

ERIN MILLS YOUTH CENTRE

Financial Statements

Year Ended December 31, 2017

ERIN MILLS YOUTH CENTRE

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Year Ended December 31, 2017

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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, 2017 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, 2017, current assets and net assets as at December 31, 2017.

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, 2017 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
May 14, 2018

McCARNEY GROUP LLP
Chartered Professional Accountants
Licensed Public Accountants

ERIN MILLS YOUTH CENTRE

Statement of Financial Position

As at December 31, 2017

	2017	2016
ASSETS		
Current		
Cash	\$ 36,818	\$ 33,767
Short-term investment (Note 2)	1,000	1,000
Accounts receivable	4,458	-
Government remittances recoverable	9,415	1,483
Prepaid expenses	7,712	5,361
	59,403	41,611
TANGIBLE CAPITAL ASSETS (Note 3)	5,114	7,077
	\$ 64,517	\$ 48,688
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 10,109	\$ 9,397
Deferred contributions (Note 4)	48,813	33,484
	58,922	42,881
DEFERRED CAPITAL CONTRIBUTIONS (Note 5)	1,481	2,116
	60,403	44,997
NET ASSETS		
Operating surplus (deficiency)	481	(1,270)
Invested in tangible capital assets	3,633	4,961
	4,114	3,691
	\$ 64,517	\$ 48,688

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

ERIN MILLS YOUTH CENTRE**Statement of Operations****Year Ended December 31, 2017**

	2017	2016
REVENUES		
Ontario Trillium Foundation	\$ 208,476	\$ 82,180
Region of Peel	126,653	120,327
United Way	86,921	100,956
Ontario Ministry of Tourism, Culture and Sport	57,082	64,404
Canada Summer Jobs	38,760	-
Community Foundation of Mississauga	30,887	35,042
Donations	23,439	25,581
Ministry of Child and Youth Services	15,425	10,896
City of Mississauga	12,500	5,000
YMCA	8,114	9,287
Meeting House Church Family	7,900	2,500
Miscellaneous	2,584	10,710
Fundraising	892	988
Amortization of deferred capital contributions	635	907
	620,268	468,778
EXPENSES		
Salaries and benefits	479,997	355,547
Program expenses	77,111	61,152
Professional fees	23,253	6,236
Office and general	18,680	7,905
Rental	7,920	7,920
Travel and training	5,805	5,567
Insurance	5,106	6,974
Amortization	1,963	2,019
Fundraising	10	214
	619,845	453,534
EXCESS OF REVENUES OVER EXPENSES	\$ 423	\$ 15,244

See notes to financial statements

ERIN MILLS YOUTH CENTRE
Statement of Changes in Net Assets
Year Ended December 31, 2017

	2016 Balance	Excess (deficiency) of revenues over expenses	Additions	2017 Balance
Operating surplus (deficiency)	\$ (1,270)	\$ 1,751	\$ -	\$ 481
Invested in tangible capital assets	4,961	(1,328)	-	3,633
	\$ 3,691	\$ 423	\$ -	\$ 4,114

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

See notes to financial statements

ERIN MILLS YOUTH CENTRE**Statement of Cash Flows
Year Ended December 31, 2017**

	2017	2016
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 423	\$ 15,244
Items not affecting cash:		
Amortization	1,963	2,019
Amortization of deferred capital contributions	(635)	(907)
	1,751	16,356
Changes in non-cash working capital:		
Accounts receivable	(4,458)	3,011
Government remittances payable/recoverable	(7,932)	207
Prepaid expenses	(2,351)	(3,681)
Accounts payable and accrued liabilities	712	4,365
Deferred contributions	15,329	2,347
	1,300	6,249
Cash flows from operating activities	3,051	22,605
INVESTING ACTIVITY		
Additions to tangible capital assets	-	(2,913)
INCREASE IN CASH	3,051	19,692
CASH - BEGINNING OF YEAR	33,767	14,075
CASH - END OF YEAR	\$ 36,818	\$ 33,767

ERIN MILLS YOUTH CENTRE

Notes to Financial Statements

December 31, 2017

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 prepared 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 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 investments

Short-term investments 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 services and materials

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

(continues)

ERIN MILLS YOUTH CENTRE

Notes to Financial Statements

December 31, 2017

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 company 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 company 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 the statement of operations. 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.

Transaction costs

The organization recognizes its transaction costs in the statement of operations 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 0.8% per annum and matures March 2, 2018. Subsequent to the year end, 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, 2017

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Computer equipment	\$ 16,214	\$ 12,381	\$ 3,833	\$ 5,476
Furniture and equipment	7,633	6,352	1,281	1,601
	\$ 23,847	\$ 18,733	\$ 5,114	\$ 7,077

4. DEFERRED CONTRIBUTIONS

	2017	2016
Deferred contributions, beginning of year	\$ 33,484	\$ 31,137
Contributions received	615,823	433,935
Amounts recognized as revenue	(600,494)	(431,288)
Contributions returned	-	(300)
Deferred contributions, end of year	\$ 48,813	\$ 33,484

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

	2017	2016
Balance, beginning of year	\$ 2,116	\$ 3,023
Amounts amortized to revenue	(635)	(907)
Balance, end of year	\$ 1,481	\$ 2,116

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.