

# CHAN & CO.

CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Directors of **CANUCKS AUTISM NETWORK SOCIETY**:

### Report on the Financial Statements

We have audited the accompanying financial statements of **Canucks Autism Network Society**, which comprise the statement of financial position as at **August 31, 2016**, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies, other explanatory information and schedule of operating expenses.

#### *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.

#### *Auditors' 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 in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

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### *Basis for Qualified Opinion*

In common with many charitable organizations, the Society derives revenues from donations and fundraising activities (which totaled \$1,762,996 for the year-ended **August 31, 2016**; 2015 - \$709,507), the completeness of which is not susceptible to satisfactory audit verification. Accordingly, the verification of these revenues was limited to the amounts recorded by the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and donations revenue, excess of revenues over expenses, and cash flows from operations for the years ended **August 31, 2016** and **2015**, current assets as at **August 31, 2016** and **2015** and net assets as at **August 31** for both the **2016** and **2015** years. Our audit opinion on the financial statements for the year ended **August 31, 2015** was modified accordingly because of the possible effects of this limitation in scope.

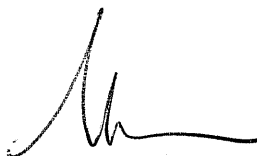
### *Qualified Opinion*

In our opinion, except for the 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 **Canucks Autism Network Society** as at **August 31, 2016**, and the results of its financial performance, changes in net assets, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Report on Other Legal and Regulatory Requirements**

As required by the Society Act of the Province of British Columbia, we report that, in our opinion, the accounting principles in the Canadian accounting standards for not-for-profit organizations have been applied on a consistent basis.

November 28, 2016  
Vancouver, British Columbia



CHARTERED PROFESSIONAL ACCOUNTANTS

**CANUCKS AUTISM NETWORK SOCIETY**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2016**

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**CANUCKS AUTISM NETWORK SOCIETY  
STATEMENT OF FINANCIAL POSITION  
AUGUST 31, 2016**

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
CURRENT		
Cash & Cash Equivalents <i>(note 2)</i>	\$ 1,668,746	\$ 1,342,633
Receivables <i>(notes 3 &amp; 9)</i>	565,645	713,542
GST Receivable	8,758	10,713
Prepaid Expenses	28,830	59,558
	2,271,979	2,126,446
LEASE DEPOSIT	18,772	18,772
TANGIBLE CAPITAL ASSETS <i>(note 4)</i>	94,268	140,286
	\$ 2,385,019	\$ 2,285,504
<b>LIABILITIES</b>		
CURRENT		
Accounts Payable & Accrued Liabilities	\$ 114,128	\$ 150,802
Deferred Revenue	10,850	-
	124,978	150,802
DEFERRED CONTRIBUTIONS <i>(note 5)</i>	913,471	1,124,500
DEFERRED CAPITAL CONTRIBUTIONS <i>(note 6)</i>	34,300	46,400
	1,072,749	1,321,702
<b>NET ASSETS</b>		
INVESTED IN CAPITAL ASSETS	59,968	93,886
INTERNALLY RESTRICTED <i>(note 7)</i>	600,000	600,000
UNRESTRICTED	652,302	269,916
	1,312,270	963,802
	\$ 2,385,019	\$ 2,285,504

Commitments *(note 10)*

Approved on behalf of the Board

 , Director

 , Director

**CANUCKS AUTISM NETWORK SOCIETY  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED AUGUST 31, 2016**

	2016	2015
<b>REVENUES</b>		
Canucks for Kids Fund & Fishing for Kids <i>(notes 8 &amp; 9)</i>	\$ 1,640,640	\$ 1,860,326
Grants, Fundraising & Donations	1,762,996	709,507
Participant Fees	73,950	41,483
Interest & Miscellaneous	22,538	38,932
	<b>3,500,124</b>	<b>2,650,248</b>
<b>EXPENSES (Schedule 1)</b>		
PROGRAMS	2,220,462	2,424,534
DEVELOPMENT	682,515	253,886
ADMINISTRATION <i>(note 11)</i>	248,679	231,075
	<b>3,151,656</b>	<b>2,909,495</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR</b>	<b>\$ 348,468</b>	<b>\$ (259,247)</b>

**CANUCKS AUTISM NETWORK SOCIETY  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED AUGUST 31, 2016**

August 31, 2016	Unrestricted Net Assets	Invested In Capital Assets	Internally Restricted Net Assets <i>(note 7)</i>	TOTAL
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 269,916	\$ 93,886	\$ 600,000	\$ 963,802
<b>EXCESS OF REVENUES OVER EXPENSES</b>	390,134	(41,666)	-	348,468
<b>INVESTMENT IN CAPITAL ASSETS</b>	(7,748)	7,748	-	-
<b>BALANCE, END OF YEAR</b>	\$ 652,302	\$ 59,968	\$ 600,000	\$ 1,312,270

August 31, 2015	Unrestricted Net Assets	Invested In Capital Assets	Internally Restricted Net Assets <i>(note 7)</i>	TOTAL
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 478,839	\$ 144,210	\$ 600,000	\$ 1,223,049
<b>(DEFICIENCY) OF REVENUES OVER EXPENSES</b>	(206,960)	(52,287)	-	(259,247)
<b>INVESTMENT IN CAPITAL ASSETS</b>	(1,963)	1,963	-	-
<b>BALANCE, END OF YEAR</b>	\$ 269,916	\$ 93,886	\$ 600,000	\$ 963,802

**CANUCKS AUTISM NETWORK SOCIETY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2016**

	<b>2016</b>	<b>2015</b>
<b>CASH PROVIDED BY (APPLIED TO):</b>		
<b>OPERATING ACTIVITIES</b>		
Excess (Deficiency) of Revenues over Expenses	\$ 348,468	\$ (259,247)
Items not Affecting Cash:		
Amortization – tangible capital assets	53,766	100,101
Deferred contributions recognized	(1,221,992)	(825,250)
Deferred capital contributions recognized	(12,100)	(47,814)
	(831,858)	(1,032,210)
Changes in Non-Cash Working Capital		
Receivables	147,897	(156,121)
GST receivable	1,955	(52)
Prepaid expenses	30,728	(29,203)
Lease deposit	-	37,543
Accounts payable & accrued liabilities	(36,674)	21,284
Deferred revenue	10,850	-
	(677,102)	(1,158,759)
Contributions received but deferred	1,010,963	1,124,500
	333,861	(34,259)
<b>INVESTING ACTIVITY</b>		
Acquisition of tangible capital assets	(7,748)	(1,963)
<b>INCREASE (DECREASE) IN CASH</b>		
	326,113	(36,222)
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING OF YEAR</b>		
	1,342,633	1,378,855
<b>CASH &amp; CASH EQUIVALENTS, END OF YEAR</b>		
	\$ 1,668,746	\$ 1,342,633

**CANUCKS AUTISM NETWORK SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

Canucks Autism Network Society (the "Society") is incorporated as a not-for-profit society under the Society Act of the Province of British Columbia and is tax-exempt as a registered charity and charitable organization under the Income Tax Act.

The purpose of the Society is to provide year round, innovative, high quality, sports, recreational, social and vocational development programs for individuals and families living with autism and to build awareness and capacity through community networks across British Columbia.

**1. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Society have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

**(a) Revenue Recognition**

The Society follows the deferral method of accounting for contributions from grants, fundraising, and donations. 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 can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Participant fees are recognized as revenue when earned. Any net prepayment of fees at year-end is recorded as deferred revenue.

**(b) Cash and Cash Equivalents**

Cash and cash equivalents include cash and highly-liquid term deposits that can be readily converted to cash on demand and are subject to minimal risks of changes in fair value.

**(c) Tangible Capital Assets**

Tangible capital assets are recorded at cost, or if contributed, at fair value at the date of contribution. The Society provides for amortization on a straight-line basis over the following estimated useful lives:

Computer Hardware	3 years
Computer Software	5 years
Exhibition Materials & Décor	3 years
Furniture & Equipment	5 years
Leasehold Improvements	5 years



**CANUCKS AUTISM NETWORK SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

(d) Impairment of Tangible Capital Assets

The Society reviews its capital assets for impairment whenever events or changes in circumstances indicate that the asset no longer has long-term service potential to the organization. If such conditions exist, an impairment loss will be measured at the amount by which the carrying amount of the asset exceeds its residual value.

(e) Contributed Services

Volunteers contribute significant services to the operations and management of the Society. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

(f) Contributed Materials

The Society will recognize the contribution of materials in these financial statements only when the materials are used in the normal course of the Society's operations, would otherwise have been purchased and when a fair value can be reasonably estimated.

(g) Deferred Contributions

Capital assets donated to the Society are recognized as revenue on the same basis and at the same rates that the assets are being amortized. Restricted contributions will be recognized as revenue in the year in which the related expenditures are incurred.

(h) Financial Instruments

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value, with the changes in fair value recognized in excess of revenue over expenses in the period incurred. The Society does not have any freestanding derivative instruments. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value. Transactions costs incurred on the acquisition of financial instruments measured subsequently at cost or amortized cost are capitalized while those measured subsequently at fair value are expensed as incurred.

**CANUCKS AUTISM NETWORK SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

(h) Financial Instruments *(continued)*

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(i) Expenses & Allocation of Expenses

The Society reports its activities separately as Programs, Development and Administration. Expenses that are directly identifiable to an activity are charged to that activity accordingly. They are as follows:

Programs – tied to the direct delivery of the programs including, but not limited to, marketing, facility rentals, program supplies, staffing and travel;

Development – incurred to support annual fundraising activities; and

Administration – relate to human resources, information technology, facility and finance department expenditures. Administration expenditures are incurred to operate the organization and its programs in a cost-effective manner while maximizing all opportunities to further the Society's mission.

The Society incurs a number of general support expenses that are common to all activities. These expenses are allocated to each activity on the basis of management's estimates of time and resources devoted to each activity. Such allocations are reviewed annually. Additional disclosures are included in Note 11.

**CANUCKS AUTISM NETWORK SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(j) 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 amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Significant estimates included in these financial statements are the useful lives of tangible capital assets for purposes of amortization, the recoverable amounts of accounts receivable, and the allocation of expenses on a functional basis between program and general & administrative expenses. Actual results could differ from these estimates.

**2. CASH & CASH EQUIVALENTS**

Cash & cash equivalents comprise cash and cashable term deposits.

	2016	2015
Cash	\$ 1,263,814	\$ 942,633
Cashable Term Deposits		
@ 0.65% - matures December 19, 2016	202,466	-
@ 0.65% - matures December 19, 2016	202,466	-
@ 1.25% - matures December 24, 2015	-	200,000
@ 1.25% - matures December 24, 2015	-	200,000
	\$ 1,668,746	\$ 1,342,633

The Society maintains a separate bank account for the gaming funds restricted for use in specific programs. \$511,406 of the cash balance as at August 31, 2016 (2015 - \$533,739) is restricted for this use.

**3. RECEIVABLES**

	2016	2015
Contributions receivable (note 9)	\$ 563,290	\$ 692,655
Trade receivables	-	17,627
Interest receivable	1,755	3,260
Other receivable	600	-
	\$ 565,645	\$ 713,542

**CANUCKS AUTISM NETWORK SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2016**

**4. TANGIBLE CAPITAL ASSETS**

<b>2016</b>	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Computer Hardware	\$ 28,465	\$ 26,144	\$ 2,321
Computer Software	97,965	50,118	47,847
Exhibition Materials & Décor	219,454	219,454	-
Furniture & Equipment	62,624	43,694	18,930
Leasehold Improvements	53,935	28,765	25,170
	<b>\$ 462,443</b>	<b>\$ 368,175</b>	<b>\$ 94,268</b>

<b>2015</b>	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Computer Hardware	\$ 26,073	\$ 24,669	\$ 1,404
Computer Software	97,965	31,903	66,062
Exhibition Materials & Décor	219,454	203,762	15,692
Furniture & Equipment	57,268	36,097	21,171
Leasehold Improvements	53,935	17,978	35,957
	<b>\$ 454,695</b>	<b>\$ 314,409</b>	<b>\$ 140,286</b>

Amortization expense of \$53,766 (2015 - \$100,101) has been recognized in the statements of operations.

**5. DEFERRED CONTRIBUTIONS**

As at August 31, 2016, the deferred contributions balance comprises amounts restricted for the funding of expenditures to be incurred in the future. The changes in the deferred contributions balance during the year are as follows:

	<b>2016</b>	<b>2015</b>
Balance, beginning of year	\$ 1,124,500	\$ 825,250
Add: Contributions received	1,010,963	1,124,500
	<b>2,135,463</b>	1,949,750
Less: Amounts recognized as revenue	(1,221,992)	(825,250)
Balance, end of year	<b>\$ 913,471</b>	<b>\$ 1,124,500</b>

**CANUCKS AUTISM NETWORK SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2016**

**6. DEFERRED CAPITAL CONTRIBUTIONS**

As at August 31, 2016, the deferred capital contributions balance represents the accumulated capital assets that have been donated to the Society, less amounts recognized as revenue on the same basis and rates as the amortization of the related capital assets. The changes in the deferred capital contributions balance during the year are as follows:

	2016	2015
Balance, beginning of year	\$ 46,400	\$ 94,214
Add: Capital contributions received	-	-
	46,400	94,214
Less: Amounts recognized as revenue	(12,100)	(47,814)
	\$ 34,300	\$ 46,400
	\$ 34,300	\$ 46,400

**7. INTERNALLY RESTRICTED NET ASSETS**

The internally restricted net assets represent resources that have been allocated for specific purposes by the Society's Board of Directors. These internally restricted amounts are not available for other purposes without the approval from the Board of Directors.

	2016	2015
Emergency use	\$ 600,000	\$ 600,000
	\$ 600,000	\$ 600,000

**8. FUNDING FROM CANUCKS FOR KIDS FUND**

During the year, the Society received \$361,025 (2015 - \$550,000) of funding from the Canucks for Kids Fund ("the Fund") as a general contribution to be used until August 31, 2017.

In addition to the general contribution, the Society also received \$500,000 (2015 - \$500,000) of gaming funds from the Fund. These gaming funds are subject to certain external restrictions and as such are to be used only for specific programs.

\$550,000 of general contributions and \$500,000 of the gaming funds received during the 2015 fiscal year were used and recognized as revenue during the current year. Amounts received during the current year for next fiscal year's expenditures are included in the deferred contributions balance at year-end (*note 5*).

**CANUCKS AUTISM NETWORK SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2016**

**9. FUNDING FROM FISHING FOR KIDS TOURNAMENT**

Included in revenue is \$590,640 (2015 - \$898,862) contributions from the Fishing for Kids Tournament, of which \$563,290 (2015 - \$692,655) has been accrued in Receivables at year-end.

**10. COMMITMENTS**

The aggregate minimum future annual rentals (exclusive of taxes, insurance and other occupancy charges) under operating leases for the office premises and other equipment are as follows:

Year Ending August 31	
2017	\$ 140,900
2018	141,295
2019	31,086
2020	-
2021	-
<div style="text-align: right;">\$ 313,281</div>	

**11. ALLOCATION OF EXPENSES**

Total general support expenses of \$1,035,681 (2015 - \$981,048) have been allocated as follows:

	2016		2015	
	Program	Admin	Program	Admin
Amortization of Tangible Capital Assets	\$ 49,465	4,301	\$ 92,093	\$ 8,008
Bank Fees & Credit Card Charges	20,624	1,793	13,755	1,196
Insurance	13,274	1,154	11,486	999
Office Supplies	29,418	6,028	29,554	5,198
Professional Fees	42,419	3,689	32,111	2,792
Program Supplies	39,903	-	30,217	-
Rent and Repairs & Maintenance	225,954	19,648	223,047	19,395
Salaries & Benefits	388,597	175,872	344,902	153,564
Travel & Transportation	2,869	250	2,425	211
Utilities	9,589	834	9,287	808
<div style="display: flex; justify-content: space-between;"> <span>\$ 822,112</span> <span>\$ 213,569</span> <span>\$ 788,877</span> <span>\$ 192,171</span> </div>				

**CANUCKS AUTISM NETWORK SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**12. FINANCIAL INSTRUMENTS & RISK MANAGEMENT**

The Society's activities expose its financial instruments to a variety of risks, which include credit risk and liquidity risk.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations and primarily arises from the Society's cash & cash equivalents and accounts receivable. The credit risk associated with cash & cash equivalents is minimized to the extent that they are placed with a major financial institution. The accounts receivable risk is minimized by management's close monitoring and assessment of the receivable status.

Liquidity Risk

Liquidity risk is the risk that the Society will encounter difficulty in obtaining funds to meet its commitments. The Society's approach to managing liquidity risk is to match its available funds to meet liabilities when due. The Society manages its liquidity risk by forecasting cash flows required for operations and anticipated investing and financing activities. As at August 31, 2016, the Society had cash & cash equivalents of \$1,668,746 (2015 - \$1,342,633) and accounts payable & accrued liabilities of \$114,128 (2015 - \$150,802).

**13. COMPARATIVES**

Certain of the prior year comparatives have been reclassified where necessary to conform to current year's presentation.

**CANUCKS AUTISM NETWORK SOCIETY  
SCHEDULE OF OPERATING EXPENSES  
FOR THE YEAR ENDED AUGUST 31, 2016**

	2016	2015
<b>PROGRAMS</b>		
Advertising & Promotion	\$ 39,864	\$ 54,619
Amortization of Tangible Capital Assets	49,465	92,093
Bank Fees & Credit Card Charges	20,624	13,755
Facility Rentals	112,147	194,374
Insurance	15,587	13,768
Office Supplies	29,418	29,554
Professional Fees	42,419	32,111
Program Supplies	164,762	277,484
Program Wages & Consultant Fees	1,083,889	1,080,931
Rent and Repairs & Maintenance	225,954	223,047
Salaries & Benefits	388,597	344,902
Travel & Transportation	38,147	58,609
Utilities	9,589	9,287
	<b>2,220,462</b>	<b>2,424,534</b>
<b>DEVELOPMENT</b>		
Advertising & Promotion	29,389	8,369
Facility Rentals	103,087	7,693
Gala Production Fees	136,582	-
Professional Fees	6,944	-
Program Supplies	178,877	35,448
Salaries & Benefits	222,327	199,866
Travel & Transportation	5,309	2,510
	<b>682,515</b>	<b>253,886</b>
<b>ADMINISTRATION</b>		
Amortization of Tangible Capital Assets	4,301	8,008
Bank Fees & Credit Card Charges	1,793	1,196
Board Expenses	2,795	2,898
Insurance	1,154	999
Office Supplies	6,028	5,198
Professional Fees	36,004	38,798
Rent and Repairs & Maintenance	19,648	19,395
Salaries & Benefits	175,872	153,564
Travel & Transportation	250	211
Utilities	834	808
	<b>248,679</b>	<b>231,075</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 3,151,656</b>	<b>\$ 2,909,495</b>