

**Learning Disabilities Association of  
Windsor - Essex County**

**Financial Statements**

**June 30, 2017**

*Gordon B. Lee, Chartered Accountants*

## **Independent Auditor's Report**

To: The Board of Directors of  
Learning Disabilities Association of Windsor - Essex County:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Learning Disabilities Association of Windsor - Essex County ("the Association") which comprise the statement of financial position as at June 30, 2017, the statements of general fund operations and fund balance, and cash flows for the year then ended, in accordance with Canadian Accounting Standards for Not-for Profit Organizations 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 the 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 auditors consider 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 charitable organizations, the Association derives revenues from donations and other fund raising activities, the completeness of which is not susceptible to conclusive audit verification. These revenues could only be verified from the time they were deposited and entered into the Association's records. Accordingly, we were unable to determine whether any adjustments for unrecorded revenues might be necessary to donation revenue and program revenue, and the excess of revenue over expenses and fund balances.

**Qualified Opinion**

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Learning Disabilities Association of Windsor - Essex County as at June 30, 2017, and the results of its operations and cash flows for the year then ended, in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

WINDSOR, ONTARIO  
September 13, 2017

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Gordon B. Lee, C.A.  
Licensed Public Accountants  
Chartered Professional Accountants

Learning Disabilities Association of Windsor - Essex County

Statement of Financial Position

June 30, 2017

	2017	2016
<b>Assets</b>		
Current		
Cash	\$ 138,060	\$ 151,217
Accounts receivable	238,739	93,379
Prepaid	<u>3,036</u>	<u>869</u>
	<u>379,835</u>	<u>245,465</u>
Restricted		
Cash - budget stabilization fund	75,000	75,000
Cash - rent fund	30,000	16,228
Cash - task force fund	<u>6,483</u>	<u>6,483</u>
	<u>111,483</u>	<u>97,711</u>
	<u>\$ 491,318</u>	<u>\$ 343,176</u>
<b>Liabilities and fund balances</b>		
Accounts payable and accrued expenses	\$ 111,586	\$ 72,656
Deferred revenue (Note 3)	<u>26,773</u>	<u>32,055</u>
	<u>138,359</u>	<u>104,711</u>
<b>Fund balances</b>		
General fund	241,476	140,753
Task force fund	6,483	6,483
Budget stabilization fund (Note 7)	75,000	75,000
Rent fund	<u>30,000</u>	<u>16,229</u>
	<u>352,959</u>	<u>238,465</u>
	<u>\$ 491,318</u>	<u>\$ 343,176</u>

Approved on behalf of the Board of Directors  
of Learning Disabilities Association of Windsor - Essex County:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

See accompanying Notes to the Financial Statements

*Gordon B. Lee, Chartered Accountants*

**Learning Disabilities Association of Windsor - Essex County**

**Statement of General Fund Operations and Fund Balance**

**For the year ended June 30, 2017**

	2017	2016
Revenue		
Donations	\$ 11,503	\$ 5,052
Fundraising	194	2,000
Grants (Schedule 1)	161,128	164,011
Program fees	814,616	655,140
Special event	-	8,194
Miscellaneous	4,597	2,791
	<u>992,038</u>	<u>837,188</u>
Expenditures		
Grant expenses		
Canada Summer Jobs	25,903	17,476
May Court Club expense	1,289	200
ODSP - employment supports expense	54,966	79,554
Raise-A-Reader expense	10,415	11,231
Rotary Club expense	-	1,285
Sertoma expense	1,532	641
Windsor-Essex Catholic District School Board		
Learning Support Services	40,569	47,624
Total grant expenses	<u>134,674</u>	<u>158,011</u>
Other program expense	546,691	472,098
Special event	-	7,973
Professional fees	5,031	6,412
Allocation to rent fund	13,772	-
Administration expense	191,147	68,919
	<u>891,315</u>	<u>713,413</u>
Excess of revenue over expenses for the year	100,723	123,775
Fund balance, beginning of year	<u>140,753</u>	<u>16,978</u>
Fund balance, end of year	<u>\$ 241,476</u>	<u>\$ 140,753</u>

See accompanying Notes to the Financial Statements

*Gordon B. Lee, Chartered Accountants*

Learning Disabilities Association of Windsor - Essex County

Statement of Cash Flows

For the year ended June 30, 2017

	2017	2016
Cash was provided from (applied to)		
Operations		
Donations	\$ 11,503	\$ 5,052
Fundraising	194	10,194
Grants	161,128	164,011
Program fees	814,616	655,140
Miscellaneous	4,596	2,791
Expenditures		
Grant expenses	(134,674)	(158,011)
Other program expenses	(546,691)	(472,098)
Fundraising expenses	-	(7,973)
Administration expenses	(196,178)	(75,331)
	<u>114,494</u>	<u>123,775</u>
Change in other non-cash operating accounts	<u>(113,879)</u>	<u>49,392</u>
Increase in cash during the year	615	173,167
Cash, beginning of year	<u>248,928</u>	<u>75,761</u>
Cash, end of year	<u>\$ 249,543</u>	<u>\$ 248,928</u>
Cash consists of:		
Cash	\$ 138,060	\$ 151,217
Cash - budget stabilization fund	75,000	75,000
Cash - rent fund	30,000	16,228
Cash - task force fund	6,483	6,483
	<u>\$ 249,543</u>	<u>\$ 248,928</u>

See accompanying Notes to the Financial Statements

*Gordon B. Lee, Chartered Accountants*

**Learning Disabilities Association of Windsor - Essex County**

**Notes to the Financial Statements**

**June 30, 2017**

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**1. Purpose of the Association**

The mission of the Association is to assist children, youth and adults with learning disabilities and those who support them through information sharing, support and relevant programs.

The Association was incorporated without share capital under the Corporation Act by Letters Patent on October 24, 1987 as a chapter of the Learning Disabilities Association of Ontario. This chapter was designated as a charitable organization on February 11, 2004. On August 19, 2011 the Association was incorporated as Learning Disabilities Association of Windsor-Essex County. This new corporation received charitable status and became operational effective on November 1, 2012.

The Association is a non-profit entity and is exempt from income taxes under the income tax act.

**2. Basis of preparation and significant accounting policies**

These financial statements have been prepared under the Canadian Accounting Standards for Not-for-Profit Organizations, using significant accounting policies as described below.

The financial statements have been prepared on the presumption that the Corporation is a going concern, which contemplates the ongoing realization of assets and the settlement of liabilities in the normal course of operation.

**Revenue Recognition**

The Association follows the deferral method of accounting for contributions. 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. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

The Association has four continuing significant revenue streams, donations, fundraising, grants and program fees. Donation revenue is recognized as received. Pledges are not recognized until received. Fundraising revenue is recognized as received and is presented as the gross amount with the associated costs and the net amount of each fund raising effort. Program and grant revenue, which is received based on approved program applications, is recognized as revenue in the period in which the related expenses are incurred.

*Gordon B. Lee, Chartered Accountants*

**Learning Disabilities Association of Windsor - Essex County**

**Notes to the Financial Statements**

**June 30, 2017**

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**2. Basis of preparation and significant accounting policies (continued)**

**HST Rebates**

HST rebates are being claimed by the Association at the rate of 50% for the federal portion and 82% for the provincial portion. These rebates are recognized as they become eligible to be claimed.

**Fund Accounting**

The entity allocates its activities and financial resources between different funds as follows:

General Fund reflects day-to-day operations of the Association and related assets and liabilities.

Task Force Fund, Budget Stabilization Fund and Rent Fund reflect components of net assets that have been set aside at the direction of the Board of Directors in order to fund specific future expenditures should there be a temporary shortage of cash flows.

**Measurement Uncertainty**

The preparation of financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations requires the Association's management to make estimates and assumptions that affect the reported value of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual amounts could differ from those estimates.

**Financial Instruments**

The Association recognizes all financial instruments at fair value when they are acquired or become an obligation of the Association. Subsequent to that date, they are measured at amortized cost.

**Contributed Services**

A number of volunteers contribute their time and other resources each year. There is significant measurement uncertainty associated with determining the fair value of the time and other resources, therefore contributed services/resources are not recognized in these financial statements. The Directors or Officers did not receive remuneration for their services during the year.

*Gordon B. Lee, Chartered Accountants*



**Learning Disabilities Association of Windsor - Essex County**

**Notes to the Financial Statements**

**June 30, 2017**

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**3. Deferred revenue**

Deferred revenue represents the portion of revenues received as at the year end date that pertain to activities occurring in the next fiscal year, and consists of the following:

	<b>2017</b>	<b>2016</b>
May Court Club	\$ 2,848	\$ 2,700
Raise-A-Reader	17,297	13,412
Sertoma Club	1,172	1,114
Windsor Essex Catholic District School Board	-	9,773
Program registration	<u>5,456</u>	<u>5,056</u>
	<u>\$ 26,773</u>	<u>\$ 32,055</u>

**4. Commitments**

The Association operated under month-to-month lease with Wilsondale Asset Management Inc. at a monthly cost of \$1,296 + HST effective May 1, 2016. Effective April 1, 2017 the Association operated under a 5 year lease with Wilsondale Asset Management at a monthly cost of \$1,564 + HST for the first year. The monthly cost will increase to \$1,723 + HST for year 2, \$1,878 + HST for year 3, \$2,039 + HST for year 4 and \$2,136 + HST for year 5.

**5. Financial instruments**

The Association's financial instruments comprise cash, accounts receivable and accounts payable. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

Consistent with earlier years, management does not believe that the Association has any material exposure to credit risk, or to changes in market prices, interest or exchange rates.

**6. Allocation of expenses**

Expenses charged against relevant grants, programs or administration reflect either direct costs that relate to that program only, or an allocation of costs which relate to several programs or activities. The majority of such allocated costs are payroll-related. Payroll-related costs are allocated against the relevant grant, program or administration in proportion to management's best estimate of where the relevant employee spends their time.

*Gordon B. Lee, Chartered Accountants*

**Learning Disabilities Association of Windsor - Essex County**

**Notes to the Financial Statements**

**June 30, 2017**

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**7. Budget stabilization fund**

A surplus is required at the year end, as the Association's programs coincide with the school year, September to June, and upfront expenses are incurred in the period August and September with funding not being received until October and November.

**Learning Disabilities Association of Windsor - Essex County**

**Schedule of Grants**

**For the year ended June 30, 2017**

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	<b>2017</b>	<b>2016</b>
Canada Summer Jobs	\$ 25,903	\$ 17,476
Focus on Youth	3,000	6,000
Learning Disabilities Association of Ontario	135	-
May Court Club	1,289	200
ODSP - employment supports	55,966	79,554
Raise-A-Reader	10,415	11,231
Rotary Club	-	1,285
Sertoma	1,532	641
Windsor-Essex Catholic District School Board		
Learning Support Services	<u>62,888</u>	<u>47,624</u>
	<u>\$ 161,128</u>	<u>\$ 164,011</u>

**Schedule 1**