Jake's House for Autistic Children
Financial Statements
For the Year Ended March 31, 2024

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Tel: 705 726 6331
Fax: 705 722 6588
www.bdo.ca

BDO Canada LLP
300 Lakeshore Drive, Suite 300
Barrie, ON L4N 0B4
Canada

Independent Auditor's Report

To the Directors of Jake's House for Autistic Children

Qualified Opinion

We have audited the financial statements of Jake's House for Autistic Children (the "Organization"), which comprise the statement of financial position as at March 31, 2024, the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations, 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 Organization. Therefore, we were not able to determine whether any adjustments might be necessary to the donation revenues, excess (deficiency) of revenues over expenses, and cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

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 Organization 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 qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Organization recognized an excess of revenues over expenses of $450,917 during the year ended March 31, 2024. Despite this, as of that date, the Organization's current liabilities exceeded its total assets by $200,603 and the unrestricted fund is in a deficit of $221,400. As stated in Note 2 these events or conditions, along with other matters as set out in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Organization's ability to continue as a going concern. Our Opinion is not modified in respect of this matter.

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 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.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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:

- 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 Organization'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 Organization'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 Organization 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
July 24, 2024

Jake's House for Autistic Children
Statement of Financial Position

		2024		2023
Assets				
Current				
Cash	$	**363,914**	$	117,721
Marketable securities		**-**		279
Accounts receivable		**48,686**		1,600
Grants receivable		**218,329**		-
Inventories		**9,223**		-
HST recoverable		**109,554**		25,503
Prepaid expenses		**50,542**		53,475
		800,248		198,578
Equipment (Note 3)		**41,745**		36,744
	$	**841,993**	$	235,322
Liabilities and Net Assets				
Current				
Accounts payable and accrued liabilities (Note 4)	$	**887,537**	$	243,721
Deferred lease liability		**11,359**		21,852
Deferred revenue (Note 5)		**43,700**		576,727
CEBA loan payable (Note 7)		**-**		60,000
Loan payable (Note 8)		**100,000**		-
		1,042,596		902,300
Deferred contribution for equipment (Note 6)		**20,797**		5,339
		1,063,393		907,639
Commitments (Note 10)				
Deficit				
Unrestricted		**(221,400)**		(672,317)
	$	**841,993**	$	235,322

On behalf of the Board:

_______________________ Director _______________________ Director

The accompanying notes are an integral part of these financial statements.

Jake's House for Autistic Children
Statement of Changes in Net Assets

For the year ended	2024	2023
Balance, beginning of the year	**$ (672,317)**	$ (429,116)
Excess (deficiency) of revenues over expenses	**450,917**	(243,201)
Balance, end of the year	**$ (221,400)**	$ (672,317)

The accompanying notes are an integral part of these financial statements.

Jake's House for Autistic Children
Statement of Operations

For the year ended	2024	2023
Revenue		
Provincial grants	**$ 5,924,144**	$ 3,259,773
Federal grants	**34,092**	40,995
Corporate grants	**50,000**	76,808
Donations (Note 9)	**527,460**	343,072
In-kind donations (Note 13)	**710,658**	-
Amortization of deferred capital contributions	**4,542**	2,288
Miscellaneous income	**44,158**	-
COVID-19 subsidies	**-**	12,289
	7,295,054	3,735,225
Expenses		
Advertising and promotion	**8,328**	11,618
Community events	**148,266**	226,496
Consulting fees	**12,209**	38,285
Interest and bank charges	**20,664**	35,220
Office and general	**45,935**	51,241
Professional fees (Note 9)	**68,472**	154,874
Program delivery	**1,972,000**	272,114
Program delivery - in-kind donations (Note 13)	**710,658**	-
Rental	**84,362**	71,962
Meals and entertainment	**5,167**	18,621
Miscellaneous expenses	**14,147**	-
Sub-contracts (Note 9)	**2,618,109**	2,265,157
Travel	**15,482**	7,993
Wages and benefits	**1,313,633**	816,867
Amortization of equipment	**16,505**	7,978
	7,053,937	3,978,426
Excess (deficiency) of revenues over expenses from operations	**241,117**	(243,201)
Other income		
Loan forgiveness (Notes 7 & 9 & 12)	**209,800**	-
Excess (deficiency) of revenues over expenses	**$ 450,917**	$ (243,201)

The accompanying notes are an integral part of these financial statements.

Jake's House for Autistic Children
Statement of Cash Flows

For the year ended	2024	2023
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses	$ **450,917**	$ (243,201)
Items not affecting cash:		
Amortization of equipment	**16,505**	7,978
Amortization of lease inducement	**(10,493)**	(29,583)
Amortization of deferred capital contributions	**(4,542)**	(2,288)
Forgiveness of loans (Notes 7 & 9 & 12)	**209,800**	(65,000)
	662,187	(332,094)
Changes in non-cash working capital:		
Accounts receivable	**(47,086)**	44,035
Grants receivable	**(218,329)**	-
Inventories	**(9,223)**	-
Prepaid expenses	**2,933**	(22,545)
HST recoverable	**(84,051)**	(8,907)
Accounts payable and accrued liabilities	**643,816**	(98,233)
Deferred revenue	**(533,027)**	576,727
Deferred capital contributions	**20,000**	-
	437,220	158,983
Cash flows from investing activities		
Purchase of equipment	**(21,506)**	(24,172)
Decrease (increase) in marketable securities	**279**	(143)
	(21,227)	(24,315)
Cash flows from financing activities		
Leasehold improvement allowance received	**-**	16,552
Advance of loans payable	**100,000**	433,000
Repayment of loans payable (Notes 7 & 9 & 12)	**(269,800)**	(468,000)
	(169,800)	(18,448)
Net increase in cash	**246,193**	116,220
Cash, beginning of the year	**117,721**	1,501
Cash, end of the year	$ **363,914**	$ 117,721

The accompanying notes are an integral part of these financial statements.

1. Significant Accounting Policies

Nature and Purpose of Organization

Jake's House for Autistic Children (the "Organization") is a non-profit corporation incorporated under the laws of Ontario without share capital.

The Organization works to provide life management counselling and other support services to assist persons with disabilities, specifically autism, through programs purposed for individual development and to integrate those persons into their communities.

The Organization is a registered charity and, as such is exempt from income tax and may issue income tax receipts to donors.

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations (ASNPO).

Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred revenue may arise when restricted contributions are received which relate to expenses of future periods. These types of contributions are deferred and recognized as revenue in the period in which the related expenses are incurred.

Government subsidies revenue is recognized when there is reasonable assurance that the Organization will comply with the conditions required to qualify for the assistance, and the assistance is reasonably assured to be received.

Contributed Materials and Services

Contributed materials and services which are used in the normal course of the organization's operations and would otherwise have been purchases are recorded at their fair value at the date of contribution.

1. Significant Accounting Policies (continued)

Equipment

Purchased equipment are stated at cost loss accumulated amortization.

Amortization based on the estimated useful life of the asset is calculated as follows:

	Method	Rate
Furniture and fixtures	Declining balance	10%
Office equipment	Declining balance	10%
Computer equipment	Declining balance	30%
Leasehold improvements	Straight-line	5 years

In the year of acquisition or disposition, amortization is provided at 50% of the above rates.

When a tangible capital asset no longer contributes to an Organization's ability to provide goods and services, or the future economic benefits or service potential of the tangible capital asset is less than its carrying value, the excess of its net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

When a tangible capital asset is disposed of, the difference between the net proceeds on disposition and the net carrying amount is recognized in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset disposed of is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

Deferred Lease Liability

Lease incentives, such as rent-free periods, are deferred and amortized on a straight-line basis over the related lease term, and are recorded as an adjustment to rent expense.

1. Significant Accounting Policies (continued)

Financial Instruments

Financial Instruments are recorded at fair value at initial recognition.

Related party financial instruments quoted in an active market or those with observable inputs significant to the determination of fair value or derivative contracts are recorded at fair value at initial recognition. All other related party financial instruments are recorded at cost at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

Use of Estimates

The preparation of financial statements in accordance 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 expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

The principal estimates in the preparation of the financial statements are the useful life of equipment, the collectability of accounts receivable, and the amount of accrued liabilities and contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Going Concern

The Organization has incurred significant deficits over the last few years, however has returned to an excess of revenues in the current year. This excess was primarily funded by unrestricted donations from a related party. The deficit of $672,317 in the prior year decreased to $221,400 in the current year. The Organization's current liabilities exceeded it's total assets by $200,603 at the year ended March 31, 2024. The Organization relies primarily on grant funding to fund its operations. Despite the increase in current year revenues as a result of additional grant funding and donations, grant funding is typically restricted to current year expenditures and as such, would not be available to fund the existing deficit.

The Organization's ability to continue as a going concern is dependent on, but not limited to finding new unrestricted funding sources, reducing expenses that are not eligible to be funded with restricted grants and finding short term financing to bridge gaps in cash flows. Management has made a plan to find alternative sources of revenues, such as holding a gala in April 2024 and forming additional strategic partnerships.

These financial statements are prepared on a going concern basis in accordance with Canadian accounting standards for not-for-profit organizations which assumes that the Organization will be able to obtain adequate financing as required and realize its assets and discharge its liabilities in the normal course of operations. If the going concern assumption was not appropriate for these financial statements then adjustments would be necessary to the carrying value of the assets and liabilities.

3. Equipment

	2024		2023	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Office equipment	**$ 3,763**	**$ 2,171**	$ 3,763	$ 1,815
Computer equipment	**37,486**	**16,980**	18,088	12,833
Furniture and fixture	**18,241**	**3,845**	16,133	1,815
Leasehold improvements	**20,474**	**15,223**	20,474	5,251
	79,964	**38,219**	58,458	21,714
Net book value		**$ 41,745**		$ 36,744

4. Accounts Payable and Accrued Liabilities

		2024		2023
Trade accounts payable	$	**776,851**	$	58,107
Accrued liabilities		**110,686**		44,821
Grant funding repayable (Note 5)		**-**		140,793
	$	**887,537**	$	243,721

5. Deferred Revenue

		2024		2023
Federal, provincial and corporate grants received in the year	$	**6,008,236**	$	3,877,495
Less: amounts recognized as revenue during the year		**(6,008,236)**		(3,300,768)
Less: decrease in deferred revenue due to recognition		**(576,727)**		-
Addition: Contributions received restricted to events in future years		**43,700**		-
Ending balance	$	**43,700**	$	576,727

Deferred revenue consists of contributions received ahead of upcoming galas that have yet to occur. In the prior year, deferred revenue consisted of grants received but not used for grant restricted purposes by the end of the prior year.

6. Deferred Contribution for Capital Assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions used to purchase capital assets. The changes in the deferred contributions balance for the period are as follows:

		2024		2023
Beginning balance	$	**5,339**	$	7,627
Add: equipment acquired with restricted contributions		**20,000**		-
Less: amortization of deferred capital contributions		**(4,542)**		(2,288)
Ending balance	$	**20,797**	$	5,339

7. CEBA Loan

The Organization received the Canada Emergency Business Account ("CEBA") loan in 2021. The CEBA program provides interest-free loans up to $60,000 to small businesses and not-for-profits. During the year, and prior to December 31, 2023, the outstanding CEBA loan balance was fully repaid, and as such, the Organization was eligible for a loan forgiveness of $20,000.

8. Loan Payable

At year end, one loan of $100,000, bearing interest at 16.50% per annum was outstanding for the Organization. In April 2024, the loan was fully repaid.

Co-Founders are jointly and severally liable for the full amounts owed.

9. Related Party Transactions

The Organization is related to 2745859 Ontario Inc. (o/a Jake's House Community Residence or "JHCR") and 2301402 Ontario Limited. The co-founder and former director of the Organization controls JHCR and 2301402 Ontario Limited and continues to maintain a relationship with the Organization.

Transactions with 2745859 Ontario Inc. (o/a Jake's House Community Residence or "JHCR") for Supported Independent Living ("SIL)":

	2024	2023
Sub-contract expenses paid	**$ 2,343,600**	$ 2,230,000
Curriculum development	**98,000**	-
Miscellaneous expenses	**14,147**	-

Transactions with the co-founder and former director to assist with monthly operating cash flow funding:

	2024	2023
Office expense paid	**$ -**	$ 40,000
Related party loan payable advanced and repaid in the year - non-interest bearing until March 31, 2024, due 6 months from the date of advance	**189,800**	120,000
Loan forgiveness (Note 12)	**(189,800)**	-
Unrestricted donation	**350,000**	-

The Organization engaged a marketing and public relations firm at which a director is a senior executive. Transactions with this firm:

	2024	2023
Professional fees paid	**$ 298,009**	$ 141,485

The organization received and repaid a related party loan to the CEO during the prior year:

	2024	2023
Related party loan payable advanced and repaid in the year - non-interest bearing until March 31, 2023, due 1 year from the date of advance	**$ -**	$ 28,000

The transactions have been valued at their exchange amount which is the amount of consideration established and agreed to by the related parties.

10. Commitments

The Organization's total obligations for the next two years for office rent are as follows:

2025	$	65,610
2026		5,500
	$	71,110

11. Economic Dependence

The Organization's operations consist of grants to operate various programs from the Federal and Provincial governments. The Organization derived 81% (2023 - 76%) of its revenue from two (2023 - one) provincial ministries.

12. Loan Forgiveness

During the year, the Organization received forgiveness of loans totalling $189,800 from a related party (Note 9). The forgiveness was granted as a gesture of support and commitment to the Organization's mission and objectives.

The forgiven amount has been recognized as other income in the statement of operations for the year ended March 31, 2024. This forgiveness represents a non-recurring item and has significantly impacted the financial position and results of operations for the year.

13. In-Kind Donations

During the year, the Organization received in-kind donations consisting of goods and services. These donations were recognized at their fair market value upon receipt, as follows:

Training Services: $599,761
Events: $110,897

In-kind donations are included in revenue in the statement of operations. These contributions were used to support the organization’s programs and operational activities during the year.

14. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

15. Financial Instruments

Financial instruments consist of marketable securities, accounts receivable, grants receivable, HST recoverable, accounts payable and accrued liabilities, loans payable which will result in future cash outlays. The carrying value of these instruments approximates their fair value.

Credit risk

The Organization is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Organization's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable, and grants receivable from funders and government sources.

Based on the nature of its receivables the Organization considers its credit risk to be minimal.

The Organization is also exposed to credit risk arising from all of its bank accounts being held at one financial institution and deposits are only insured up to $100,000.

Liquidity risk

The Organization is exposed to this risk mainly in respect of its accounts payable, loan payable, and commitments.

The Organization’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The Organization relies on grant funding and private donations to fund operations. The Organization’s ability to obtain funding from external sources may be restricted if the Organization’s financial performance and condition deteriorate.

The Organization’s deficit has decreased from the prior year, thereby decreasing it's liquidity risk.

Interest rate risk

The Organization is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-interest instruments subject the Organization to a fair value risk.

The Organization is exposed to interest rate risk in relation to interest expense on its loan payable.

At year end, an interest bearing loan was outstanding.