

ERIN MILLS YOUTH CENTRE

Financial Statements

Year Ended December 31, 2016

ERIN MILLS YOUTH CENTRE
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Year Ended December 31, 2016

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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, 2016 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 qualified audit opinion.

Basis for 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2016, current assets and net assets as at December 31, 2016.

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, 2016 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.

Mississauga, Ontario
April 27, 2017

McCARNEY GROUP LLP
Chartered Professional Accountants
Licensed Public Accountants

ERIN MILLS YOUTH CENTRE

Statement of Financial Position

As at December 31, 2016

	2016	2015
ASSETS		
Current		
Cash	\$ 33,767	\$ 14,075
Short-term investment (Note 2)	1,000	1,000
Accounts receivable	2,545	5,371
Prepaid expenses	5,361	1,680
	42,673	22,126
TANGIBLE CAPITAL ASSETS (Note 3)	7,077	6,183
	\$ 49,750	\$ 28,309
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 10,459	\$ 5,702
Deferred contributions (Note 4)	33,484	31,137
	43,943	36,839
DEFERRED CAPITAL CONTRIBUTIONS (Note 5)	2,116	3,023
	46,059	39,862
NET ASSETS		
Operating deficiency	(1,270)	(14,713)
Invested in tangible capital assets	4,961	3,160
	3,691	(11,553)
	\$ 49,750	\$ 28,309

ON BEHALF OF THE BOARD

_____ Director

_____ Director

ERIN MILLS YOUTH CENTRE**Statement of Operations****Year Ended December 31, 2016**

	2016	2015
REVENUE		
Region of Peel	\$ 120,327	\$ 78,318
United Way	100,956	83,521
Ontario Trillium Foundation	82,180	31,474
Ontario Ministry of Tourism, Culture and Sport	64,404	66,044
Community Foundation of Mississauga	37,542	40,042
Donations	25,581	19,980
Ministry of Child and Youth Services	10,896	-
Miscellaneous	10,710	4,260
YMCA	9,287	5,560
City of Mississauga	5,000	10,000
Fundraising	988	1,548
Amortization of deferred capital contributions	907	1,295
Program fees	-	1,200
Employment Ontario	-	5,641
	468,778	348,883
EXPENSES		
Amortization	2,019	2,293
Fundraising	214	1,192
Insurance	6,974	4,268
Office and general	7,905	7,994
Professional fees	6,236	29,653
Program expenses	61,152	44,989
Rental	7,920	7,920
Salaries and benefits	355,547	243,733
Travel and training	5,567	4,105
	453,534	346,147
EXCESS OF REVENUE OVER EXPENSES	\$ 15,244	\$ 2,736

ERIN MILLS YOUTH CENTRE
Statement of Changes in Net Assets
Year Ended December 31, 2016

	2015 Balance	Additions	Excess (deficiency) of revenue over expenses	2016 Balance
Operating surplus (deficiency)	\$ (14,713)	\$ (2,913)	\$ 16,356	\$ (1,270)
Invested in tangible capital assets	3,160	2,913	(1,112)	4,961
	\$ (11,553)	\$ -	\$ 15,244	\$ 3,691

	2014 Balance	Additions	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)

See notes to financial statements

ERIN MILLS YOUTH CENTRE**Cash Flow Statement****Year Ended December 31, 2016**

	2016	2015
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 15,244	\$ 2,736
Item not affecting cash:		
Amortization	2,019	2,293
	17,263	5,029
Changes in non-cash working capital:		
Accounts receivable	2,826	(89)
Prepaid expenses	(3,681)	(554)
Accounts payable and accrued liabilities	4,757	(2,433)
Deferred contributions	2,347	(32,313)
	6,249	(35,389)
Cash flows from operating activities	23,512	(30,360)
INVESTING ACTIVITIES		
Additions to tangible capital assets	(2,913)	-
Purchase of short-term investment	-	(1,000)
Cash flows from investing activities	(2,913)	(1,000)
FINANCING ACTIVITY		
Deferred capital contributions	(907)	(2,590)
INCREASE (DECREASE) IN CASH	19,692	(33,950)
CASH - BEGINNING OF YEAR	14,075	48,025
CASH - END OF YEAR	\$ 33,767	\$ 14,075

See notes to financial statements

ERIN MILLS YOUTH CENTRE

Notes to Financial Statements

December 31, 2016

PURPOSE OF THE ORGANIZATION

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; and
- 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.

Ordinary income from investments, receivables and similar assets is accounted for in the fund owning the assets, with the exception of income derived from investment of endowments funds. Unrestricted endowment fund investments are accounted for as revenue of the operation fund or, if they are restricted, as deferred amounts until the terms of the restriction have been met.

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.

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ERIN MILLS YOUTH CENTRE

Notes to Financial Statements

December 31, 2016

1. SUMMARY OF ACCOUNTING POLICIES *(continued)*

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

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 policy

Measurement

The organization initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

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.

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 net income.

Transaction costs

The organization recognizes its transaction costs in net income in the year incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

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, 2017. The GIC was renewed on maturity for one year at an interest rate of 0.9%.

ERIN MILLS YOUTH CENTRE

Notes to Financial Statements

December 31, 2016

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Computer equipment	\$ 16,214	\$ 10,738	\$ 5,476	\$ 4,182
Furniture and equipment	7,633	6,032	1,601	2,001
	\$ 23,847	\$ 16,770	\$ 7,077	\$ 6,183

4. DEFERRED CONTRIBUTIONS

	2016	2015
Deferred contributions, beginning of year	\$ 31,137	\$ 64,745
Contributions received	433,935	312,444
Amounts recognized as revenue	(431,288)	(345,225)
Contributions returned	(300)	(827)
Deferred contributions, end of year	\$ 33,484	\$ 31,137

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

	2016	2015
Balance, beginning of year	\$ 3,023	\$ 4,318
Amounts amortized to revenue	(907)	(1,295)
Balance, end of year	\$ 2,116	\$ 3,023

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.