East York Learning Experience

Financial Statements

March 31, 2015

CW Partners LLP

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, 2015, 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, 2015, 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
May 27, 2015

East York Learning Experience
Statement of Financial Position
March 31, 2015

	2015	2014
Assets		
Current		
Cash	$ 39,618	$ 37,583
Accounts receivable	1,031	493
Goods and services tax recoverable (note 3)	2,065	2,093
Grant receivable	3,302	4,526
Prepaids	1,039	1,139
	$ 47,055	$ 45,834
Liabilities		
Current		
Accounts payable and accruals (note 6)	$ 8,576	$ 8,964
Deferred revenue and grants	968	967
	9,544	9,931
Net Assets	37,511	35,903
	$ 47,055	$ 45,834

_________________ Director _________________ Director

See accompanying notes to the financial statements

East York Learning Experience
Statement of Operations and Net Assets
Year Ended March 31, 2015

	2015	2014
Revenue		
Grants and donations expended (see schedule)	$ 139,692	$ 140,445
Expenses		
Salaries	103,993	106,487
Rent, maintenance and leaseholds	10,601	10,311
Employee benefits	6,890	7,469
Professional fees	5,000	3,996
Program and office supplies	4,768	5,233
Insurance	1,687	1,940
Transportation	986	714
Non-recoverable portion of goods and services taxes (note 3)	886	1,005
Fundraising	856	512
Workers compensation	455	381
Telephone	446	719
Child care	300	120
Professional development	289	270
Bank charges	285	149
Purchase of property, plant and equipment	269	1,834
Volunteer recognition	142	74
Printing	120	15
Delivery	99	160
Miscellaneous	26	233
	138,098	141,622
Other revenue		
Interest	14	22
Excess of revenue over expenditures (expenditures over revenue)	1,608	(1,155)
Net assets, beginning of year	35,903	37,058
Net assets, end of year	$ 37,511	$ 35,903

East York Learning Experience
Schedule of Grants and Donations
Year Ended March 31, 2015

	Revenue in 2015	Revenue in 2014
Ministry of Training, Colleges and Universities	**$ 98,219**	$ 100,223
City of Toronto	**16,526**	20,247
Fundraising events	**15,256**	8,345
Miscellaneous donations	**4,253**	6,920
Human Resources Development Canada	**3,913**	3,645
Foundations	**1,525**	1,065
	$ 139,692	$ 140,445

East York Learning Experience
Statement of Cash Flows
Year Ended March 31, 2015

	2015	2014
Cash, beginning of year	$ 37,583	$ 38,234
Cash receipts		
Grants	119,882	122,359
Fundraising	14,718	7,852
Donations	5,778	7,985
Interest	14	22
	140,392	138,218
Cash disbursements		
Salaries and administration	138,088	137,035
Purchase of property, plant and equipment	269	1,834
	138,357	138,869
Cash, end of year	$ 39,618	$ 37,583

1. Organization and incorporation

East York Learning Experience (the "organization") commenced funded operations as a non-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. In January 2012, the organization changed its fiscal period end from December 31 to March 31.

The mission of the organization is to assist adults seeking to improve their personal and working lives through programs in literacy and basic math and computer skills.

2. Significant accounting policies

The financial statements were prepared in accordance with Accounting Standards for Not-for-Profit Organizations and include the following significant accounting policies:

Accounting estimates

The preparation of these financial statements in conformity with Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements 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.

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.

2. Significant 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.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, accounts receivable, goods and services tax recoverable and grant receivable.

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

The organization's financial assets do not include any equity instruments that are quoted in an active market.

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, 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.

3. 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.

4. 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.

5. 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 has not been reflected in these financial statements.

6. Accounts payable

	2015	2014
Trade and accrued liabilities	$ 6,234	$ 6,826
Government remittances	2,342	2,138
	$ 8,576	$ 8,964

7. Lease commitment

The future minimum premise lease payments over the next year is $5,478.

8. 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, 2015.

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 accruals. The company has a comprehensive plan in place to meet their 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, goods and services tax recoverable and grant receivable. The organization is not exposed to such risk as the receivables are due from federal, provincial and municipal government.

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.

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. As at March 31, 2015, 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.

8. Financial instruments (continued)

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.