
Financial Statements

SMILE CANADA - SUPPORT SERVICES

June 30, 2021

SMILE CANADA - SUPPORT SERVICES

FINANCIAL STATEMENTS

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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, 2021, 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 SMILE Canada - Support Services as at June 30, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

INDEPENDENT AUDITOR'S REPORT (continued)

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.

INDEPENDENT AUDITOR'S REPORT (continued)

- ♦ 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.

CQK Chartered Accountants LLP

Mississauga, Ontario
December 10, 2021

CHARTERED ACCOUNTANTS
Licensed Public Accountants

SMILE CANADA - SUPPORT SERVICES

STATEMENT OF FINANCIAL POSITION

As at June 30	2021	2020
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Assets

Current		
Cash	\$ 155,852	\$ 170,507
Restricted cash (note 3)	273,297	137,031
Accounts receivable	-	1,150
Prepaid and deposits	3,142	1,857
HST rebate receivable	1,641	1,142
	\$ 433,932	\$ 311,687

Liabilities and fund balances

Current		
Accounts payable and accrued liabilities (note 4)	\$ 152,304	\$ 23,209
Deferred contributions (note 5)	4,028	56,981
Deferred grant (note 6)	119,838	60,979
	276,170	141,169
Net Assets	157,762	170,518
	\$ 433,932	\$ 311,687

See accompanying notes to ^financial statements

Approved:

Director: _____

Director: _____

SMILE CANADA - SUPPORT SERVICES

STATEMENT OF CHANGES IN NET ASSETS

Year ended June 30	2021	2020
Balance, beginning of year	\$ 170,518	\$ 126,934
(Deficiency) excess of revenues over expenditures	(12,756)	43,584
Balance, end of year	\$ 157,762	\$ 170,518

See accompanying notes to ^financial statements

SMILE CANADA - SUPPORT SERVICES

STATEMENT OF OPERATIONS

Year ended June 30	2021	2020
Revenues		
Contributions - Zakat	\$ 254,099	\$ 46,994
Contributions	187,705	133,715
Grants (Note 9)	60,437	12,194
Events fundraising revenue	10,568	24,423
	512,809	217,326
Expenditures		
Family support services (Note 7)	484,823	125,930
Office general and administrative expenses	23,109	23,290
Fundraising event costs	14,322	21,244
Professional fees	2,500	2,500
Bank charges	811	778
	525,565	173,742
(Deficiency) excess of revenues over expenditures	\$ (12,756)	\$ 43,584

See accompanying notes to ^financial statements

SMILE CANADA - SUPPORT SERVICES

STATEMENT OF CASH FLOWS

Year ended June 30	2021	2020
Cash flows provided by (used in):		
Operating		
(Deficiency) excess of revenues over expenditures	\$ (12,756)	\$ 43,584
Change in non-cash working capital items		
Accounts receivable	1,150	52
Prepaid and deposits	(1,285)	(812)
HST rebate receivable	(499)	(1,142)
Accounts payable and accrued liabilities	129,095	20,089
Deferred contributions	(52,953)	40,409
Deferred grant	58,859	56,479
Increase in cash	121,611	158,659
Cash, beginning of year	307,538	148,879
Cash, end of year	\$ 429,149	\$ 307,538
Cash consists of:		
Cash	\$ 155,852	\$ 170,507
Restricted cash	273,297	137,031
	\$ 429,149	\$ 307,538

See accompanying notes to ^financial statements

SMILE CANADA - SUPPORT SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

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, 2021

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.

	2021	2020
Deferred contributions	\$ 193,247	\$ 132,531
Deferred grant	60,979	4,500
Deferred scholarships	19,071	-
	\$ 273,297	\$ 137,031

4. Accounts payable and accrued liabilities

	2021	2020
Scholarship liability	\$ 146,931	\$ 19,071
Accounts payables	5,373	4,138
	\$ 152,304	\$ 23,209

5. Deferred contributions

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

	2021	2020
Opening balance	\$ (52,953)	\$ 40,409
Contributions utilized during the year	16,572	36,482
Contributions received during the year	(46,994)	(19,910)
	87,403	-
	\$ 4,028	\$ 56,981

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, 2021

6. Deferred grant

	2021	2020
Beginning of year	\$ 60,979	\$ 4,500
Net grants deferred during the year	58,859	56,479
End of year	\$ 119,838	\$ 60,979

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:

	2021	2020
Assessment Program and Service Navigation	\$ 163,561	\$ 63,511
Scholarships	252,948	41,157
Parent coaching therapy	14,539	-
Covid expenses	33,725	8,053
Emergency relief funds	12,572	6,732
Parent and Youth events	3,766	1,179
Group therapy programs	2,541	5,060
Other family support expense	1,071	238
	\$ 484,723	\$ 125,930

8. Grants

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

	2021	2020
United Way - winter toolkit	\$ 11,950	\$ -
Youth life skills program	-	1,561
Canada wage subsidy for summer students	11,896	6,258
Fundraising manager	4,000	4,375
Virtual respite mentorship program UW	21,675	-
HCI	10,916	-
	\$ 60,437	\$ 12,194

9. Financial instruments

(a) 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.

SMILE CANADA - SUPPORT SERVICES

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

9. Financial instruments (continued)

(b) 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.

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 cannot be reliably estimated at this time.