies	-	3,455	-	3,455	4,283
Office	21,618	6,421	9,459	37,498	32,076
Other	-	9,482	-	9,482	8,361
Professional fees	18,572	14,680	13,606	46,858	47,525
Program costs	20,821	9,516	30,077	60,414	77,488
Promotions and public relations	935	1,699	5,979	8,613	6,284
Rent	294,696	38,291	46,738	379,725	370,467
Repairs and maintenance	7,831	22,379	4,320	34,530	34,296
Salaries	1,359,858	2,059,982	320,523	3,740,363	3,512,163
Staff travel and expenses	16,437	11,254	3,111	30,802	38,034
Telephone	16,109	13,280	4,456	33,845	34,895
Transportation	61,325	63,233	19,871	144,429	133,534
Utilities	15,464	37,481	7,732	60,677	55,166
	<u>2,275,040</u>	<u>2,725,045</u>	<u>511,697</u>	<u>5,511,782</u>	<u>5,204,911</u>
Reserve fund transfer for day support program	-	13,736	-	13,736	-
	<u>\$ 72,296 \$</u>	<u>90,043 \$</u>	<u>9,635 \$</u>	<u>171,974 \$</u>	<u>335,008</u>

See accompanying notes

AUTISM SERVICES OF SASKATOON INC.

SCHEDULE OF ADULT SUPPORT PROGRAM REVENUE AND EXPENDITURES BY PROGRAM

YEAR ENDED MARCH 31, 2018

	534 Evergreen Group Home	538 Evergreen Group Home	21 Tupper Group Home	Leadership	638 Peterson Group Home	94 Lennon Group Home	Supported Apartment	Day Program	Total 2018	Total 2017
Revenue										
Ministry of Social Services (Note 11)	\$ 550,006	\$ 355,500	\$ 301,329	\$ 369,526	\$ 466,487	\$ 353,981	\$ 61,870	\$ 213,794	\$ 2,672,493	\$ 2,705,251
Other income	2,160	2,240	12,900	-	1,900	1,620	32,900	-	53,720	56,023
Other provincial funding	-	-	-	-	-	-	-	33,154	33,154	28,732
Saskatchewan Housing Corporation Programs and services	-	-	-	-	-	21,477	-	-	21,477	25,747
Saskatchewan Health	-	-	-	-	-	9,000	-	11,508	11,508	1,800
	<u>552,166</u>	<u>357,740</u>	<u>314,229</u>	<u>369,526</u>	<u>468,387</u>	<u>386,078</u>	<u>94,770</u>	<u>258,456</u>	<u>2,801,352</u>	<u>2,829,553</u>
Expenses										
Benefits	70,032	41,153	32,124	39,817	45,771	31,504	5,706	23,204	289,311	267,952
Contract service	-	-	-	-	-	-	-	26,750	26,750	2,100
Food	18,459	15,981	10,251	-	13,963	13,006	6,878	-	78,538	78,284
Housekeeping	4,289	2,334	1,794	-	2,775	2,399	910	-	14,501	13,400
Insurance	3,999	3,997	535	-	2,690	2,085	1,059	85	14,450	13,774
Interest and bank charges	2,484	1,515	946	844	1,930	1,188	258	1,177	10,342	9,444
Medical supplies	1,626	527	63	-	83	885	271	-	3,455	4,283
Office	565	331	305	2,374	305	510	200	1,831	6,421	3,877
Other	2,994	-	-	-	6,488	-	-	-	9,482	8,361
Professional fees	1,880	1,880	1,890	1,180	1,890	1,890	1,880	2,190	14,680	12,034
Program costs	1,623	1,721	1,128	-	1,470	1,725	1,181	668	9,516	10,330
Promotions and public relations	300	300	125	509	125	125	90	125	1,699	675
Rent	-	-	2,040	863	-	-	-	35,388	38,291	38,223
Repairs and maintenance	3,008	1,711	477	1,310	2,513	10,309	1,740	1,311	22,379	19,729
Salaries	478,958	291,151	227,864	324,067	295,805	237,842	46,945	157,350	2,059,982	1,940,156
Staff travel and expenses	1,003	1,383	2,160	587	2,157	1,596	520	1,848	11,254	5,938
Telephone	3,586	3,258	792	1,299	1,327	1,176	593	1,249	13,280	12,885
Transportation	16,495	11,609	4,545	297	12,983	4,948	1,314	11,042	63,233	66,851
Utilities	12,883	7,457	-	5,442	4,822	6,877	-	-	37,481	31,322
	<u>624,184</u>	<u>386,308</u>	<u>287,039</u>	<u>378,589</u>	<u>397,097</u>	<u>318,065</u>	<u>69,545</u>	<u>264,218</u>	<u>2,725,045</u>	<u>2,539,618</u>
Reserve fund transfer for day program support	-	-	-	-	-	-	-	13,736	13,736	-
Excess (deficiency) of revenue over expenses	\$ (72,018)	\$ (28,568)	\$ 27,190	\$ (9,063)	\$ 71,290	\$ 68,013	\$ 25,225	\$ 7,974	\$ 90,043	\$ 289,935

See accompanying notes

AUTISM SERVICES OF SASKATOON INC.**SCHEDULE OF SASKATCHEWAN HOUSING CORPORATION OPERATIONS****YEAR ENDED MARCH 31, 2018**

	<u>2018</u>	<u>2017</u>
Revenue		
\$60/month per bed x 12 months x 4 beds	\$ <u>2,880</u>	\$ <u>2,880</u>
Expenses		
Electricity	3,506	3,936
Heat	869	1,425
Water and sewer	<u>2,448</u>	<u>618</u>
	<u>6,823</u>	<u>5,979</u>
Janitorial supplies	609	740
Janitorial labour and benefits	1,815	1,800
Grounds labour	630	1,000
Grounds material	-	849
Equipment	589	-
Security	147	2,286
Waste removal	660	1,750
Insurance	2,085	2,482
Recycling	<u>54</u>	<u>37</u>
	<u>6,589</u>	<u>10,944</u>
Building exterior	15	-
Building interior	3,354	72
Heating, ventilation and plumbing	1,723	200
Appliance repairs	382	216
Electrical system repair	<u>385</u>	<u>-</u>
	<u>5,859</u>	<u>488</u>
Building exterior	5,325	-
Doors and windows	222	-
Painting interior - common area	364	-
Appliances	729	-
Mechanical	1,823	-
Electrical	<u>-</u>	<u>1,443</u>
	<u>8,463</u>	<u>1,443</u>
Total operating expenses	27,734	18,854
Other expenses		
Administration	2,242	2,208
Mortgage payments	8,149	8,149
Audit	<u>825</u>	<u>825</u>
Deficiency of revenue over expenses	\$ <u>(36,070)</u>	\$ <u>(27,156)</u>

This schedule is prepared in accordance with guidelines established by the Saskatchewan Housing Corporation.