

**East York Learning Experience**

**Financial Statements**

**March 31, 2016**

---

## **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, 2016, 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***

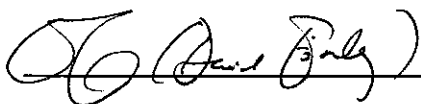
In our opinion, the financial statements present fairly, in all material respects, the financial position of **East York Learning Experience** as at March 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

***CW Partners LLP***

Chartered Professional Accountants, Licensed Public Accountants  
Toronto, Ontario  
June 22, 2016

**East York Learning Experience  
Statement of Financial Position  
March 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 38,248	\$ 39,618
Accounts receivable	1,137	1,031
Goods and services tax recoverable (note 2)	2,164	2,065
Grant receivable	4,954	3,302
Prepays	<u>1,049</u>	<u>1,039</u>
	<u>\$ 47,552</u>	<u>\$ 47,055</u>
 <b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 5)	\$ 8,207	\$ 8,576
Deferred revenue and grants	<u>970</u>	<u>968</u>
	9,177	9,544
<b>Net Assets</b>	<u>38,375</u>	<u>37,511</u>
	<u>\$ 47,552</u>	<u>\$ 47,055</u>



Director



Director

See accompanying notes to the financial statements

---

**East York Learning Experience  
Statement of Operations and Net Assets  
Year Ended March 31, 2016**

---

	<u>2016</u>	<u>2015</u>
<b>Revenue</b>		
Grants and donations expended (see schedule)	\$ <u>144,680</u>	\$ <u>139,692</u>
<b>Expenses</b>		
Salaries	105,040	103,105
Rent, maintenance and leaseholds	11,133	10,601
Employee benefits	9,604	7,778
Professional fees	5,004	5,000
Program and office supplies	3,896	4,768
Fundraising	1,862	856
Insurance	1,632	1,687
Transportation	1,422	986
Child care	1,080	300
Non-recoverable portion of goods and services taxes (note 2)	866	886
Professional development	454	289
Telephone	442	446
Workers compensation	381	455
Purchase of property, plant and equipment	328	269
Delivery	255	99
Volunteer recognition	200	142
Bank charges	163	285
Miscellaneous	58	26
Printing	-	120
	<u>143,820</u>	<u>138,098</u>
<b>Other revenue</b>		
Interest	<u>4</u>	<u>14</u>
<b>Excess of revenue over expenditures</b>	<b>864</b>	<b>1,608</b>
<b>Net assets, beginning of year</b>	<u>37,511</u>	<u>35,903</u>
<b>Net assets, end of year</b>	<u>\$ 38,375</u>	<u>\$ 37,511</u>

---

See accompanying notes to the financial statements

---

---

**East York Learning Experience  
Schedule of Grants and Donations  
Year Ended March 31, 2016**

---

	<u>Revenue in 2016</u>	<u>Revenue in 2015</u>
Ministry of Training, Colleges and Universities	\$ 99,324	\$ 98,219
City of Toronto	18,167	16,526
Fundraising events	12,732	15,256
Foundations	5,626	1,000
Miscellaneous donations	4,917	4,778
Human Resources Development Canada	<u>3,914</u>	<u>3,913</u>
	<u>\$ 144,680</u>	<u>\$ 139,692</u>

---

See accompanying notes to the financial statements

---

---

**East York Learning Experience  
Cash Flow Statement  
Year Ended March 31, 2016**

---

	<u>2016</u>	<u>2015</u>
<b>Cash, beginning of year</b>	<b>\$ 39,618</b>	<b>\$ 37,583</b>
<b>Cash receipts</b>		
Grants	119,753	119,882
Fundraising	12,626	14,718
Donations	10,543	5,778
Interest	<u>4</u>	<u>14</u>
	<u>142,926</u>	<u>140,392</u>
<b>Cash disbursements</b>		
Salaries and administration	143,968	138,088
Purchase of property, plant and equipment	<u>328</u>	<u>269</u>
	<u>144,296</u>	<u>138,357</u>
<b>Cash, end of year</b>	<b>\$ <u>38,248</u></b>	<b>\$ <u>39,618</u></b>

---

See accompanying notes to the financial statements

---

---

**East York Learning Experience  
Notes to the Financial Statements  
Year Ended March 31, 2016**

---

**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.

**1. Accounting policies**

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

**Use of 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. 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, 2016**

---

**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.

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 accrued liabilities.

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.

**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 has not been reflected in these financial statements.

---



---

**East York Learning Experience  
Notes to the Financial Statements  
Year Ended March 31, 2016**

---

**5. Accounts payable and accrued liabilities**

	<u>2016</u>	<u>2015</u>
Trade and accrued liabilities	\$ 5,911	\$ 6,234
Government remittances	<u>2,296</u>	<u>2,342</u>
	<u>\$ 8,207</u>	<u>\$ 8,576</u>

**6. Lease commitment**

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

2017	\$ 12,782
2018	<u>6,413</u>
	<u>\$ 19,195</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, 2016.

**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.

---

---

**East York Learning Experience  
Notes to the Financial Statements  
Year Ended March 31, 2016**

---

**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. As at March 31, 2016, 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.

**8. Comparative figures**

Certain of the comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

---