

SOCIAL SERVICES NETWORK FOR THE YORK REGION
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020

SOCIAL SERVICES NETWORK FOR THE YORK REGION

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Social Services Network for the York Region

Report on the Financial Statements

We have audited the accompanying financial statements of Social Services Network for the York Region, which comprise the statement of financial position as at March 31, 2020, 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.

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 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 controls 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, the organization derives revenue from fundraising and events, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to fundraising and events revenues, excess of revenues over expenses and unrestricted net assets.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Social Services Network for the York Region as at March 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

SA Accounting Solutions

Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

September 23, 2020

Mississauga



Social Services Network for the York Region
STATEMENT OF FINANCIAL POSITION
YEAR ENDED MARCH 31 2020

	2020	2019
ASSETS		
<u>Current</u>		
Cash	\$ 36,757	\$ 179,176
Grants and Other Receivables	\$ -	\$ 13,240
HST Receivable	\$ 5,201	\$ 4,941
Prepaid expenses	\$ -	\$ 3,500
	<u>\$ 41,958</u>	<u>\$ 200,857</u>
 Capital Assets (Note 6)	 \$ 62,740	 \$ 31,552
	<u>\$ 104,698</u>	<u>\$ 232,409</u>
 LIABILITIES		
<u>Current</u>		
Accounts Payable and accrued liabilities	\$ 17,333	\$ 65,644
Deferred contributions	\$ 127,950	\$ 187,581
	<u>\$ 145,283</u>	<u>\$ 253,225</u>
 Deferred Capital Contributions	 \$ 26,325	 \$ 16,325
 NET ASSETS	 -\$ 66,910	 -\$ 37,141
	<u>\$ 104,698</u>	<u>\$ 232,409</u>

ON BEHALF OF THE BOARD

DocuSigned by:

Naushad Hiji

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Social Services Network for the York Region
STATEMENT OF REVENUES & EXPENSES
YEAR ENDED MARCH 31 2020

	2020	2019
REVENUES		
Government Funding	45,211	39,847
Foundations Grants	358,475	507,616
Donations	52,657	12,215
Fundraising Events and Other Income	23,505	23,596
TOTAL REVENUES	479,847	583,274
EXPENSES		
Salaries and Benefits	281,012	305,223
Occupancy	67,608	63,263
Program Facilitators	52,534	88,558
Travel	29,447	38,532
Professional Services	28,417	28,383
Office and General	23,589	29,426
Insurance	6,167	3,882
Amortization	18,074	12,989
Bank charges and Interest	2,026	2,085
Donations to other charities	-	5,000
Marketing and Fundraising Expenses	793	639
TOTAL EXPENSES	509,667	577,979
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(29,819)	5,295

Social Services Network for the York Region
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31 2020

	<u>2020</u>	<u>2019</u>
Net Assets Beginning of year	(37,091)	(42,385)
Excess (deficiency) of revenues over expenses	(29,819)	5,295
Net Assets End of year	<u>(66,910)</u>	<u>(37,091)</u>

Social Services Network for the York Region
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31 2020

	2020	2019
Operating Activities		
Excess (deficiency) of revenues over expenses	(29,819)	5,295
Adjustments for:		
Depreciation/Amortization	18,074	12,989
Amortization of deferred capital contributions	-	(8,100)
	(11,745)	10,184
Changes in non cash working capital balances		
Grants and other receivables	12,979	37,707
Prepays	3,500	(3,500)
Accounts Payable and accrued liabilities	(48,311)	5,597
Deferred Contributions	(49,581)	14,818
Net cash used in investing activities	(81,412)	54,622
Investing Activities		
Purchase of capital assets	(49,261)	-
Net cash received from investing activities	(49,261)	-
Net increase (decrease) in cash and cash equivalents	(142,419)	64,755
Cash and cash equivalents at beginning of period	179,176	114,421
Cash and cash equivalents at end of period	36,757	179,176

**SOCIAL SERVICES NETWORK FOR THE YORK REGION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020**

Note 1 Nature of Agency

Social Services Network for the York Region (the "Agency") is a not for profit charitable organization with over a decade of experience supporting local communities. The Agency aims to support the development of an inclusive society where dignity is maintained throughout the ageing process by promoting participation, independence and self-actualization. The Agency's mandate is to combat ageism by helping to endorse age friendly communities through our programs, services, and collaborative partnerships; the Agency offers a variety of social, cognitive and recreational activities for diverse seniors' population in the community which include crafts, exercises, awareness and health education, and healthy eating.

Due to their charity status, the Agency is exempt from income taxes.

Note 2 Going Concern

These financial statements have been prepared in accordance with accounting standards that apply to a going concern. This presumes that the Agency will continue its operations in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Agency's ability to continue as a going concern depends on its ability to generate sufficient revenues to fund its expenses and to restore and then maintain its profitability.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate, because management believes that the measures it intends to take will mitigate the effect of the conditions and events that cast doubt on the appropriateness of this assumption.

Note 3 Significant Accounting Policies

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

Financial assets and liabilities

The Agency initially measures its financial assets and financial liabilities at fair value.

The Agency subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income.

Financial assets measured at amortized cost on a straight-line basis include cash, grants and other receivables. Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities and payroll taxes payable.

Capital assets

Purchased capital assets are recorded at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which for computer equipment and furniture and fixtures is 5 years. Leasehold improvements are amortized at the rate of 20% of cost.

SOCIAL SERVICES NETWORK FOR THE YORK REGION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020

Note 3 Significant Accounting Policies - continued

Revenue recognition

The deferral method of accounting is used for grants and contributions. Restricted contributions are recognized as deferred contributions when received or receivable and recognized as revenue when the related expenses are incurred. Unrestricted contributions are recognized on the accrual basis.

Deferred contributions

Deferred contributions represent unspent resources externally restricted for operating funding received in the current period that is related to the subsequent period.

Contributed services

Volunteers contribute numerous hours to the Agency in carrying out certain aspects of its service delivery activities. The fair value of these contributed services is not readily determinable and, as such, they are not reflected in the financial statements.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements. These estimates relate primarily to the useful lives of property and equipment and the fair value of investments. Actual results could differ from these estimates.

Note 4 Operating Loan

The Agency has an operating loan agreement with its bank to a limit of \$25,000. The loan bears interest at the prime lending rate plus 2.20%. The loan is secured by a General Security Agreement.

Note 5 Grants and Other Receivables

	2020	2019
Grants & Pledges	\$ -	\$ 13,240
HST/GST rebate	5,201	4,941
	<u>\$ 5,201</u>	<u>\$ 18,181</u>

SOCIAL SERVICES NETWORK FOR THE YORK REGION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020

Note 6 Capital Assets

2020	Original Cost	Accumulated Amortization	Net Book Value
Leasehold improvements	\$ 129,891	\$ 111,328	\$ 18,563
Furniture and fixtures	13,068	13,068	-
Computer equipment	19,420	19,420	-
Vehicles	49,261	5,085	44,176
	<u>\$ 211,641</u>	<u>\$ 148,901</u>	<u>\$ 62,740</u>
2019	Original Cost	Accumulated Amortization	Net Book Value
Leasehold improvements	\$ 129,891	\$ 98,339	\$ 31,552
Furniture and fixtures	13,068	13,068	-
Computer equipment	19,420	19,420	-
	<u>\$ 162,379</u>	<u>\$ 143,816</u>	<u>\$ 31,552</u>

Note 7 Deferred Capital Contributions

Deferred capital contributions represent unamortized restricted grants used to purchase capital assets. These contributions are amortized over the life of the related assets. The changes in the deferred capital contributions balance for the year are as follows:

	2019	2018
Balance at beginning of year	\$ 16,325	\$ 24,425
Add: capital contributions received	\$ 10,000	-
Less: amounts amortized to revenue	-	-\$ 8,100
Balance at end of year	<u>\$ 26,325</u>	<u>\$ 16,325</u>

**SOCIAL SERVICES NETWORK FOR THE YORK REGION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020**

Note 8 Financial Instruments

The Agency has the following risks associated with its financial instruments:

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Agency is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and payroll taxes payable.

Concentration risk

The Agency's largest revenue sources are the Ontario Trillium, Unionville Home Society and United Way of York Region. Ontario Trillium represent 30.1% of revenues during the current year (2019 – 35.7%), Unionville Home Society represent 30.7% of revenues during the current year (2019 – 27.5%) and United Way of York Region revenues represent 13.9% of revenues during the current year (2019 – 29.0%).

Credit risk

The Agency does not consider credit risks on its accounts receivable to be significant given the high-quality nature of the Agency's major sources of revenue.

Note 9 Commitments

The Agency has commitments under an operating premises lease agreement. The lease agreement is valid until December 31 2020, with the rent for the premises waived from April 1 to August 31 2020 due to the COVID-19 pandemic. The rental charge of \$850/month will resume from September 2020 to December 2020.

Note 10 COVID-19 Pandemic

The global pandemic has disrupted economic activities and supply chains. Although the disruption from the virus continues to occur, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time.

In addition, if the impacts of COVID-19 continues, there could be a further impact on the Agency and its major revenue sources from donor organizations, fundraising events as well as community it serves. This could impact the timing and amounts realized for its revenue. At this time, the full potential impact of COVID-19 on the Agency is not known.

Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Agency is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity.

Note 11 Comparative Figures

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