

**East York Learning Experience
Financial Statements
March 31, 2017**

Independent Auditors' Report

**To the members of
East York Learning Experience:**

We have audited the accompanying financial statements of **East York Learning Experience**, which comprise the statement of financial position as at March 31, 2017, the statement of operations and net assets and cash flow statement 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.

Auditor's 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 auditor's 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 **East York Learning Experience** as at March 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

CW Partners LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario
June 13, 2017

**East York Learning Experience
Statement of Financial Position
March 31, 2017**

	<u>2017</u>	<u>2016</u>
Assets		
Current		
Cash	\$ 47,854	\$ 38,248
Accounts receivable	3,641	1,137
Goods and services tax recoverable (note 2)	831	2,164
Grant receivable	4,487	4,954
Prepays	<u>1,055</u>	<u>1,049</u>
	<u>\$ 57,868</u>	<u>\$ 47,552</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (note 5)	\$ 12,908	\$ 8,207
Deferred revenue and grants	<u>-</u>	<u>970</u>
	12,908	9,177
Net Assets	<u>44,960</u>	<u>38,375</u>
	<u>\$ 57,868</u>	<u>\$ 47,552</u>

Alan Ken

Director

David P. Kelly

Director

See accompanying notes to the financial statements

**East York Learning Experience
Statement of Operations and Net Assets
Year Ended March 31, 2017**

	<u>2017</u>	<u>2016</u>
Revenue		
Grants and donations expended (see schedule)	\$ <u>157,239</u>	\$ <u>144,680</u>
Expenses		
Salaries	\$ 112,493	\$ 105,040
Rent, maintenance and leaseholds	10,909	11,133
Employee benefits	9,065	9,604
Professional fees	5,004	5,004
Program and office supplies	4,665	3,896
Child care	1,820	1,080
Transportation	1,755	1,422
Insurance	1,690	1,632
Non-recoverable portion of goods and services taxes (note 2)	889	866
Printing	556	-
Workers compensation	404	381
Professional development	379	454
Telephone	243	442
Purchase of property, plant and equipment	242	328
Bank charges	149	163
Volunteer recognition	120	200
Delivery	119	255
Miscellaneous	79	58
Fundraising	43	1,862
Education and training resources	33	-
	<u>150,657</u>	<u>143,820</u>
Other revenue		
Interest	<u>3</u>	<u>4</u>
Excess of revenue over expenditures	6,585	864
Net assets, beginning of year	<u>38,375</u>	<u>37,511</u>
Net assets, end of year	<u>\$ 44,960</u>	<u>\$ 38,375</u>

See accompanying notes to the financial statements

**East York Learning Experience
Schedule of Grants and Donations
Year Ended March 31, 2017**

	<u>Revenue in 2017</u>	<u>Revenue in 2016</u>
Ministry of Advanced Education and Skills Development	\$ 100,142	\$ 99,324
Miscellaneous donations	22,011	4,917
City of Toronto	19,351	18,167
Fundraising events	12,733	12,732
Human Resources and Skills Development Canada	3,002	3,914
Foundations	<u>-</u>	<u>5,626</u>
	<u>\$ 157,239</u>	<u>\$ 144,680</u>

See accompanying notes to the financial statements

**East York Learning Experience
Cash Flow Statement
Year Ended March 31, 2017**

	<u>2017</u>	<u>2016</u>
Cash, beginning of year	\$ 38,248	\$ 39,618
Cash receipts		
Grants	121,992	119,753
Donations	22,011	10,543
Fundraising	10,229	12,626
Interest	<u>3</u>	<u>4</u>
	<u>154,235</u>	<u>142,926</u>
Cash disbursements		
Salaries and administration	144,387	143,968
Purchase of property, plant and equipment	<u>242</u>	<u>328</u>
	<u>144,629</u>	<u>144,296</u>
Cash, end of year	\$ <u>47,854</u>	\$ <u>38,248</u>

See accompanying notes to the financial statements

**East York Learning Experience
Notes to the Financial Statements
Year Ended March 31, 2017**

Organization and incorporation

East York Learning Experience (the "organization") commenced funded operations as a not-for-profit unincorporated entity during April 1987. On April 29, 1988 the organization obtained its letters of patent under the Corporations Act (Ontario), constituting a corporation without share capital. Subsequently, the organization received registration as a charitable organization for tax purposes on July 8, 1988.

The organization's mission is to deliver adult literacy, numeracy and computer skills programs which will transform lives and enhance self-worth by empowering individuals to reach their full potential.

1. Accounting policies

The financial statements were prepared in accordance with Accounting Standards for Not-for-Profit Organizations (ASNPO):

Use of estimates

The preparation of these financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and the reported amounts of revenues and expenses during the current year. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. The main estimate relates to the allocation of deferred revenue and grants.

Revenue recognition

The organization follows the deferral method of accounting for grants and donations. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred, otherwise they are deferred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. In addition, the organization occasionally receives grants for funding periods that include those beyond the fiscal period end date. Accordingly, only that portion of grants which have been expended in the current period are recognized as revenue, otherwise they are deferred.

Cash

Cash consists of current operating bank accounts. The organization has no restrictions on these accounts.

Property, plant and equipment

The cost of property, plant and equipment is expensed in the period of purchase.

**East York Learning Experience
Notes to the Financial Statements
Year Ended March 31, 2017**

1. Accounting policies (continued)

Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions, that are measured at the carrying amount or exchange amount, as appropriate.

The organization subsequently measures its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and grant receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indications of impairment. The amount of any write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement of value, provided it is no 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 net income.

2. Goods and services tax

As a charitable organization, East York Learning Experience is eligible for a rebate of a fixed percentage of the goods and services tax paid on purchases. The current rebate factors are 50% for the federal portion and 82% for the provincial portion.

3. Income taxes

The organization is a registered charity within the meaning of the Income Tax Act (Canada) and is not subject to either federal or provincial income taxes.

4. Donated services

During the period, various services and items have been donated in kind to the organization for fundraising events. The value of these services and items have not been reflected in these financial statements.

**East York Learning Experience
Notes to the Financial Statements
Year Ended March 31, 2017**

5. Accounts payable and accrued liabilities

	<u>2017</u>	<u>2016</u>
Trade and accrued liabilities	\$ 10,525	\$ 5,911
Government remittances	<u>2,383</u>	<u>2,296</u>
	<u>\$ 12,908</u>	<u>\$ 8,207</u>

6. Lease commitment

The future minimum premise lease payments over the next three years are as follows:

2018	\$ 12,869
2019	12,971
2020	<u>6,514</u>
	<u>\$ 32,354</u>

7. Financial instruments

Risks and concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at March 31, 2017.

Liquidity risk

Liquidity risk is the risk that an 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. The organization has a comprehensive plan in place to meet its obligations as they come due – primarily through the use of cash flow from operations.

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. The organization's main credit risks relate to its accounts receivable and grant receivable. The organization is not exposed to such risk as the receivables are due from federal, provincial and municipal governments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is not exposed to such risks.

**East York Learning Experience
Notes to the Financial Statements
Year Ended March 31, 2017**

7. Financial instruments (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization is not exposed to such risk as it does not transact in a foreign currency and it does not hold any assets that are exposed to foreign exchange fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is not exposed to such risk as it has no financial instruments that will be impacted by fluctuation in market interest rates.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is not exposed to other price risk.
