
FINANCIAL STATEMENTS

SMILE CANADA - SUPPORT SERVICES

June 30, 2022

SMILE CANADA - SUPPORT SERVICES

FINANCIAL STATEMENTS

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CHARTERED
PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Directors of
SMILE Canada - Support Services

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **SMILE Canada - Support Services**, which comprise the statement of financial position as at June 30, 2022, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2022, 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.

We do not express an opinion on the accompanying financial statements of SMILE Canada - Support Services. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for 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 June 30, 2022 and 2021, current assets as at June 30, 2022 and 2021, and net assets as at July 1 and June 30 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended June 30, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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

INDEPENDENT AUDITOR'S REPORT (continued)

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. 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.

INDEPENDENT AUDITOR'S REPORT (continued)

- ♦ 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.
- ♦ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

CQK LLP

Mississauga, Ontario
December 30, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

SMILE CANADA - SUPPORT SERVICES

STATEMENT OF FINANCIAL POSITION

As at June 30	2022	2021
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Assets

Current		
Cash	\$ 172,176	\$ 155,852
Accounts receivable	2,060	-
Prepaid and deposits	1,424	3,142
HST rebate receivable	4,373	1,641
Restricted cash (note 3)	210,404	273,297
	\$ 390,437	\$ 433,932

Liabilities and fund balances

Current		
Accounts payable and accrued liabilities (note 4)	\$ 227,575	\$ 152,304
Deferred contributions (note 5)	-	4,028
Deferred grant (note 6)	10,404	119,838
	237,979	276,170
Net Assets	152,458	157,762
	\$ 390,437	\$ 433,932

See accompanying notes to financial statements

Approved:

Director: 

Director: 

SMILE CANADA - SUPPORT SERVICES

STATEMENT OF CHANGES IN NET ASSETS

Year ended June 30	2022	2021
Balance, beginning of year	\$ 157,762	\$ 170,518
Deficiency of revenues over expenditures	(5,304)	(12,756)
Balance, end of year	\$ 152,458	\$ 157,762

See accompanying notes to financial statements

SMILE CANADA - SUPPORT SERVICES

STATEMENT OF OPERATIONS

Year ended June 30	2022	2021
Revenues		
Contributions	\$ 288,426	\$ 187,705
Grants (Note 8)	211,747	60,437
Non- receipted donations from charities	110,048	-
Contributions - Zakat	92,132	254,099
Other Revenue	6,990	10,568
	709,343	512,809
Expenditures		
Family support services (Note 7)	607,368	484,823
Office general and administrative expenses	60,798	23,109
Fundraising costs	40,956	14,322
Professional fees	5,197	2,500
Bank charges	328	811
	714,647	525,565
Deficiency of revenues over expenditures	\$ (5,304)	\$ (12,756)

See accompanying notes to financial statements

SMILE CANADA - SUPPORT SERVICES

STATEMENT OF CASH FLOWS

Year ended June 30	2022	2021
Cash flows provided by (used in):		
Operating		
Deficiency of revenues over expenditures	\$ (5,304)	\$ (12,756)
Change in non-cash working capital items		
Accounts receivable	(2,060)	1,150
Prepaid and deposits	1,718	(1,285)
HST rebate receivable	(2,082)	(499)
Accounts payable and accrued liabilities	74,621	129,095
Deferred contributions	(4,028)	(52,953)
Deferred grant	(109,434)	58,859
(Decrease) increase in cash	(46,569)	121,611
Cash, beginning of year	429,149	307,538
Cash, end of year	\$ 382,580	\$ 429,149
Cash consists of:		
Cash	\$ 172,176	\$ 155,852
Restricted cash	210,404	273,297
	\$ 382,580	\$ 429,149

See accompanying notes to financial statements

SMILE CANADA - SUPPORT SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

1. Nature of operations

SMILE Canada - Support Services ("Organization") is a not-for-profit organization registered without share capital under the laws of the province of Ontario dedicated to supporting individuals and families within communities in Canada from impacts of physical, intellectual or other limitations as the result of disability or disease. The Organization was registered on August 06, 2008. The organization received its charity status in July 1, 2018.

The head office, principal address and registered and records office of the Organization is located at 904 Cobb Court, Mississauga, Ontario L5V 1X8.

2. Significant accounting policies

The Organization applies the Canadian accounting standards for not-for-profit organizations.

(a) Cash

The Organization discloses bank balances under cash.

(b) Revenue recognition

The Organization follows the deferred method of accounting for contributions and grants. Under this method, restricted contributions and grants are deferred and recognized as revenue when expenses are incurred. Unrestricted contributions and grants are recognized as received or receivable if the amount to be received is reasonably estimable and collection is reasonably assured. Goods and services tax rebates are recognized when receivable if reasonable assurance of recovery of these rebates exist.

(c) 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 reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant

(d) Allocated expenses

The Organization engages in direct family support services, events, education and awareness. The costs of family support services may include the cost of personnel, premises and other expenses that are directly related to each service or event and are allocated to such service or event. The Organization also incurs a number of general support expenses that are common to the administration of the Organization. Accordingly, such expenses are not allocated to services and events.

(e) Volunteer services

The work of the Organization is accomplished by a significant contribution of voluntary services. The organization does not record the value of volunteer services. These services are received gratuitously and therefore no value has been included in these financial statements as the fair value is not determinable.

SMILE CANADA - SUPPORT SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

2. Significant accounting policies (continued)

(f) Income taxes

The Organization is exempt from paying any corporate income taxes.

3. Restricted cash

Restricted cash represents funds allocated for specific expenditures for deferred contributions, deferred grants and scholarship commitments.

	2022	2021
Deferred contributions	\$ -	\$ 193,247
Deferred grant	10,404	60,979
Scholarship liability	200,000	19,071
	\$ 210,404	\$ 273,297

4. Accounts payable and accrued liabilities

	2022	2021
Scholarship liability	\$ 200,000	\$ 146,931
Accounts payables	5,698	5,373
Payroll and related liabilities	21,877	-
	\$ 227,575	\$ 152,304

5. Deferred contributions

During the year, the Organization has recognized the zakat contributions:

	2022	2021
Opening balance	\$ 4,028	\$ (36,381)
Contributions utilized during the year	(92,132)	(46,994)
Contributions received during the year	88,104	87,403
	\$ -	\$ 4,028

Deferred contributions include funds received for specific uses for which the related expenditures have not been incurred.

SMILE CANADA - SUPPORT SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

6. Deferred grant

	2022	2021
Beginning of year	\$ 119,838	\$ 60,979
Net grants deferred during the year	(109,434)	58,859
End of year	\$ 10,404	\$ 119,838

Deferred grants include funds received for specific uses for which the related expenditures have not been incurred

7. Family Support Services

The following is the breakdown of family support services:

	2022	2021
Assessment Program and Service Navigation wages	\$ 227,767	\$ 163,561
Scholarships	294,492	252,948
Parent coaching therapy	14,329	14,539
Grant expenses	47,802	33,725
Emergency relief funds	14,704	12,572
Parent and Youth events	6,857	3,766
Group therapy programs	44	2,541
Other family support expense	1,372	1,071
	\$ 607,367	\$ 484,723

8. Grants

During the year, The Organization has recognized the following grants:

	2022	2021
Penny appeal grant - caregiver and respite	\$ 34,800	\$ -
Canada wage subsidy for summer students	24,204	11,896
Virtual respite mentorship program - United Way	27,275	21,675
Human Concern International	92,563	10,916
United Way - winter tool kit	9,500	11,950
Canadian Tire jump start	8,809	-
Canada post grant	14,596	-
Fundraising manager	-	4,000
	\$ 211,747	\$ 60,437

SMILE CANADA - SUPPORT SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

9. Financial instruments

(a) Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and various deferred obligations.

(b) Credit risk

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.

10. Covid-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Organization's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Organization's operations.

The extent of the impact of this outbreak and related containment measures on the Organization's operations has not been significant. .