

Cyber-Seniors:Connecting Generations

Financial Statements

For the year ended December 31, 2022

Independent Auditor's Report

To the Board of Directors of Cyber-Seniors:Connecting Generations

Qualified Opinion

I have audited the financial statements of Cyber-Seniors:Connecting Generations ("the Organization") which comprise the statement of financial position as at December 31, 2022, and the statement of operations and changes in net assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my 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 December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Accounting Standards for Not-for-Profit Organizations (ASNPOs).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations and grants, the completeness of which is not susceptible to satisfactory audit verification. Accordingly my verification of these revenues was limited to the amounts recorded in the records of the Organization and I was not able to determine whether any adjustments might be necessary to donation or grants, excess of revenue over expenditures and cash flows from operations for the year ended December 31, 2022, current assets and net assets as at December 31, 2022.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 ASNPOs, 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

My 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 my 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located in the attached Appendix to the Auditor's Report. This description forms part of my auditor's report.

GTA Accounting Professional Corporation

Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario
Toronto, Canada
July 10, 2023

Appendix to the Auditor's Report

As part of an audit in accordance with CASs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

I 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 I identify during my audit.

Cyber-Seniors:Connecting Generations
Statement of Financial Position
As at December 31,

	2022	2021
Assets		
Current		
Cash	\$ 157,797	\$ 534,155
Accounts receivable	-	571
Prepaid expenses	9,417	-
HST recoverable	7,082	4,120
Due from related party (Note 3)	9,961	25,223
	184,257	564,069
Website (Note 4)	172,815	148,629
	357,072	712,698
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 5)	58,863	73,614
Source deductions payable	-	24,621
Deferred contributions (Note 6)	-	382,434
	58,863	480,669
Long term loan (Note 7)	40,000	40,000
	98,863	520,669
Net assets	258,209	192,029
	\$ 357,072	\$ 712,698

Contingent liability (Note 9)

APPROVED ON BEHALF OF THE BOARD:


 _____, Director

Cyber-Seniors:Connecting Generations
Statement of Operations and Changes in Net Assets
For the year ended December 31,

	2022	2021
Revenue	\$1,250,235	\$ 937,701
Expenses		
Advertising and promotion	24,628	14,852
Consultants	351,215	71,434
Contractors	74,764	295,654
Fiscal sponsorship fees	-	36,475
Insurance	1,209	1,188
Interest and bank charges	2,670	8,288
In-kind volunteer hours (Note 8)	63,500	-
Office and general	49,278	48,921
Professional fees	21,383	8,206
Programs and food	560,154	349,966
Travel	2,235	348
Amortization (Note 4)	27,143	21,448
	1,178,179	856,780
Earnings before foreign exchange loss	72,056	80,921
Foreign exchange loss	5,876	3,780
Excess of revenue over expenditures for the year	66,180	77,141
Net assets, beginning of year	192,029	114,888
Net assets, end of year	\$ 258,209	\$ 192,029

Cyber-Seniors:Connecting Generations
Statement of Cash Flows
For the year ended December 31,

	2022	2021
Cash provided by (used in)		
Operations		
Excess of revenue over expenditures for the year	\$ 66,180	\$ 77,141
Items not affecting cash		
Amortization	27,143	21,448
	93,323	98,589
Net changes in non-cash working capital		
Accounts receivable	571	5,257
Prepaid expenses	(9,417)	35,355
HST recoverable	(2,962)	-
Accounts payable and accrued liabilities	(14,751)	28,503
Source deduction payable	(24,621)	14,549
Deferred contributions	(382,434)	(25,223)
Due from related party	15,262	287,939
	(325,029)	444,969
Investing		
Website development costs (Note 4)	(51,329)	(19,862)
Net change in cash	(376,358)	425,107
Cash, beginning of year	534,155	109,048
Cash, end of year	\$ 157,797	\$ 534,155

Cyber-Seniors:Connecting Generations
Notes to the Financial Statements
For the year ended December 31, 2022

1. NATURE OF THE ORGANIZATION

Cyber-Seniors:Connecting Generations ("the Organization") was incorporated by Ontario Letters Patent without share capital on December 19, 2014 under the Canada Not-for-profit Corporations Act. The Organization is exempt from income taxes under the Income Tax Act.

Cyber-Seniors:Connecting Generations is a non-profit organization that provides senior citizens with technology training using an intergenerational, volunteer model. Programs are offered through young digital mentors who help senior citizens gain access to effective technology training and to become socially connected and engaged to evolving technology trends.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for the Organization.

Revenue Recognition

The Organization uses the deferral method of accounting for donations. Restricted donations are deferred and recognized into revenue when related expenses are incurred. Government grants are recorded when there is a reasonable assurance that the Organization has complied with and will continue to comply with all the necessary conditions of the grant. Training fees are recognized as revenue when related services are completed.

All other revenues are recognized on the accrual basis.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates used in preparing its financial statements are reasonable and prudent. Actual results could differ from those estimates.

Significant areas requiring the use of management estimates relate to amortization of capital assets.

Cyber-Seniors:Connecting Generations
Notes to the Financial Statements
For the year ended December 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Website

Website costs are recorded at cost less accumulated amortization. When website additions no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

The Organization amortizes its website on the straight-line method.

Financial Instruments

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

The Organization subsequently measures its financial assets and financial liabilities at amortized cost using the straight-line method.

Financial assets measured at amortized cost include accounts receivable. Financial liabilities measured at amortized cost include accounts payable, accrued liabilities and long term loans.

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in excess of expenses over revenue. Reversals of impairment are recorded to the extent that the value has increased, up to the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of expenses over revenue.

The Organization is exposed to various risks in the course of operations.

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, and long term loan.

The Organization's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is

Cyber-Seniors:Connecting Generations
Notes to the Financial Statements
For the year ended December 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

exposed to credit risk on its accounts receivables. It attempts to mitigate these risks by reviewing receivables regularly with customers and obtaining advanced payments and deposits in some situations.

Currency risk is the risk that arises from fluctuations in foreign exchanges rates. The Organization is exposed to currency risk with respect to cash denominated in U.S dollars \$88,426 (2021 - \$277,063).

Donated Services

Volunteers have donated time and services to assist the Organization in the delivery of activities.

3. DUE FROM RELATED PARTY

Due from related party consists of amounts owed from Cyber-Seniors U.S., a common management not-for-profit organization located in the United States. Related party amounts represents funding received by the Organization on behalf of the US entity and cost reimbursements owed to the Organization for services performed by the Organization on behalf of the the US entity. Management regularly assesses impairment whenever events indicate that the carrying value exceeds the realizable value. Management has asserted that no such events exist for 2022.

4. WEBSITE

	Accumulated Cost	Amortization	2022 Net Book Value	2021 Net Book Value
Website	\$ 262,677	\$ 89,862	\$172,815	\$ 148,629

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are the amounts payable in respect to government remittances of \$Nil (2021 - \$Nil).

Cyber-Seniors:Connecting Generations
Notes to the Financial Statements
For the year ended December 31, 2022

6. DEFERRED CONTRIBUTIONS

Deferred contributions reported in 2021 consisted of unspent grant revenue from the Best Buy National Partner Grant (\$30,807), the Best Buy Blue Gives Back (\$249,554), and the Public Health Agency of Canada Dementia Awareness Program (\$102,073). Contributions are recorded as revenue when the related expenses are recognized. Management has asserted no deferred contributions exist for 2022.

	2022	2021
Balance, beginning of year	\$ 382,434	\$ 94,492
Contributions received during the year	303,426	996,198
Contributions expensed during the year	(685,860)	(708,256)
Balance, end of year	\$ -	\$382,434

7. LONG TERM LOAN

During 2020, the Organization obtained a \$40,000 loan through the Canada Emergency Business Account. The loan is non-interest bearing until December 31, 2023. Repayment of \$30,000 on the outstanding balance on or before this date will result in loan forgiveness of \$10,000 (25%). If not fully repaid by December 31, 2023, the loan will be converted into a new loan with the Organization's financial institution with an annual fixed interest rate of 5%, beginning January 1, 2024. Interest payment frequency and length of the loan will be determined by the financial institution.

8. DONATED SERVICES

Volunteers have donated time and services to assist the Organization in the delivery of activities. The services these volunteers have provided require specialized skills that would otherwise require the Organization to hire these specialized skilled individuals. During 2022, the Organization had a total of 2,326 volunteers hours at a rate of \$27.30 for a total value of \$63,500.

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Notes to the Financial Statements
For the year ended December 31, 2022

9. CONTINGENT LIABILITY

The Organization is contingently liable to return all or a portion of grants received for expenditures should it not use the grant funds as set out in the terms of the respective agreements. The amount of any such losses or repayments are not currently anticipated or determinable. In the event of repayment of a grant, the losses will be recorded if and when it becomes anticipated and determinable.

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation. Excess of revenue over expenses reported previously has not been affected by this reclassification.