
**VISIONS OF SCIENCE NETWORK
FOR LEARNING**

FINANCIAL STATEMENTS

DECEMBER 31, 2019

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, 2019, 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 Visions of Science Network for Learning as at December 31, 2019 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 qualified 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.

Pemylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

August 11, 2020
Toronto, Ontario

VISIONS OF SCIENCE NETWORK FOR LEARNING

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

	2019	2018
ASSETS		
Current assets		
Cash	\$ 264,512	\$ 185,876
Amounts receivable	45,070	5,308
HST rebate recoverable	13,843	16,893
Prepaid expenses	<u>6,409</u>	<u>5,785</u>
	329,834	213,862
Capital assets (note 2)	<u>34,952</u>	<u>58,317</u>
	<u>\$ 364,786</u>	<u>\$ 272,179</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 20,294	\$ 28,835
Deferred contributions (note 4)	<u>129,129</u>	<u>104,665</u>
	149,423	133,500
Deferred capital grants (note 5)	<u>34,952</u>	<u>58,317</u>
	<u>184,375</u>	<u>191,817</u>
Net assets		
Unrestricted	<u>180,411</u>	<u>80,362</u>
	<u>\$ 364,786</u>	<u>\$ 272,179</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, 2019

	2019	2018
REVENUE		
Contributions (note 5)	\$ 1,094,297	\$ 747,825
Events	71,217	45,226
Service fees	5,744	13,825
Interest and other	<u>1,372</u>	<u>184</u>
	<u>1,172,630</u>	<u>807,060</u>
EXPENSES		
Personnel	749,733	530,358
Program (note 6)	196,062	115,639
Fundraising	37,035	30,387
Occupancy	30,919	22,201
Professional fees	20,373	11,909
Office and general	10,991	5,646
Insurance	4,103	4,179
Amortization	<u>23,365</u>	<u>11,683</u>
	<u>1,072,581</u>	<u>732,002</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	100,049	75,058
Net assets, beginning of year	<u>80,362</u>	<u>5,304</u>
NET ASSETS, END OF YEAR	<u>\$ 180,411</u>	<u>\$ 80,362</u>

see accompanying notes

VISIONS OF SCIENCE NETWORK FOR LEARNING

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 100,049	\$ 75,058
Add back (deduct) non-cash items-		
Amortization of capital assets	23,365	11,683
Capital grant recognized	(23,365)	(11,683)
Net change in non-cash working capital items (see below)	<u>(21,413)</u>	<u>78,797</u>
NET INCREASE IN CASH FOR THE YEAR	78,636	153,855
Cash, beginning of year	<u>185,876</u>	<u>32,021</u>
CASH, END OF YEAR	<u>\$ 264,512</u>	<u>\$ 185,876</u>
Net change in non-cash working capital items:		
Decrease (increase) in current assets-		
Amounts receivable	\$ (39,761)	\$ 10,255
HST rebate recoverable	3,050	(6,356)
Prepaid expenses	(624)	77
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(8,542)	22,656
Deferred contributions	<u>24,464</u>	<u>52,165</u>
	<u>\$ (21,413)</u>	<u>\$ 78,797</u>

see accompanying notes

VISIONS OF SCIENCE NETWORK FOR LEARNING

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

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 year 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, 2019

2. CAPITAL ASSETS

Capital assets are as follows:

	Cost	Accumulated Amortization	2019 Net	2018 Net
Vehicle	<u>\$ 70,000</u>	<u>\$ (35,048)</u>	<u>\$ 34,952</u>	<u>\$ 58,317</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:

	2019	2018
LesLois Shaw Foundation	\$ 88,854	\$ 43,500
Weston Foundation	25,000	25,000
The Natural Sciences and Engineering Research Council of Canada (NSERC)	15,000	-
Ontario Trillium Foundation STEM Community Leaders (SCL) program	-	23,959
Community STEM Clubs (CSC) program	-	7,206
Other	<u>275</u>	<u>5,000</u>
	<u>\$ 129,129</u>	<u>\$ 104,665</u>

Continuity of deferred contributions for the year is as follows:

Deferred contributions, beginning of year	\$ 104,665	\$ 52,500
Add cash received from contributions in year	1,118,761	799,990
Less contribution revenue recognized in year (note 5)	<u>(1,094,297)</u>	<u>(747,825)</u>
Deferred contributions, end of year	<u>\$ 129,129</u>	<u>\$ 104,665</u>

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NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

5. CONTRIBUTIONS

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

	2019	2018
Government of Canada		
The Natural Sciences and Engineering Research Council of Canada (NSERC)	\$ 100,000	\$ 37,000
Employment and Social Development Canada	35,436	-
Foundations and partnerships		
Ontario Trillium Foundation		
Community STEM Clubs (CSC) program	214,806	194,694
STEM Community Leaders (SCL) program	112,959	39,241
Capital funding recognized	23,365	11,683
LesLois Shaw Foundation	104,646	56,500
Toronto Foundation	56,292	8,940
TD Bank	50,000	-
AMD ATI Technologies	42,676	-
Toronto Community Housing Corporation	41,000	50,000
Amgen Canada	35,000	25,000
RBC Foundation	30,000	30,000
Counselling Foundation of Canada	29,000	36,000
Gerry Egan Children's Charity	25,000	25,000
Toronto Pearson Airport	25,000	50,000
Weston Foundation	25,000	25,000
E.W. Bickle Foundation	20,000	20,000
University of Toronto Mississauga	20,000	15,000
Cority Software Inc.	17,730	-
Robert Kerr Foundation	10,000	-
McLean Foundation	10,000	-
Tippet Foundation	10,000	10,000
Cadillac Fairview Corporation Limited	5,000	5,000
Catherine & Maxwell Meighen Foundation	5,000	5,000
Secret Location Inc.	4,000	-
University of Toronto	3,828	67,365
Galín Foundation	-	10,000
Youth and Philanthropy Initiative Canada	-	5,000
Other	29,526	12,954
Donations		
Other	<u>9,033</u>	<u>8,448</u>
	<u>\$ 1,094,297</u>	<u>\$ 747,825</u>

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6. PROGRAM EXPENSES

The following are program expenses incurred in the year:

	2019	2018
Supplies and materials	\$ 97,701	\$ 41,343
Travel	27,276	20,783
Events	20,267	12,527
Staff development	14,568	5,309
Community development	12,674	13,355
Rent	9,232	6,291
Workshops	7,570	8,794
Communications	4,730	7,237
Program evaluation	<u>2,044</u>	<u>-</u>
	<u>\$ 196,062</u>	<u>\$ 115,639</u>

7. LEASE COMMITMENT

The organization leases office space in Toronto, Canada. Minimum lease payments over the term of the lease are as follows:

2020	\$ 47,200
2021	70,800
2022	70,800
2023	70,800
2024	47,200

8. SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. This presents uncertainty regarding the organization's future cash flows. The impact of social distancing may significantly impact the organization's future operations. An estimate of the financial impact of the pandemic on these financial statements is not practicable and therefore no adjustments related thereto have been made.