

**East York Learning Experience  
Financial Statements  
March 31, 2018**

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## **Independent Auditor's Report**

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**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, 2018, 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.

***Basis for Qualified Opinion***

In common with many not-for-profit organizations, the organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenses, assets and net assets for the year ended March 31, 2018.

**Qualified Opinion**

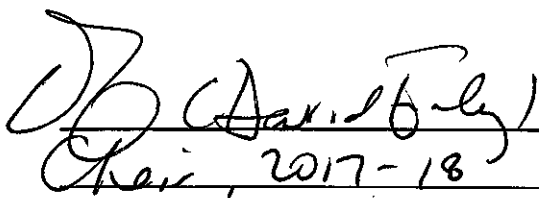

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **East York Learning Experience** as at March 31, 2018, and its financial performance and 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, 2018

**East York Learning Experience  
Statement of Financial Position  
March 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 54,912	\$ 47,854
Accounts receivable	3,161	3,641
Goods and services tax recoverable (note 3)	1,079	831
Grant receivable	4,940	4,487
Prepays	<u>1,200</u>	<u>1,055</u>
	<u>\$ 65,292</u>	<u>\$ 57,868</u>
 <b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 6)	<u>\$ 8,662</u>	<u>\$ 12,908</u>
<b>Net Assets</b>	<u>56,630</u>	<u>44,960</u>
	<u>\$ 65,292</u>	<u>\$ 57,868</u>


 Director
 
 Director

See accompanying notes to the financial statements

**East York Learning Experience  
Statement of Operations and Net Assets  
Year Ended March 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>Revenue</b>		
Grants and donations expended (see schedule)	\$ <u>166,403</u>	\$ <u>157,239</u>
<b>Expenses</b>		
Salaries	\$ 107,216	\$ 112,493
Rent, maintenance and leaseholds	13,557	10,909
Employee benefits	8,172	9,065
Purchase of property, plant and equipment (note 5)	6,028	242
Program and office supplies	5,981	4,665
Professional fees	5,004	5,004
Insurance	1,743	1,690
Transportation	1,521	1,755
Non-recoverable portion of goods and services taxes (note 3)	1,039	889
Child care	820	1,820
Telephone	761	243
Miscellaneous	500	79
Printing	483	556
Bank charges	412	149
Workers compensation	394	404
Professional development	379	379
Fundraising	300	43
Volunteer recognition	289	120
Delivery	137	119
Education and training resources	<u>-</u>	<u>33</u>
	<u>154,736</u>	<u>150,657</u>
<b>Other revenue</b>		
Interest	<u>3</u>	<u>3</u>
<b>Excess of revenue over expenditures</b>	<b>11,670</b>	<b>6,585</b>
<b>Net assets, beginning of year</b>	<b><u>44,960</u></b>	<b><u>38,375</u></b>
<b>Net assets, end of year</b>	<b><u>\$ 56,630</u></b>	<b><u>\$ 44,960</u></b>

See accompanying notes to the financial statements

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**East York Learning Experience  
Schedule of Grants and Donations  
Year Ended March 31, 2018**

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	<u>Revenue in 2018</u>	<u>Revenue in 2017</u>
Ministry of Advanced Education and Skills Development	\$ 121,007	\$ 100,142
City of Toronto	18,490	19,351
Miscellaneous donations	10,900	22,011
Fundraising events	9,776	12,733
Human Resources and Skills Development Canada	3,237	3,002
Foundations	<u>2,993</u>	<u>-</u>
	<u>\$ 166,403</u>	<u>\$ 157,239</u>

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See accompanying notes to the financial statements

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**East York Learning Experience  
Cash Flow Statement  
Year Ended March 31, 2018**

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	<u>2018</u>	<u>2017</u>
<b>Cash, beginning of year</b>	<b>\$ 47,854</b>	<b>\$ 38,248</b>
<b>Cash receipts</b>		
Grants	142,280	121,992
Donations	13,893	22,011
Fundraising	10,256	10,229
Interest	<u>3</u>	<u>3</u>
	<u>166,432</u>	<u>154,235</u>
<b>Cash disbursements</b>		
Salaries and administration	153,346	144,387
Purchase of property, plant and equipment	<u>6,028</u>	<u>242</u>
	<u>159,374</u>	<u>144,629</u>
<b>Cash, end of year</b>	<b>\$ <u>54,912</u></b>	<b>\$ <u>47,854</u></b>

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See accompanying notes to the financial statements

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**East York Learning Experience  
Notes to the Financial Statements  
Year Ended March 31, 2018**

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**1. 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 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.

**2. Accounting policies**

The financial statements were prepared in accordance with Canadian 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.

**Donated services**

During the period, various services and items have been donated in kind to the organization for fundraising events. The value of donated services and items are not recognized in the financial statements because of the difficulty of measurement.

**Property, plant and equipment**

Property, plant and equipment are expensed in the period of purchase.

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**East York Learning Experience  
Notes to the Financial Statements  
Year Ended March 31, 2018**

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**2. Accounting policies (continued)**

**Financial instruments**

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value.

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.

**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. Capital assets**

During the year, the organization purchased computer equipment for \$6,028 (2016 - \$242). The organization received a grant from the Ministry of Advanced Education and Skills Development for this purpose.

**6. Accounts payable and accrued liabilities**

	<u>2018</u>	<u>2017</u>
Trade payable and accrued liabilities	\$ 5,917	\$ 10,525
Government remittances	<u>2,745</u>	<u>2,383</u>
	<u>\$ 8,662</u>	<u>\$ 12,908</u>

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**East York Learning Experience  
Notes to the Financial Statements  
Year Ended March 31, 2018**

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**7. Lease commitment**

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

2019	\$	13,649
2020		<u>6,853</u>
	\$	<u>20,502</u>

**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, 2018.

**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.

**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.

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**East York Learning Experience  
Notes to the Financial Statements  
Year Ended March 31, 2018**

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**8. Financial instruments (continued)**

**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.

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