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**VISIONS OF SCIENCE NETWORK  
FOR LEARNING**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Visions of Science Network for Learning,

### **Qualified Opinion**

We have audited the financial statements of Visions of Science Network for Learning (the organization), which comprise the statement of financial position as at December 31, 2018, 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 of Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Visions of Science Network for Learning as at December 31, 2018 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 donation and fundraising revenue, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of this revenue 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 donation and fundraising revenue, excess of revenue over expenses for the year, assets and net assets.

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 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.

## INDEPENDENT AUDITOR'S REPORT (continued)

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 your 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.

*Pennylegion Chung LLP*

Chartered Professional Accountants  
Licensed Public Accountants

June 25, 2019  
Toronto, Ontario


# VISIONS OF SCIENCE NETWORK FOR LEARNING

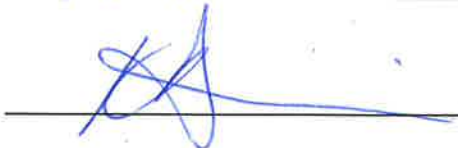
## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

	2018	2017
<b>ASSETS</b>		
Current assets		
Cash	\$ 185,876	\$ 32,021
Amounts receivable	5,308	15,564
HST rebate recoverable	16,893	10,537
Prepaid expenses	<u>5,785</u>	<u>5,861</u>
	213,862	63,983
Capital assets (note 2)	<u>58,317</u>	<u>-</u>
	<u>\$ 272,179</u>	<u>\$ 63,983</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 28,835	\$ 6,179
Deferred contributions (note 4)	<u>104,665</u>	<u>52,500</u>
	133,500	58,679
Deferred capital grants (note 5)	<u>58,317</u>	<u>-</u>
Total liabilities	<u>191,817</u>	<u>58,679</u>
Net assets		
Unrestricted	<u>80,362</u>	<u>5,304</u>
	<u>\$ 272,179</u>	<u>\$ 63,983</u>

Approved on behalf of the Board:

  
\_\_\_\_\_, Director

  
\_\_\_\_\_, Director

see accompanying notes

**VISIONS OF SCIENCE NETWORK FOR LEARNING**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018</b>	<b>2017</b>
<b>REVENUE</b>		
Contributions (note 5)	\$ 747,825	\$ 478,747
Events	45,226	22,439
Service fees	13,825	463
Interest	<u>184</u>	<u>456</u>
	<u>807,060</u>	<u>502,105</u>
<b>EXPENSES</b>		
Personnel	530,358	337,938
Program (note 6)	115,638	93,138
Fundraising	30,387	14,872
Occupancy	22,201	18,747
Professional fees	11,909	12,226
Office and general	5,647	20,225
Insurance	4,179	2,061
Amortization	<u>11,683</u>	<u>-</u>
	<u>732,002</u>	<u>499,207</u>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	75,058	2,898
Net assets, beginning of year	<u>5,304</u>	<u>2,406</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 80,362</u>	<u>\$ 5,304</u>

see accompanying notes

# VISIONS OF SCIENCE NETWORK FOR LEARNING

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ 75,058	\$ 2,898
Add back (deduct) non-cash items-		
Amortization of capital assets	11,683	-
Capital grant recognized	(11,683)	-
Net change in non-cash working capital items (see below)	<u>78,797</u>	<u>(23,037)</u>
Cash generated from (used for) operating activities	<u>153,855</u>	<u>(20,139)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	<u>(70,000)</u>	<u>-</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from capital grant	<u>70,000</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH FOR THE YEAR</b>	153,855	(20,139)
Cash, beginning of year	<u>32,021</u>	<u>52,160</u>
<b>CASH, END OF YEAR</b>	<u>\$ 185,876</u>	<u>\$ 32,021</u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Amounts receivable	\$ 10,255	\$ (3,064)
HST rebate recoverable	(6,356)	(6,411)
Prepaid expenses	77	(4,586)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	22,656	5,337
Deferred contributions	<u>52,165</u>	<u>(14,313)</u>
	<u>\$ 78,797</u>	<u>\$ (23,037)</u>

see accompanying notes

# VISIONS OF SCIENCE NETWORK FOR LEARNING

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

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Visions of Science Network for Learning (the organization) is incorporated without share capital in the Province of Ontario. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

The organization aims to advance the educational achievements and career ambitions of socially and economically marginalized youth, within the fields of science, technology, engineering, and mathematics (STEM). The objective of the organization is to increase exposure of the socially underrepresented youth to a hands-on learning environment, to increase engagement by these youth within the disciplines, to foster further growth and to develop future scholars in STEM fields.

The organization has agreements with local community establishments that offer direct support for the cause of the organization. The agreements outline the expectations set-forth by the donor organizations, which require the organization to prepare end of term reports, and to establish and maintain record-keeping controls.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

#### **Capital assets**

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off capital assets over estimated useful lives as follows:

Vehicle - straight-line over 6 years

#### **Revenue recognition**

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

##### *Contributions*

The organization follows the deferral method of revenue recognition for contributions. Externally restricted contributions, including grants and restricted donations, related to current expenses are recognized as revenue in the current year. Externally restricted contributions received in the year for expenses to be incurred in the following year are recorded as deferred contributions. Externally restricted contributions related to the purchase of capital assets are recorded as revenue in the same period, and on the same basis, as the related capital assets are amortized. Unrestricted contributions, including donations and amounts received from fundraising, is recorded when received.

##### *Contributed materials and services*

Contributed materials and services which are normally purchased by the organization are not recorded in the accounts.

##### *Event revenue*

Event revenue is recognized in the period in which the event takes place.

##### *Service fees*

Service fee revenue is recognized when the services are delivered.

##### *Interest income*

Interest income is recognized as revenue when earned.

#### **Allocation of expenses**

The organization allocates personnel costs based on time spent and rent expense based on space used.

# VISIONS OF SCIENCE NETWORK FOR LEARNING

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

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### 2. CAPITAL ASSETS

Capital assets are as follows:

	Cost	Accumulated Amortization	2018 Net	2017 Net
Vehicle	<u>\$ 70,000</u>	<u>\$ 11,683</u>	<u>\$ 58,317</u>	<u>\$ -</u>

### 3. FINANCIAL INSTRUMENTS

The organization's financial instruments include cash, amounts receivable, accounts payable and accrued liabilities. Amounts receivable, accounts payable and accrued liabilities are initially recorded at fair value and are subsequently recorded net of any provisions for impairment in value.

### 4. DEFERRED CONTRIBUTIONS

Deferred contributions are composed of the following:

	2018	2017
LesLois Shaw Foundation	\$ 43,500	\$ -
Ontario Trillium Foundation		
STEM Community Leaders (SCL) program	23,959	-
Community STEM Clubs (CSC) program	7,206	-
Weston Foundation	25,000	25,000
Amgen Canada	-	25,000
Other	<u>5,000</u>	<u>2,500</u>
	<u>\$ 104,665</u>	<u>\$ 52,500</u>

Continuity of deferred contributions for the year is as follows:

Deferred contributions, beginning of year	\$ 52,500	\$ 66,813
Add cash received from contributions in year	799,990	464,434
Less contribution revenue recognized in year (note 5)	<u>(747,825)</u>	<u>(478,747)</u>
Deferred contributions, end of year	<u>\$ 104,665</u>	<u>\$ 52,500</u>



# VISIONS OF SCIENCE NETWORK FOR LEARNING

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

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### 5. CONTRIBUTIONS

Contributions recognized as revenue in the year were from the following sources:

	2018	2017
<b>Government of Canada</b>		
The Natural Sciences and Engineering Research Council of Canada (NSERC)	\$ 37,000	\$ 32,000
Employment and Social Development Canada	-	15,794
<b>Municipal government</b>		
City of Toronto	-	10,000
Toronto Arts Council		
ArtReach Toronto Program	-	8,900
<b>Foundations and partnerships</b>		
Ontario Trillium Foundation		
Community STEM Clubs (CSC) program	194,694	54,033
STEM Community Leaders (SCL) program	39,241	-
Capital funding recognized	11,683	-
University of Toronto	67,365	11,375
LesLois Shaw Foundation	56,500	-
Toronto Community Housing Corporation	50,000	55,125
Toronto Pearson Airport	50,000	58,011
Counselling Foundation of Canada	36,000	40,000
RBC Foundation	30,000	-
Amgen Canada	25,000	25,000
Gerry Egan Children's Charity	25,000	-
Weston Foundation	25,000	25,000
E.W. Bickle Foundation	20,000	10,000
University of Toronto Mississauga	15,000	19,193
GalIn Foundation	10,000	10,000
Tippet Foundation	10,000	-
Toronto Foundation	8,940	50,600
Cadillac Fairview Corporation Limited	5,000	-
Catherine & Maxwell Meighen Foundation	5,000	5,000
Youth and Philanthropy Initiative Canada	5,000	-
Mozilla Foundation	-	5,000
Other	12,954	17,316
<b>Donations</b>		
Other	<u>8,448</u>	<u>26,400</u>
	<u>\$ 747,825</u>	<u>\$ 478,747</u>

# VISIONS OF SCIENCE NETWORK FOR LEARNING

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

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### 6. PROGRAM EXPENSES

The following are program expenses incurred in the year:

	2018	2017
Supplies and materials	\$ 41,342	\$ 33,352
Travel	20,783	14,047
Community development	13,355	7,693
Events	12,527	15,116
Workshops	8,794	4,724
Communications	7,237	6,744
Rent	6,291	3,222
Staff development	5,309	7,288
Program development	-	952
	<u>\$ 115,638</u>	<u>\$ 93,138</u>