

ERIN MILLS YOUTH CENTRE
Financial Statements
Year Ended December 31, 2015

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Year Ended December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Members of Erin Mills Youth Centre

We have audited the accompanying financial statements of Erin Mills Youth Centre, which comprise the statement of financial position as at December 31, 2015 and the statements of operations, changes in net assets and cash flows 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 of Qualified Opinion

In common with many not-for-profit organizations, Erin Mills Youth Centre derives revenue from fundraising activities 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 Erin Mills Youth Centre. Therefore, we were not able to determine whether any adjustments might be necessary to assets, fundraising revenue, excess of revenues over expenses, net assets, and cash flows from operations for the year ended December 31, 2015.

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 Erin Mills Youth Centre as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

The financial statements of Erin Mills Youth Centre, for the year ended December 31, 2014, were audited by another auditor who expressed an unmodified opinion on those statements on May 25, 2015.

Mississauga, Ontario
April 26, 2016

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ERIN MILLS YOUTH CENTRE
Statement of Financial Position
December 31, 2015

	2015	2014 <i>(Note 7)</i>
ASSETS		
Current		
Cash	\$ 14,075	\$ 48,025
Short-term investment <i>(Note 2)</i>	1,000	-
Accounts receivable	5,371	5,282
Prepaid expenses	1,680	1,126
	22,126	54,433
TANGIBLE CAPITAL ASSETS <i>(Note 3)</i>	6,183	8,476
	\$ 28,309	\$ 62,909
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 5,702	\$ 8,135
Deferred contributions <i>(Note 4)</i>	31,137	64,745
	36,839	72,880
DEFERRED CAPITAL CONTRIBUTIONS <i>(Note 5)</i>	3,023	4,318
	39,862	77,198
NET DEFICIENCY		
Operating deficiency	(14,713)	(18,447)
Invested in tangible capital assets	3,160	4,158
	(11,553)	(14,289)
	\$ 28,309	\$ 62,909

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

ERIN MILLS YOUTH CENTRE**Statement of Operations****Year Ended December 31, 2015**

	2015	2014 <i>(Note 7)</i>
REVENUE		
United Way	\$ 83,521	\$ 83,603
Region of Peel	78,318	68,404
Ontario Ministry of Tourism, Culture and Sport	66,044	64,146
Community Foundation of Mississauga	40,042	44,003
Ontario Trillium Foundation	31,474	51,651
Donations	19,980	11,573
City of Mississauga	10,000	10,000
Employment Ontario	5,641	-
YMCA	5,560	4,639
Miscellaneous	4,260	62
Fundraising	1,548	2,660
Amortization of deferred capital contributions <i>(Note 5)</i>	1,295	1,625
Program fees	1,200	6,384
Heart and Stroke Foundation	-	4,840
Canada Summer Jobs	-	35,758
	348,883	389,348
EXPENSES		
Amortization	2,293	2,918
Fundraising	1,192	1,248
Insurance	4,268	4,176
Office and general	7,994	14,521
Professional fees	29,653	15,799
Program expenses	44,989	60,628
Rental	7,920	7,920
Salaries and benefits	243,733	286,330
Travel and training	4,105	4,149
	346,147	397,689
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 2,736	\$ (8,341)

See notes to financial statements

ERIN MILLS YOUTH CENTRE
Statement of Changes in Net Assets
Year Ended December 31, 2015

	2014 Balance	Excess (Deficiency) of Revenue over Expenses	2015 Balance
Operating surplus (deficiency)	\$ (18,447)	\$ 3,734	\$ (14,713)
Invested in tangible capital assets	4,158	(998)	3,160
	\$ (14,289)	\$ 2,736	\$ (11,553)

	2013 Balance	Deficiency of Revenue over Expenses	2014 Balance <i>(Note 7)</i>
Operating deficiency	\$ (11,196)	\$ (7,251)	\$ (18,447)
Invested in tangible capital assets	5,248	(1,090)	4,158
	\$ (5,948)	\$ (8,341)	\$ (14,289)

See notes to financial statements

ERIN MILLS YOUTH CENTRE**Cash Flow Statement****Year Ended December 31, 2015**

	2015	2014 <i>(Note 7)</i>
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 2,736	\$ (8,341)
Amortization	2,293	2,918
	5,029	(5,423)
Changes in non-cash working capital:		
Accounts receivable	(89)	700
Prepaid expenses	(554)	86
Accounts payable and accrued liabilities	(2,433)	(21,051)
Deferred contributions	(32,313)	(10,542)
	(35,389)	(30,807)
Cash flow used by operating activities	(30,360)	(36,230)
INVESTING ACTIVITIES		
Additions to tangible capital assets	-	(1,252)
Purchase of short-term investment	(1,000)	-
Cash flow used by investing activities	(1,000)	(1,252)
FINANCING ACTIVITY		
Deferred capital contributions	(2,590)	(575)
DECREASE IN CASH	(33,950)	(38,057)
CASH - BEGINNING OF YEAR	48,025	86,082
CASH - END OF YEAR	\$ 14,075	\$ 48,025

See notes to financial statements

ERIN MILLS YOUTH CENTRE

Notes to Financial Statements

Year Ended December 31, 2015

PURPOSE OF THE ORGANIZATION

The The Erin Mills Youth Centre (the "organization") is a not-for-profit organization incorporated by Letters Patent, under the Laws of Ontario as a corporation without share capital on March 10, 2010. The purpose of the organization is to operate a community youth centre. The organization provides programs and services that focus on the relief of the effects of poverty, the reduction of violence and the promotion of healthy lifestyles. Under the Income Tax Act, the organization is classified as a charitable organization and, as such, is not subject to income tax.

1. SUMMARY OF ACCOUNTING POLICIES

These financial statements have been presented in accordance with Canadian accounting standards for not-for-profit organizations.

Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the organization's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- the accrual of liabilities;
- the useful lives of tangible capital assets.

Revenue recognition

Erin Mills Youth Centre follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Contributions restricted for the purchase of tangible capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate of the related asset.

Short-term investment

The investment consist of a guaranteed investment certificate with original maturity at date of purchase beyond three months and less than 12 months, and is carried at amortized cost.

Donated materials and services

The work of the organization is dependent on the donation of materials and provision of voluntary services by various members of the community. The value of donated materials and services is not recognized in these statements since no objective basis is available to measure their value.

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	30%	declining balance method
Furniture and equipment	20%	declining balance method

(continues)

ERIN MILLS YOUTH CENTRE
Notes to Financial Statements
Year Ended December 31, 2015

1. SUMMARY OF ACCOUNTING POLICIES (continued)

Impairment of long-lived assets

The organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future undiscounted net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Financial instruments

Measurement

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

The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, short-term investment and accounts receivable.

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

The organization does not have any financial assets or liabilities measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, 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 the statement of operations.

2. SHORT-TERM INVESTMENT

Short-term investment is comprised of a guaranteed investment certificate (GIC) which bears interest at 0.9% per annum and matures March 2, 2016. The GIC was renewed on maturity for one year at an interest rate of 0.9%.

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Computer equipment	\$ 13,302	\$ 9,120	\$ 4,182	\$ 5,975
Furniture and equipment	7,633	5,632	2,001	2,501
	\$ 20,935	\$ 14,752	\$ 6,183	\$ 8,476

ERIN MILLS YOUTH CENTRE
Notes to Financial Statements
Year Ended December 31, 2015

4. DEFERRED CONTRIBUTIONS

	2015	2014
Deferred contributions, beginning of year	\$ 64,745	\$ 75,287
Contributions received	312,444	320,743
Amounts recognized as revenue	(345,225)	(331,285)
Contributions returned	(827)	-
Deferred contributions, end of year	\$ 31,137	\$ 64,745

The organization receives grants and project revenue from a variety of sources. When revenues have been received from a funding source for periods beyond the end of the current fiscal period, the portion of revenue related to the subsequent fiscal period has been treated as deferred contributions.

5. DEFERRED CAPITAL CONTRIBUTIONS

	2015	2014
Balance, beginning of year	\$ 4,318	\$ 4,893
Contributions received	-	1,050
Amounts amortized to revenue	(1,295)	(1,625)
Balance, beginning of year	\$ 3,023	\$ 4,318

The organization received contributions for the purchase of tangible capital assets. These contributions are deferred and amortized into revenue at rates corresponding with the amortization rates of the related tangible capital asset.

6. FINANCIAL INSTRUMENTS

The organization is not exposed to any significant risks through its financial instruments but has a comprehensive risk management framework to monitor, evaluate and manage these risks.

7. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation. The prior year financial statements were audited by another auditor.