

**Ability Online Support Network**  
**Financial Statements**  
*August 31, 2017*

# Ability Online Support Network Contents

*For the year ended August 31, 2017*

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## Independent Auditors' Report

To the Board of Directors of Ability Online Support Network:

We have audited the accompanying financial statements of Ability Online Support Network, which comprise the statement of financial position as at August 31, 2017, and the statements of operations, changes in net assets and 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.

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

### *Basis for Qualified Opinion*

In common with many charitable organizations, Ability Online Support Network derives revenue from donations and other fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of Ability Online Support Network. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, expenses over revenue, and cash flows from operations for the years ended August 31, 2017 and 2016, current assets as at August 31, 2017 and 2016, and net assets as at September 1 and August 31 for both the 2017 and 2016 years. Our audit opinion on the financial statements for the year ending August 31, 2016 was modified accordingly because of the possible effects of this limitation in scope.

### *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 Ability Online Support Network as at August 31, 2017 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Burlington, Ontario

January 17, 2018



Chartered Professional Accountants

Licensed Public Accountants

# Ability Online Support Network Statement of Financial Position

As at August 31, 2017

	2017	2016
<b>Assets</b>		
<b>Current</b>		
Cash	65,835	103,983
Accounts receivable	5,162	4,599
Prepaid expenses	7,988	5,633
	<b>78,985</b>	114,215
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	10,877	9,831
Deferred revenue (Note 3)	-	500
	<b>10,877</b>	10,331
<b>Net Assets</b>		
Unrestricted net assets	68,108	103,884
	<b>78,985</b>	114,215

Approved on behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

The accompanying notes are an integral part of these financial statements

# Ability Online Support Network Statement of Operations

For the year ended August 31, 2017

	2017	2016
<b>Revenue</b>		
Donations - corporate / foundation	28,983	53,090
Donations - fundraising and events	85,934	70,762
Donations - individual	43,913	15,430
Interest	135	405
	<b>158,965</b>	139,687
<b>Expenses</b>		
Advertising and promotion	3,448	6,236
Audit and legal	4,365	4,800
Equipment purchases	50,053	39,225
Events	20,651	15,567
Insurance	4,516	4,369
Office and general	29,369	21,411
Outside services	270	10,722
Salaries and benefits	80,964	82,299
Telephone	1,105	1,898
	<b>194,741</b>	186,527
<b>Deficiency of revenue over expenses</b>	<b>(35,776)</b>	(46,840)

The accompanying notes are an integral part of these financial statements

## Ability Online Support Network Statement of Changes in Net Assets

*For the year ended August 31, 2017*

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	<i>2017</i>	<i>2016</i>
Unrestricted net assets, beginning of the year	<b>103,884</b>	150,724
Deficiency of revenue over expenses	<b>(35,776)</b>	(46,840)
Unrestricted net assets, end of the year	<b>68,108</b>	103,884

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

**Ability Online Support Network**  
**Statement of Cash Flows**  
*For the year ended August 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Deficiency of revenue over expenses	<b>(35,776)</b>	(46,840)
Changes in working capital accounts		
Accounts receivable	<b>(563)</b>	546
Prepaid expenses and deposits	<b>(2,355)</b>	(2,776)
Accounts payable and accruals liabilities	<b>1,046</b>	452
Deferred revenue	<b>(500)</b>	(2,500)
<b>Decrease in cash resources</b>	<b>(38,148)</b>	(51,118)
<b>Cash resources, beginning of year</b>	<b>103,983</b>	155,101
<b>Cash resources, end of year</b>	<b>65,835</b>	103,983

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

# Ability Online Support Network Notes to the Financial Statements

For the year ended August 31, 2017

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## 1. Incorporation and operations

Ability Online Support Network (the "Organization") was incorporated by letters patent on August 11, 1992 as a corporation without share capital under Part III of the Corporations Act of Ontario, and commenced operations on September 1, 1992. Ability Online is a charitable, not-for-profit organization that promotes and facilitates the integration of physically disabled children and adolescents into the community through the operation of a computer network. Accordingly, it is not subject to income taxes.

## 2. Significant accounting policies

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

### **Revenue recognition**

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. If restricted contributions are received but the related expense has not yet been incurred, the funds are shown as deferred revenue. 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.

Donated goods and services are recorded as contributions only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased.

### **Equipment**

Equipment purchased for use by eligible children is expensed when granted to the child.

### **Financial instruments**

The Organization initially measures its financial assets and liabilities at fair value except for certain non-arm's length transactions. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income. Financial assets measured at amortized cost include cash. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

### **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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Accrued liabilities are an estimate of the costs related to the period end, for which the Organization has not yet been billed.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues and expenses in the periods in which they become known.

## 3. Deferred revenue

During 2016, the Organization received restricted individual donations of \$500 related to costs associated with a fundraising event which occurred in October 2016. The amount has been recognized as revenue in the current year.

## 4. Donations

Board members and employees incurred expenses personally on behalf of the Organization, the amount of which cannot be reasonably estimated and are therefore not reflected in these financial statements.

**5. Financial instruments**

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***Liquidity risk***

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's ability to meet obligations depends on the receipt of funds from fundraising and other related sources, whether in the form of revenue or advances.