

**SOCIAL SERVICES NETWORK FOR
THE YORK REGION**

FINANCIAL STATEMENTS

MARCH 31, 2023



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, 2023, and 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 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, 2023, and the results of its 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 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, 2023, current assets as at March 31, 2023, and net assets as at March 31, 2023.

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. matter 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 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.

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
August 12, 2023**

**Chartered Professional Accountants
Licensed Public Accountants**

SOCIAL SERVICES NETWORK FOR THE YORK REGION***STATEMENT OF FINANCIAL POSITION******As at March 31, 2023***

	2023	2022
<i>ASSETS</i>		
Current		
Cash	\$ 161,220	\$ 131,928
Short term investments (Note 2)	353,973	270,749
Grants and other receivables (Note 3)	43,445	24,975
Prepaid expenses	1,081	1,222
Government remittances receivable	6,269	6,156
	565,988	435,030
Capital assets (Note 4)	21,852	24,518
	\$ 587,840	\$ 459,548
<i>LIABILITIES</i>		
Current		
Accounts payable and accrued liabilities	\$ 40,888	\$ 11,701
Deferred contributions - expenses of future periods (Note 6)	209,606	114,000
Deferred contributions - capital assets (Note 7)	19,481	23,529
	269,975	149,230
Loan payable (Note 8)	40,000	40,000
	309,975	189,230
<i>NET ASSETS</i>		
Unrestricted	77,865	70,318
Internally restricted (Note 9)	200,000	200,000
	277,865	270,318
	\$ 587,840	\$ 459,548

On behalf of the board

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Director**Director**

SOCIAL SERVICES NETWORK FOR THE YORK REGION

STATEMENT OF OPERATIONS

For the year ended March 31, 2023

	2023	2022
Revenues		
Government funding	\$ 318,938	\$ 314,768
Foundation grants	73,386	187,272
Fundraising events and other income	8,100	1,335
Amortization of deferred contributions - capital assets	7,590	10,084
Donations	6,900	24,362
	414,914	537,821
Expenditures		
Amortization	8,183	10,508
Insurance	6,943	4,846
Interest and bank charges	1,553	1,418
Marketing and fundraising	1,124	-
Occupancy	3,386	3,289
Office and general	15,402	21,688
Professional fees	16,363	17,985
Program facilitators	93,440	31,388
Salaries and related benefits	256,564	235,625
Travel	4,409	551
	407,367	327,298
Excess of revenues over expenditures from operations	7,547	210,523
Other income		
Government assistance	-	7,545
Excess of revenues over expenditures for the year	\$ 7,547	\$ 218,068

SOCIAL SERVICES NETWORK FOR THE YORK REGION

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2023

	Unrestricted	Internally restricted	Total 2023	Total 2022
Balance, beginning of year	\$ 70,318	\$ 200,000	\$ 270,318	\$ 52,250
Excess of revenues over expenditures	7,547	-	7,547	218,068
Balance, end of year	\$ 77,865	\$ 200,000	\$ 277,865	\$ 270,318

SOCIAL SERVICES NETWORK FOR THE YORK REGION***STATEMENT OF CASH FLOWS******For the year ended March 31, 2023***

	2023	2022
Cash provided by (used in):		
Operating activities		
Excess of revenues over expenditures for the year	\$ 7,547	\$ 218,068
Item not affecting cash:		
Amortization	8,183	10,508
	15,730	228,576
Changes in non-cash working capital amounts:		
Grants and other receivables	(18,470)	17,546
Prepaid expenses	141	(46)
Government remittances receivable	(113)	(3,563)
Accounts payable and accrued liabilities	29,187	(15,535)
Deferred contributions - expenses of future periods	95,606	5,151
Deferred contributions - capital assets	(4,048)	5,304
	118,033	237,433
Investing activities		
Short term investments	(83,224)	(120,749)
Purchase of capital assets	(5,517)	-
	(88,741)	(120,749)
Net increase in cash during the year	29,292	116,684
Cash, beginning of year	131,928	15,244
Cash, end of year	\$ 161,220	\$ 131,928

SOCIAL SERVICES NETWORK FOR THE YORK REGION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

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

The organization follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

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
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, 2023

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, 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 investments***

The short-term investments consist of two Guaranteed Investment Certificates that mature in October 2023 and November 2023 and earn interest at rate of 3.00% and 2.70%. Interest is paid annually.

SOCIAL SERVICES NETWORK FOR THE YORK REGION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

3. *Grants and other receivables*

	2023	2022
Other receivables	\$ 43,445	\$ 24,975

4. *Capital assets*

	2023		2022	
	Cost	Accumulated Amortization	Net Carrying Amount	Net Carrying Amount
Vehicles	\$ 52,426	\$ 35,956	\$ 16,470	\$ 23,529
Computer equipment	7,179	1,797	5,382	989
	\$ 59,605	\$ 37,753	\$ 21,852	\$ 24,518

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 (2022 - \$NIL) on the line of credit.

SOCIAL SERVICES NETWORK FOR THE YORK REGION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

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	Balance, end of year
	\$ 114,000	\$ 489,430	\$ (393,824)	\$ 209,606

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.

	2023	2022
Balance, beginning of the year	\$ 23,529	\$ 18,225
Less: Amortization of deferred capital contributions	(7,590)	(7,564)
Add: Contributions received	3,542	12,868
	\$ 19,481	\$ 23,529

SOCIAL SERVICES NETWORK FOR THE YORK REGION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

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, 2023. A repayment of 67% of the loan on or before December 31, 2023 will result in 33% of the loan being forgiven. The forgivable portion of \$20,000 has been recognized as other income in 2021. If the remaining \$40,000 balance is not repaid on or before December 31, 2023, the loan will then bear interest at 5% per annum, repayable monthly and maturing on December 31, 2025.

9. *Internally restricted net assets*

The Board of Directors have internally restricted net assets totalling \$200,000 for capacity building and program expansion.

10. *Government assistance*

As a result of the COVID-19 pandemic, the organization became entitled to receive government assistance through the 10% Temporary Wage Subsidy for Employers (TWS), Canada Emergency Wage Subsidy (CEWS) and Canada Recovery Hiring Program (CRHP) 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 received from this program during the year was \$NIL (2022 - \$321) and has been reported in other income.

The CEWS program is 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 received from this program during the year was \$NIL (2022 - \$6,061) and has been reported in other income.

The CRHP program is available to all Canadian employers who experienced declines in revenue after October 24, 2021 relative to defined benchmark periods, based on a percent of remuneration paid to eligible employees. The amount received from this program during the year was \$NIL (2022 - \$1,163) and has been reported in other income.

The total government subsidies received during the year is \$NIL (2022 - \$7,545).

SOCIAL SERVICES NETWORK FOR THE YORK REGION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

11. *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 and loan payable. The organization expects to meet these obligations as they come due by generating sufficient cash flow from operations. As at March 31, 2023, management believes liquidity risk is minimal.

Concentration risk

The organization's largest revenue sources are the Unionville Home Society, Legacy Project and United Way of York Region. Unionville Home Society represents 32.0% of revenues during the current year (2022 – 32.3%), Legacy Project represents 22.5% of revenues during the current year (2022 – 21.1%), and United Way of York Region revenues represent 13.4% of revenues during the current year (2022 – 17.1%).

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.