

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

Financial Statements

June 30, 2016

Gordon B. Lee, Chartered Accountants



C H A R T E R E D A C C O U N T A N T S

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, 2016, 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.

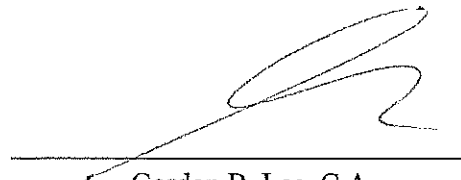
Basis for Qualified Opinion

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, 2016, 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
October 25, 2016



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



CHARTERED ACCOUNTANTS

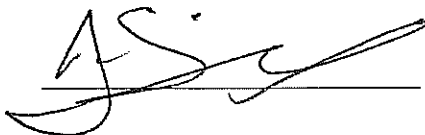
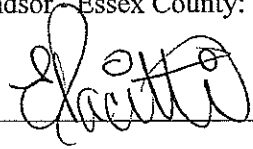
Learning Disabilities Association of Windsor - Essex County

Statement of Financial Position

June 30, 2016

	2016	2015
Assets		
Current		
Cash	\$ 167,445	\$ 69,278
Accounts receivable	93,379	97,226
Prepaid	869	-
	<u>261,693</u>	<u>166,504</u>
Restricted		
Cash - budget stabilization fund	75,000	-
Cash - task force fund	6,483	6,483
	<u>81,483</u>	<u>6,483</u>
	<u>\$ 343,176</u>	<u>\$ 172,987</u>
Liabilities and fund balances		
Accounts payable and accrued expenses	\$ 72,656	\$ 37,384
Deferred revenue (Note 3)	32,055	20,913
	<u>104,711</u>	<u>58,297</u>
Fund balances		
General fund	140,753	16,978
Task force fund	6,483	6,483
Budget stabilization fund (Note 7)	75,000	75,000
Rent fund	16,229	16,229
	<u>238,465</u>	<u>114,690</u>
	<u>\$ 343,176</u>	<u>\$ 172,987</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, 2016

	2016	2015
Revenue		
Donations	\$ 5,052	\$ 8,906
Fundraising	2,000	669
Grants (Schedule 1)	164,011	135,739
Program fees	655,140	436,672
Special event	8,194	-
Miscellaneous	<u>2,791</u>	<u>1,009</u>
	<u>837,188</u>	<u>582,995</u>
Expenditures		
Grant expenses		
Canada Summer Jobs	17,476	11,827
Learning Disabilities Association of Ontario	-	1
May Court Club expense	200	1,525
PwC Canada Foundation	-	5,000
ODSP - employment supports expense	79,554	44,172
Raise-A-Reader expense	11,231	13,689
Rotary Club expense	1,285	-
Sertoma expense	641	2,705
Windsor-Essex Catholic District School Board		
Learning Support Services	<u>47,624</u>	<u>56,877</u>
Total grant expenses	158,011	135,796
Other program expense	472,098	311,952
Fundraising expense	-	783
Special event	7,973	-
Professional fees	6,412	1,798
Allocation to budget stabilization fund	-	75,000
Administration expense	<u>68,919</u>	<u>74,273</u>
	<u>713,413</u>	<u>599,602</u>
Excess (deficiency) of revenue over expenses for the year	123,775	(16,607)
Fund balance, beginning of year	<u>16,978</u>	<u>33,585</u>
Fund balance, end of year	\$ <u>140,753</u>	\$ <u>16,978</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, 2016

	2016	2015
Cash was provided from (applied to)		
Operations		
Donations	\$ 5,052	\$ 8,906
Fundraising	10,194	669
Grants	164,011	135,739
Program fees	655,140	436,672
Miscellaneous	2,791	1,009
Expenditures		
Grant expenses	(158,011)	(135,796)
Other program expenses	(472,098)	(311,952)
Fundraising expenses	(7,973)	(783)
Administration expenses	(75,331)	(76,071)
	123,775	58,393
Change in other non-cash operating accounts	<u>49,392</u>	<u>(48,272)</u>
Increase in cash during the year	173,167	10,121
Cash, beginning of year	<u>75,761</u>	<u>65,640</u>
Cash, end of year	<u>\$ 248,928</u>	<u>\$ 75,761</u>
Cash consists of:		
Cash	\$ 167,445	\$ 69,278
Cash - budget stabilization fund	75,000	-
Cash - task force fund	6,483	6,483
	<u>\$ 248,928</u>	<u>\$ 75,761</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, 2016

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, 2016

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.

Learning Disabilities Association of Windsor - Essex County

Notes to the Financial Statements

June 30, 2016

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:

	2016	2015
May Court Club	\$ 2,700	\$ 200
Rotary Club	-	1,285
Raise-A-Reader	13,412	10,343
Sertoma Club	1,114	277
Windsor Essex Catholic District School Board	9,773	4,283
Program registration	<u>5,056</u>	<u>4,525</u>
	<u>\$ 32,055</u>	<u>\$ 20,913</u>

4. **Commitments**

The Association operated under a month-to-month lease with Wensnet at a monthly cost of \$1,296 plus HST, increased to \$1,348 plus HST effective February 1, 2016. The building was sold and the month-to-month lease continued with the new owner Wilsondale Asset Management Inc. at a monthly cost of \$1,296 + HST effective May 1, 2016.

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.

Learning Disabilities Association of Windsor - Essex County

Notes to the Financial Statements

June 30, 2016

7. Budget stabilization fund

A surplus is required at the year end, June 30, 2016, 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, 2016

	2016	2015
Canada Summer Jobs	\$ 17,476	\$ 11,827
Focus on Youth	6,000	-
May Court Club	200	1,525
PwC Canada Foundation	-	5,300
ODSP - employment supports	79,554	44,172
Raise-A-Reader	11,231	13,689
Rotary Club	1,285	-
Sertoma	641	2,085
Windsor-Essex Catholic District School Board		
Learning Support Services	<u>47,624</u>	<u>57,141</u>
	<u>\$ 164,011</u>	<u>\$ 135,739</u>

Schedule 1

