

CW Partners LLP

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**East York Learning Experience**

**Financial Statements**

**March 31, 2014**

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CW Partners LLP

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## 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, 2014, and 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, 2014, 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 10, 2014

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**East York Learning Experience  
Statement of Financial Position  
March 31, 2014**

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	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 37,583	\$ 38,234
Accounts receivable	493	
Goods and services tax recoverable (note 3)	2,093	3,065
Grant receivable	4,526	2,770
Prepays	<u>1,139</u>	<u>1,371</u>
	<u>\$ 45,834</u>	<u>\$ 45,440</u>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (note 6)	\$ 8,964	\$ 7,415
Deferred revenue and grants	<u>967</u>	<u>967</u>
	9,931	8,382
<b>Net Assets</b>	<u>35,903</u>	<u>37,058</u>
	<u>\$ 45,834</u>	<u>\$ 45,440</u>

  
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DEVOR HOWE

Director



Director

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See accompanying notes to the financial statements

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**East York Learning Experience  
Statement of Operations and Net Assets  
Year Ended March 31, 2014**

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	<u>2014</u>	<u>2013</u>
<b>Revenue</b>		
Grants and donations expended (see schedule)	\$ <u>140,445</u>	\$ <u>151,625</u>
<b>Expenses</b>		
Salaries	106,487	105,146
Rent, maintenance and leaseholds	10,311	10,132
Employee benefits	7,469	7,090
Program and office supplies	5,233	4,647
Professional fees	3,996	3,996
Insurance	1,940	1,860
Purchase of property, plant and equipment	1,834	6,906
Non-recoverable portion of goods and services taxes (note 3)	1,005	911
Telephone	719	1,411
Transportation	714	1,516
Fundraising	512	1,225
Workers compensation	381	374
Professional development	270	325
Miscellaneous	233	
Delivery	160	57
Bank charges	149	644
Child care	120	
Volunteer recognition	74	305
Printing	15	428
Education and training resources	19	19
	<u>141,622</u>	<u>146,992</u>
<b>Other revenue</b>		
Interest	<u>22</u>	<u>31</u>
<b>Excess of revenue over expenditures (expenditures over revenue)</b>	<b>(1,155)</b>	<b>4,664</b>
<b>Net assets, beginning of year</b>	<b><u>37,058</u></b>	<b><u>32,394</u></b>
<b>Net assets, end of year</b>	<b><u>\$ 35,903</u></b>	<b><u>\$ 37,058</u></b>

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See accompanying notes to the financial statements

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**East York Learning Experience  
Schedule of Grants and Donations  
Year Ended March 31, 2014**

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	<u>Revenue in 2014</u>	<u>Revenue in 2013</u>
Ministry of Training, Colleges and Universities	\$ 100,223	\$ 111,255
City of Toronto	20,247	18,180
Fundraising events	8,345	4,750
Miscellaneous donations	6,920	12,205
Human Resources Development Canada	3,645	3,755
Foundations	<u>1,065</u>	<u>1,480</u>
	<u>\$ 140,445</u>	<u>\$ 151,625</u>

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See accompanying notes to the financial statements

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**East York Learning Experience  
Statement of Cash Flows  
Year Ended March 31, 2014**

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	<u>2014</u>	<u>2013</u>
<b>Cash, beginning of year</b>	<b>\$ 38,234</b>	<b>\$ 38,353</b>
<b>Cash receipts</b>		
Grants	122,359	133,190
Donations	7,985	13,153
Fundraising	7,852	4,750
Interest	22	31
	<u>138,218</u>	<u>151,124</u>
<b>Cash disbursements</b>		
Salaries and administration	137,035	144,337
Purchase of property, plant and equipment	1,834	6,906
	<u>138,869</u>	<u>151,243</u>
<b>Cash, end of year</b>	<b>\$ <u>37,583</u></b>	<b>\$ <u>38,234</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, 2014**

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**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.

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**East York Learning Experience  
Notes to the Financial Statements  
Year Ended March 31, 2014**

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**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.



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**East York Learning Experience  
Notes to the Financial Statements  
Year Ended March 31, 2014**

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**6. Accounts payable**

	<u>2014</u>	<u>2013</u>
Trade and accrued liabilities	\$ 6,826	\$ 5,134
Government remittances	<u>2,138</u>	<u>2,281</u>
	<u>\$ 8,964</u>	<u>\$ 7,415</u>

**7. Lease commitment**

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

2015	\$ 10,955
2016	\$ 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, 2014.

**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, 2014, 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.

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**East York Learning Experience  
Notes to the Financial Statements  
Year Ended March 31, 2014**

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**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.