

**SOCIAL SERVICES NETWORK FOR
THE YORK REGION**

FINANCIAL STATEMENTS

MARCH 31, 2021



INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

We have audited the financial statements of Social Services Network for the York Region (the "organization"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations and 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 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, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2021, current assets as at March 31, 2021, and net assets as at March 31, 2021.

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 opinion.

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 private enterprises, 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.

INDEPENDENT AUDITOR'S REPORT (continued)

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.

Gilmore + Company LLP

**Mississauga, Ontario
June 18, 2021**

**Chartered Professional Accountants
Licensed Public Accountants**

SOCIAL SERVICES NETWORK FOR THE YORK REGION***STATEMENT OF FINANCIAL POSITION****As at March 31, 2021*

	2021	2020
<i>ASSETS</i>		
Current		
Cash	\$ 15,244	\$ 36,757
Short term investment (Note 2)	150,000	-
Grants and other receivables (Note 3)	42,521	-
Government remittances receivable	2,593	5,201
Prepaid expenses	1,176	-
	211,534	41,958
Capital assets (Note 4)	35,026	62,739
	\$ 246,560	\$ 104,697

LIABILITIES

Current		
Accounts payable and accrued liabilities	\$ 27,236	\$ 17,332
Deferred contributions - expenses of future periods (Note 6)	108,849	127,950
Deferred contributions - capital assets (Note 7)	18,225	26,325
	154,310	171,607
Loan payable (Note 8)	40,000	-
	194,310	171,607

FUND BALANCES

Net assets	52,250	(66,910)
	\$ 246,560	\$ 104,697

On behalf of the board

DocuSigned by:

Nausheed Hirji

DocuSigned by:

Adil Mawani

Director**Director**

9B055B69105A4EB...

SOCIAL SERVICES NETWORK FOR THE YORK REGION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended March 31, 2021

	2021	2020
Revenues		
Government funding	\$ 188,860	\$ 192,519
Foundation grants	110,250	211,167
Donations	24,864	52,657
Amortization of deferred contributions - capital assets	8,100	-
Fundraising events and other income	1,000	23,505
	333,074	479,848
Expenses		
Amortization	32,540	18,074
Insurance	3,994	6,167
Interest and bank charges	2,351	2,026
Marketing and fundraising	1,348	793
Occupancy	4,824	67,608
Office and general	29,071	23,589
Professional fees	20,186	28,417
Program facilitators	44,762	52,534
Salaries and related benefits	110,929	281,012
Travel	772	29,447
	250,777	509,667
Excess (deficiency) of revenues over expenses from operations	82,297	(29,819)
Other income		
Government assistance (Note 9)	36,863	-
Excess (deficiency) of revenues over expenses for the year	119,160	(29,819)
Balance, beginning of year	(66,910)	(37,091)
Balance, end of year	\$ 52,250	\$ (66,910)

SOCIAL SERVICES NETWORK FOR THE YORK REGION

STATEMENT OF CASH FLOWS

For the year ended March 31, 2021

	2021	2020
Cash provided by (used in):		
Operating activities		
Excess (deficiency) of revenues over expenses for the year	\$ 119,160	\$ (29,819)
Item not affecting cash:		
Amortization	32,540	18,074
	151,700	(11,745)
Changes in non-cash working capital amounts:		
Grants and other receivables	(42,521)	13,240
Government remittances receivable	2,608	(260)
Prepaid expenses	(1,176)	3,500
Accounts payable and accrued liabilities	9,904	(48,262)
Deferred contributions - expenses of future periods	(19,101)	(59,631)
Deferred contributions - capital assets	(8,100)	10,000
	93,314	(93,158)
Investing activities		
Short term investment	(150,000)	-
Purchase of capital assets	(4,827)	(49,261)
	(154,827)	(49,261)
Financing activity		
Increase in loan payable	40,000	-
Net decrease in cash during the year	(21,513)	(142,419)
Cash, beginning of year	36,757	179,176
Cash, end of year	\$ 15,244	\$ 36,757

SOCIAL SERVICES NETWORK FOR THE YORK REGION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

Nature of operations

Social Services Network for the York Region (the “organization”) is a not-for-profit charitable organization with over a decade of experience supporting local communities. The organization 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 organization’s mandate is to combat ageism by helping to endorse age friendly communities through our programs, services, and collaborative partnerships; the organization 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 organization is exempt from income taxes.

1. ***Summary of 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:

Short-term investments

Short-term investments that are quoted in an active market are measured at fair value. Changes in fair value are recognized in net assets in the period incurred. Transaction costs that are directly attributable to the acquisition of these investments are recognized in net assets in the period incurred.

Capital assets

Capital assets are recorded at cost. The organization provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Vehicles	30% Declining balance
Leasehold improvements	10 years Straight-line
Computer equipment	30% Declining balance

Contributed services

Volunteers contribute numerous hours to the organization 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.

SOCIAL SERVICES NETWORK FOR THE YORK REGION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

1. ***Summary of significant accounting policies (continued)***

Revenue recognition

The organization follows the deferral method of accounting 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 as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Accounting 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. On an ongoing basis, management reviews its estimates, and, as adjustments become necessary, they are reported in the statement of operations in the period in which they become known.

Financial instruments

The organization initially measures its financial assets and liabilities at fair value. 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 initially and subsequently measured at fair value. Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Government assistance

Government and other grants related to capital assets are accounted for as deferred government assistance and amortized on the same basis as the related capital assets. Operating grants are accounted for as other income as they are received or become receivable.

2. ***Short-term investment***

The short-term investment consists of a Guaranteed Investment Certificate that matures in 2022 and earns interest at rate of 0.3500%. Interest is paid annually.

SOCIAL SERVICES NETWORK FOR THE YORK REGION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

3. Grants and other receivables

	2021	2020
Government assistance receivable	\$ 13,795	\$ -
Other receivables	28,726	-
	\$ 42,521	\$ -

4. Capital assets

	2021			2020
	Cost	Accumulated Amortization	Net Carrying Amount	Net Carrying Amount
Vehicles	\$ 52,426	\$ 18,813	\$ 33,613	\$ 44,176
Leasehold improvements	-	-	-	18,563
Computer equipment	21,083	19,670	1,413	-
	\$ 73,509	\$ 38,483	\$ 35,026	\$ 62,739

5. Credit facility

The organization has an operating line of credit authorized by Royal Bank of Canada (the "Bank") to a maximum of \$25,000 and bears interest at the Bank's prime lending rate plus 2.20% per annum. The line of credit is secured by a general security agreement. At year end, the organization has drawn \$Nil (2020 - \$Nil) on the line of credit.

SOCIAL SERVICES NETWORK FOR THE YORK REGION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

6. *Deferred contributions - expenses of future periods*

Deferred contributions related to expenses of future periods represent unspent, externally restricted amounts. The amounts received and revenue recognized during the year have been summarized and are detailed below.

Balance, beginning of year	Received	Recognized as revenue	Program terminated due to COVID-19	Balance, end of year
\$ 127,950	\$ 191,304	\$(101,585)	\$(108,820)	\$ 108,849

7. *Deferred contributions - capital assets*

Deferred contributions related to funding received for capital assets. The deferred contributions are amortized on the same basis as the capital assets purchased with the contributions.

	2021	2020
Balance, beginning of the year	\$ 26,325	\$ 16,325
Less: Amortization of deferred capital contributions	(8,100)	-
Contributions received	-	10,000
	\$ 18,225	\$ 26,325

SOCIAL SERVICES NETWORK FOR THE YORK REGION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

8. *Loan payable*

Canada Emergency Business Account (CEBA), a Government of Canada loan of \$60,000 from Royal Bank of Canada, bears interest at 0% per annum, repayable on or before December 31, 2022. A repayment of 67% of the loan on or before December 31, 2022 will result in 33% of the loan being forgiven. The forgivable portion of \$20,000 has been recognized as other income in the current year. If the remaining \$40,000 balance is not repaid on or before December 31, 2022, the loan will then bear interest at 5% per annum, repayable monthly and maturing on December 31, 2025.

9. *Government assistance*

During the year the organization became entitled to receive government assistance through the 10% Temporary Wage Subsidy for Employers (TWS), Canada Emergency Wage Subsidy (CEWS), and Canada Emergency Business Account (CEBA) programs enacted by the government in response to the COVID-19 (coronavirus) pandemic.

The TWS program was available to eligible employers, such as Not-for-Profit corporations, based on a percent of remuneration paid to eligible employees between the 3-month period of March 18, 2020 to June 19, 2020. The amount receivable from this program during the year was \$3,068 and has been reported in other income.

The CEWS program is ongoing and available to all Canadian employers who experienced declines in revenue after March 15, 2020, relative to defined benchmark periods, based on a percent of remuneration paid to eligible employees. The amount receivable from this program during the year was \$13,795 and has been reported in other income.

The organization received a \$60,000 CEBA, a Government of Canada loan, of which 33% is forgivable. The forgiven amount of \$20,000 has been reported in other income.

The total government subsidies received during the year is \$36,863.

10. *Financial instruments*

The significant financial risks to which the organization is exposed to are as follows:

Liquidity risk

Liquidity risk is the risk the organization may not be able to meet its obligations. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

SOCIAL SERVICES NETWORK FOR THE YORK REGION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

10. Financial instruments (continued)

Concentration risk

The organization's largest revenue sources are the Ontario Trillium Foundation, Unionville Home Society and United Way of York Region. Ontario Trillium Foundation represents 8.1% of revenues during the current year (2020 – 30.1%), Unionville Home Society represents 48.2% of revenues during the current year (2020 – 30.7%) and United Way of York Region revenues represent 23.1% of revenues during the current year (2020 – 13.9%).

Credit risk

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

11. COVID-19

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the organization anticipates this outbreak may cause reduced demand for its services, staff shortages, and increased government regulations, all of which may negatively impact the organization's business and financial condition.

12. Comparative figures

The comparative figures were audited by another accounting firm and are presented for comparative purposes only. Certain 2020 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2021.