

**Cyber-Seniors:
Connecting Generations
Financial Statements**
December 31, 2016

Cyber-Seniors:Connecting Generations

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For the year ended December 31, 2016

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Independent Auditors' Report

To the Directors of Cyber-Seniors:Connecting Generations:

We have audited the accompanying financial statements of Cyber-Seniors:Connecting Generations, which comprise the statement of financial position as at December 31, 2016, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cyber-Seniors:Connecting Generations as at December 31, 2016 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

The financial statements of Cyber-Seniors: Connecting Generations for the year ended December 31, 2015 have been neither audited nor reviewed.

Mississauga, Ontario

August 17, 2017

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP

Cyber-Seniors:Connecting Generations
Statement of Financial Position

As at December 31, 2016

	2016	2015 <i>(Unaudited)</i>
Assets		
Current		
Cash	13,504	76,647
Accounts receivable	99,407	30,900
	112,911	107,547
Advances to related party (Note 3)	2,284	-
	115,195	107,547
Liabilities		
Current		
Accounts payable and accrued liabilities	13,886	3,847
	13,886	3,847
Amounts owing to Unik Consulting (Note 4)	58,752	33,702
Advances from related parties (Note 5)	146,970	133,340
	219,608	170,889
Commitments (Note 6)		
Net Assets		
Unrestricted	(104,413)	(63,342)
	115,195	107,547

Approved on behalf of the Board

 Director

Cyber-Seniors:Connecting Generations

Statement of Operations

For the year ended December 31, 2016

	2016	2015 (Unaudited)
Revenue (Note 2), (Note 7)	375,887	174,790
Expenses		
Sub-contracted services	154,233	82,229
Salaries and benefits	70,414	78,076
Licences and fees	63,140	30,199
Rental (Note 5)	51,381	38,796
Professional fees	19,450	12,275
Advertising and promotion	13,540	8,804
Travel	12,533	12,582
Office	9,922	3,657
Foreign exchange loss (gain)	7,843	(33,413)
Telephone and internet	6,555	2,713
Insurance	5,771	-
Bank charges and interest	2,176	2,214
	416,958	238,132
Deficiency of revenue over expenses	(41,071)	(63,342)

The accompanying notes are an integral part of these financial statements

Cyber-Seniors:Connecting Generations
Statement of Changes in Net Assets
For the year ended December 31, 2016

	2016	2015 <i>(Unaudited)</i>
Net assets, beginning of year	(63,342)	-
Deficiency of revenue over expenses	(41,071)	(63,342)
Net assets, end of year	(104,413)	(63,342)

The accompanying notes are an integral part of these financial statements

Cyber-Seniors:Connecting Generations

Statement of Cash Flows

For the year ended December 31, 2016

	2016	2015 <i>(Unaudited)</i>
Cash used for the following activities		
Operating		
Grants received	307,380	143,890
Cash paid to suppliers and employees	(406,919)	(234,285)
	(99,539)	(90,395)
Financing		
Advances from The Best Part Inc.	13,630	133,340
Advances from Unik Consulting	25,050	33,702
Advances to Returning Citizens	(2,284)	-
	36,396	167,042
(Decrease) increase in cash	(63,143)	76,647
Cash, beginning of year	76,647	-
Cash, end of year	13,504	76,647

The accompanying notes are an integral part of these financial statements

Cyber-Seniors:Connecting Generations

Notes to the Financial Statements

For the year ended December 31, 2016

1. Incorporation and nature of the organization

Cyber-Seniors:Connecting Generations (the "Organization") was incorporated on December 19, 2014 as a not-for-profit organization under the Canada Not-for-profit Corporations Act. The Organization's mandate is to promote digital inclusion for older adults by establishing technology training programs and engaging youth to act as mentors for the training programs. The Organization is registered as a not-for-profit organization under the Income Tax Act (Canada), and as such, is exempt from income taxes.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Financial instruments

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all financial assets and liabilities at amortized cost. Financial assets measured at amortized cost include cash, accounts receivable and advances to related party. Financial liabilities measured at amortized cost includes accounts payable and accrued liabilities and advances from related party.

Financial asset impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent the improvement, directly or by adjusting the allowance account, provided it is greater than 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 the statement of operations.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Unrestricted grants are recognized as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

Foreign currency translation

These financial statements have been presented in Canadian dollars, the principal currency of the Organization's operations.

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and monetary liabilities reflect the exchange rates at the statement of financial position date. Gains and losses on translation or settlement are included in the determination of excess (deficiency) of revenues over expenses for the current period.

3. Advances to related party

During the year, expenses amounting to \$2,284 were paid by CyberSeniors on the behalf of Returning Citizens. No terms of repayment have been established as of December 31, 2016.

Cyber-Seniors:Connecting Generations

Notes to the Financial Statements

For the year ended December 31, 2016

4. Amounts owing to Unik Consulting

The amounts owing to Unik Consulting are resulting from consulting services provided to CyberSeniors by Unik Consulting. An agreement has been reached in which 5% of any grant revenues over and above \$10,000 USD received by CyberSeniors will go to the repayment of the amount owed to Unik Consulting. The loaned amount is unsecured, non-interest bearing and due on demand. A waiver of demand has been received from Unik Consulting which allows for the amount to be classified as long-term.

5. Related party balances and transactions

	2016	2015 <i>(Unaudited)</i>
Advances from The Best Part Inc.	146,970	133,340

The Organization obtained a waiver from The Best Part Inc. as at December 31, 2016 waiving their right to demand immediate repayment for the next twelve months. As such, the balance outstanding has been presented as long-term.

The Best Part Inc. is owned by the President of the Organization, Brenda Rusnak.

During the year, the Organization leased office space from The Best Part Inc. for \$28,781. The transaction was recorded at the exchanged amount in the sublet agreement between the Organization and The Best Part Inc. The lease has expired and a new lease was signed with Centre for Social Innovation (Note 5) which is an unrelated organization.

6. Commitments

Subsequent to the year ended December 31, 2016, the Organization entered into a lease agreement with Centre for Social Innovation for office space at 720 Bathurst Street in Toronto.

The Organization has minimum annual payments as follows:

2017	8,400
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The Organization occupies leased premises subject to minimum monthly rent of \$1,400 until October 31, 2017.

7. Economic dependence

The Organization's primary source of revenue is industry grant funding. The Organization's ability to continue viable operations is dependent upon securing industry grant funding. As of the year-end, two funding sources make up 82% of the total revenues of the Organization.