

**LEARNING DISABILITIES ASSOCIATION OF YORK REGION**  
**Financial Statements**  
**Year Ended March 31, 2019**

*Draft*

Completed by	Reviewed by	Partner
NYT 8/18/19		

**LEARNING DISABILITIES ASSOCIATION OF YORK REGION**  
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**Year Ended March 31, 2019**

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*Draft*



**Chaggares & Bonhomme**  
CHARTERED PROFESSIONAL ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT**

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To the Directors of Learning Disabilities Association of York Region

*Opinion*

We have audited the financial statements of Learning Disabilities Association of York Region (the Organization), which comprise the statement of financial position as at March 31, 2019, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

*(continues)*

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**LEARNING DISABILITIES ASSOCIATION OF YORK REGION**  
**Statement of Financial Position**  
**March 31, 2019**

	2019	2018
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents (Notes 5, 6)	\$ 175,171	\$ 202,201
Accounts receivable (Note 7)	2,285	-
Harmonized sales tax recoverable	3,813	831
Prepaid expenses	6,292	1,505
	<b>187,561</b>	<b>204,537</b>
<b>CAPITAL ASSETS (Note 8)</b>	<b>634</b>	<b>-</b>
	<b>\$ 188,195</b>	<b>\$ 204,537</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 12,752	\$ 10,558
Government remittances payable (Note 9)	3,539	2,841
Deferred revenue (Note 10)	48,099	43,599
	<b>64,390</b>	<b>56,998</b>
<b>NET ASSETS</b>		
General fund	123,171	147,539
Capital asset fund	634	-
	<b>123,805</b>	<b>147,539</b>
	<b>\$ 188,195</b>	<b>\$ 204,537</b>

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**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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See notes to financial statements

**LEARNING DISABILITIES ASSOCIATION OF YORK REGION**

**Statement of Revenues and Expenditures**

**Year Ended March 31, 2019**

	2019	2018
<b>REVENUES</b>		
Bingo	\$ 50,144	\$ 49,693
Donations	7,738	11,303
Grant revenues (Note 11)	89,477	104,861
Membership fees	4,935	6,325
Other income	838	1,155
Special events	12,758	25,767
United Way	76,366	76,366
Workshop and program fees	21,057	37,141
	<b>263,313</b>	<b>312,611</b>
<b>EXPENSES</b>		
Amortization	45	487
Client services and education	98,461	106,099
Community liaison and legislation	16,719	10,541
Fundraising	8,442	19,276
Office administration	139,758	123,889
Programming and services	21,134	48,591
Publicity and awareness	1,596	5,217
Resource centre	138	1,541
Training and professional development	754	7,597
	<b>287,047</b>	<b>323,238</b>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>\$ (23,734)</b>	<b>\$ (10,627)</b>

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**LEARNING DISABILITIES ASSOCIATION OF YORK REGION**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2019**

	General Fund	Capital Asset Fund	<b>2019</b>	2018
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 147,539	\$ -	\$ <b>147,539</b>	\$ 158,166
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(24,368)	634	<b>(23,734)</b>	(10,627)
<b>NET ASSETS - END OF YEAR</b>	\$ 123,171	\$ 634	\$ <b>123,805</b>	\$ 147,539

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**LEARNING DISABILITIES ASSOCIATION OF YORK REGION**

**Statement of Cash Flows  
Year Ended March 31, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	\$ (23,734)	\$ (10,627)
Item not affecting cash:		
Amortization of capital assets	45	487
	<b>(23,689)</b>	<b>(10,140)</b>
Changes in non-cash working capital:		
Accounts receivable	(2,285)	2,090
Accounts payable and accrued liabilities	2,194	3,823
Prepaid expenses	(4,787)	(1,505)
Harmonized sales tax recoverable	(2,982)	659
Government remittances payable	698	(250)
Deferred revenue	4,500	8,643
	<b>(2,662)</b>	<b>13,460</b>
Cash flow from (used by) operating activities	<b>(26,351)</b>	<b>3,320</b>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	(679)	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(27,030)</b>	<b>3,320</b>
Cash and cash equivalents - beginning of year	<b>202,201</b>	198,881
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 175,171</b>	<b>\$ 202,201</b>
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>		
Cash	\$ 113,234	\$ 140,850
Term deposits	61,937	61,351
	<b>\$ 175,171</b>	<b>\$ 202,201</b>



**LEARNING DISABILITIES ASSOCIATION OF YORK REGION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended March 31, 2019**

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**1. ERROR CORRECTION**

The Organization has corrected issues that were discovered as a result of the current year audit procedures. A restricted contribution that was not utilized during the fiscal year was recognized incorrectly as donation income in the prior year which is considered an error based on the Canadian accounting standards for not-for-profit organizations (ASNFPO).

The correction has been applied retroactively, with adjustments to the comparative figures as follows:

Deferred revenue was increased by \$5,000, donation revenue was decreased by \$5,000, and the closing net assets balance decreased by \$5,000.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the recognition, measurement, and disclosure of amounts reported in the financial statements and accompanying notes. The reported amounts and note disclosures are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned course of action. Actual results could differ from these estimates. Significant estimates are comprised of accruals for liabilities and deferred revenue.

These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Fund accounting

Learning Disabilities Association of York Region follows the deferral method of accounting for contributions. Each fund is a self-balancing set of accounts which are segregated for specific purposes in accordance with the objectives and by-laws.

The General Fund accounts for the Organization's general operations and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to Learning Disabilities Association of York Region's capital assets and building expansion campaign.

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**LEARNING DISABILITIES ASSOCIATION OF YORK REGION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended March 31, 2019**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Donated goods and services

The Organization records donated goods only when the fair market value of such goods can be reasonably estimated and when the materials are used in the normal course of the Organization's operations and would otherwise have been purchased. Donated services provided by volunteers are not recognized due to the difficulty in determining their value.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in GICs and are valued at cost plus accrued interest.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Computer equipment	3 years	straight-line method
Office equipment	5 years	straight-line method

The Organization regularly reviews its capital assets to eliminate obsolete items and fully amortized items that are no longer in service.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

Learning Disabilities Association of York Region follows the deferral method of accounting for contributions.

Restricted contributions for expenses of one or more future periods are deferred and recognized as revenue in the same period or periods as the related expenses are recognized. Restricted contributions for expenses of the current period are recognized as revenue in the current period. Unrestricted contributions are recognized as revenue in the current period.

Restricted contributions for the purchase of capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Contributions receivable (including grants) are recognized as an asset when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured over the term specified by the donor. All other revenue is recognized when received.

**LEARNING DISABILITIES ASSOCIATION OF YORK REGION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended March 31, 2019**

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**3. PURPOSE OF THE ORGANIZATION**

Learning Disabilities Association of York Region (the "Organization") is dedicated to providing leadership in learning disabilities advocacy, research, education, and services, and to advance the full participation of children, youths, and adults with learning disabilities in today's society. The Organization values promoting positive change through innovation, credible advocacy, strategic partnerships, informed public policy, and quality products and services.

The Organization was incorporated in Ontario without share capital on July 12, 2013. The Organization is a not-for-profit organization and is a registered charity pursuant to the requirements of the Income Tax Act (Canada) and is permitted to issue donation receipts.

**4. FINANCIAL INSTRUMENTS**

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2019.

**(a) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, accounts payable and accrued liabilities.

**(b) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

**5. RESTRICTED CASH**

As at March 31, 2019, the restricted cash balance is \$17,265 (2018-\$17,572) consisting of a bingo trust account externally restricted by the Town of Richmond Hill. Disbursements above and beyond the approved use of bingo proceeds requires prior approval from the Town of Richmond Hill Gaming Services. The bingo funds were used to pay for Social Skills, Resource Centre and Resource Entities programs in accordance with all applicable provisions and statutes.

**LEARNING DISABILITIES ASSOCIATION OF YORK REGION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended March 31, 2019**

**6. TERM DEPOSITS**

Term deposits consist of:

	Annual Interest Rate	Maturity Date	2019 Carrying Value	2018 Carrying Value
TD One Year Cashable GIC	0.50%	04/09/2019	\$ 10,436	\$ 10,388
TD Wait and See GIC	0.30%	30/10/2019	8,156	8,132
TD Special Offer GIC	1.20%	31/03/2019	21,550	21,294
TD Special Offer GIC	1.20%	31/03/2019	21,795	21,537
			\$ 61,937	\$ 61,351

**7. ACCOUNTS RECEIVABLE**

	2019	2018
Laidlaw Foundation	\$ 2,000	\$ -
Membership fees	285	-
	\$ 2,285	\$ -

**8. CAPITAL ASSETS**

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Computer equipment	\$ 855	\$ 855	\$ -	\$ -
Office equipment	679	45	634	-
	\$ 1,534	\$ 900	\$ 634	\$ -

**9. GOVERNMENT REMITTANCES PAYABLE (RECEIVABLE) OTHER THAN INCOME TAX**

Government remittances (other than income taxes) include, for example, federal and provincial sales taxes rebate, payroll taxes, health taxes, and workers' safety insurance premiums. The following government remittances were payable (receivable) at year end:

	2019	2018
Payroll source deductions	\$ 3,539	\$ 2,841

**LEARNING DISABILITIES ASSOCIATION OF YORK REGION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended March 31, 2019**

**10. DEFERRED REVENUE**

	<b>2019</b>	<b>2018</b>
<u>Deferred revenue consists of:</u>		
Laidlaw Foundation	\$ -	\$ 4,000
Ministry of Citizenship and Immigration	4,200	-
Regional Municipality of York	3,587	7,027
Restricted bingo funds (Note 5)	17,265	17,572
Restricted contribution deferral	634	5,000
Rexall	10,000	10,000
Unearned deposits for services/events in fiscal 2020	12,413	-
	<b>48,099</b>	<b>43,599</b>

**11. GRANT REVENUE**

	<b>2019</b>	<b>2018</b>
Laidlaw Foundation	\$ 6,000	\$ 14,000
Ministry of Citizenship and Immigration	3,700	-
Ministry of Education	8,400	9,000
Regional Municipality of York	51,377	42,361
Trillium	-	19,500
York Region District School Board	20,000	20,000
	<b>\$ 89,477</b>	<b>\$ 104,861</b>

**12. LEASE COMMITMENTS**

The Organization leases premises under a long term lease that expires on June 30, 2024. There is an option to renew for a period of five years. Future minimum lease payments as at March 31, 2019, are as follows:

2020	\$ 24,260
2021	24,449
2022	24,512
2023	24,512
2024	6,128
	<b>\$ 103,861</b>

**13. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.