

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

**Financial Statements**

**June 30, 2020**

**Gordon B. Lee & Company CPAs**



**GORDON B. LEE**  
& COMPANY CPAs

**Independent Auditor's Report**

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

**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 (the Association) as at June 30, 2020, 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.

**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.

**Report on the Financial Statements**

We have audited the accompanying financial statements of Learning Disabilities Association of Windsor - Essex County which comprise the statement of financial position as at June 30, 2020, 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.



### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal that we identify during our audit.

WINDSOR, ONTARIO  
October 21, 2020

  
Gordon B. Lee & Company CPAs  
Licensed Public Accountants  
Chartered Professional Accountants



GORDON B. LEE  
& COMPANY CPAs

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

**Statement of Financial Position**

**June 30, 2020**

	2020	2019
<b>Assets</b>		
Current		
Cash	\$ 462,094	\$ 401,864
Accounts receivable	28,513	144,434
Prepaid	<u>3,098</u>	<u>3,098</u>
	<u>493,705</u>	<u>549,396</u>
Restricted		
Cash - budget stabilization fund	75,000	75,000
Cash - rent fund	30,000	30,000
Cash - task force fund	<u>        </u>	<u>6,483</u>
	<u>105,000</u>	<u>111,483</u>
	<u>\$ 598,705</u>	<u>\$ 660,879</u>
<b>Liabilities and fund balances</b>		
Current		
Accounts payable and accrued expenses	\$ 23,640	\$ 97,462
Deferred revenue (Note 3)	<u>48,989</u>	<u>32,149</u>
	<u>72,629</u>	<u>129,611</u>
Long-term		
Canada Emergency Business Loan (CEBA) (Note 4)	<u>40,000</u>	<u>        </u>
	<u>112,629</u>	<u>129,611</u>
<b>Fund balances</b>		
General fund	381,076	419,785
Task force fund (Note 2)		6,483
Budget stabilization fund (Note 8)	75,000	75,000
Rent fund	<u>30,000</u>	<u>30,000</u>
	<u>486,076</u>	<u>531,268</u>
	<u>\$ 598,705</u>	<u>\$ 660,879</u>

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

*Sabrina M. McMillan*

Director

*[Signature]*

Director



See accompanying Notes to the Financial Statements

**Gordon B. Lee & Company CPAs**

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

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

**For the year ended June 30, 2020**

	<b>2020</b>	<b>2019</b>
Revenue		
Donations	\$ 14,367	\$ 2,974
Fundraising	2,596	1,928
Grants (Schedule 1)	107,172	92,390
Program funding (Schedule 2)	522,303	1,070,457
COVID-19 wage subsidies (Note 4)	55,897	-
Miscellaneous	<u>1,532</u>	<u>2,379</u>
	<u>703,867</u>	<u>1,170,128</u>
Expenditures		
Grant expenses		
Canada Summer Jobs	41,793	39,566
ODSP - employment supports expense	70,842	73,533
Raise-A-Reader expense	151	10,812
Windsor-Essex Catholic District School Board Learning Support Services	-	29,864
W. E. Care for Kids	<u>4,049</u>	<u>-</u>
Total grant expenses	116,835	153,775
Other program expense	564,352	885,026
Fundraising expense	71	98
Special event	3,315	-
Professional fees	11,233	3,579
Administration expense	<u>53,253</u>	<u>58,213</u>
	<u>749,059</u>	<u>1,100,691</u>
(Deficiency) excess of revenue over expenses for the year	(45,192)	69,437
Fund balance, beginning of year	419,785	350,348
Reallocation of the Task Force Fund (Note 2)	<u>6,483</u>	<u>-</u>
Fund balance, end of year	<u>\$ 381,076</u>	<u>\$ 419,785</u>

See accompanying Notes to the Financial Statements

**Gordon B. Lee & Company CPAs**

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

**Statement of Cash Flows**

**For the year ended June 30, 2020**

	2020	2019
Cash was provided from (applied to)		
Operations		
Donations	\$ 14,367	\$ 2,974
Fundraising	2,596	1,928
Grants	107,172	92,390
Program funding	522,303	1,070,457
COVID-19 wage subsidies	55,897	-
Miscellaneous	1,532	2,379
Expenditures		
Grant expenses	(116,835)	(153,775)
Other program expenses	(564,352)	(885,026)
Fundraising expenses	(3,386)	(98)
Administration expenses	<u>(64,486)</u>	<u>(61,792)</u>
	(45,192)	69,437
Change in other non-cash operating accounts	<u>58,939</u>	<u>69,268</u>
	13,747	138,705
 Cash flows from financing activity		
CEBA loan	<u>40,000</u>	<u>-</u>
 Increase in cash during the year	53,747	138,705
 Cash, beginning of year	<u>513,347</u>	<u>374,642</u>
 Cash, end of year	\$ <u>567,094</u>	\$ <u>513,347</u>
 Cash and investments consists of:		
Cash		
- operating	\$ 417,094	\$ 401,864
- restricted	<u>-</u>	<u>111,483</u>
	<u>417,094</u>	<u>513,347</u>
 Investments		
- operating	45,000	-
- restricted	<u>105,000</u>	<u>-</u>
	<u>150,000</u>	<u>-</u>
	\$ <u>567,094</u>	\$ <u>513,347</u>

See accompanying Notes to the Financial Statements

**Gordon B. Lee & Company CPAs**

## Learning Disabilities Association of Windsor - Essex County

### Notes to the Financial Statements

June 30, 2020

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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.

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

**Notes to the Financial Statements**

**June 30, 2020**

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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. During the year the Board of Directors directed that the Task Force Fund be transferred into the operating fund.

**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, 2020**

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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>2020</b>	<b>2019</b>
May Court Club	\$ 5,548	\$ 2,786
Raise-A-Reader	4,394	5,341
Sertoma Club	-	91
Canada Summer Jobs	5,456	18,558
Community Foundations - E-Learning Services	20,399	-
SET (Supported Employment Training)	11,750	3,065
We Care for Kids	1,442	2,308
	<u>\$ 48,989</u>	<u>\$ 32,149</u>

**4. COVID-19 Economic Response Plan**

The Association is eligible for subsidies through the COVID-10 Economic Response Plan provided by the Government of Canada in response to businesses facing hardship as a result of the COVID-19 outbreak. The Association has claimed Canada Emergency Wage Subsidy (CEWS) and Temporary 10% Wage Subsidy (TWS) to June 30, 2020 of \$55,897 with \$13,771 receivable at June 30, 2020.

As well, the Association has received a Canada Emergency Business Account (CEBA) interest - free loan which is held at the Windsor Family Credit Union. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of \$10,000.

**5. Commitments**

The Association entered into a five year lease agreement with Wilsondale Asset Management Inc. effective January 1, 2017 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. This agreement was terminated August 30, 2020. Effective September 1, 2020 the Association entered into an agreement with John McGivney Children's Centre to rent office and storage space at the rate of \$750 plus HST per month for the first 12 months. After the first year the fee shall increase on an annual basis at a minimum by an amount equal to the consumer price index for the province of Ontario. This agreement can be terminated by either party with 90 days notice.

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

**Notes to the Financial Statements**

**June 30, 2020**

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**6. 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.

**7. 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.

**8. 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, 2020**

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	<b>2020</b>	<b>2019</b>
Canada Summer Jobs	\$ 36,680	\$ 32,328
ODSP - employment supports	66,292	49,250
Raise-A-Reader	151	10,812
W. E. Care for Kids Foundation	4,049	-
	<u>\$ 107,172</u>	<u>\$ 92,390</u>

**Schedule 1**

**Schedule of Program Funding**

**For the year ended June 30, 2020**

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	<b>2020</b>	<b>2019</b>
City of Windsor Client Intervention Services	\$ 218,240	\$ 623,339
Assistive technology training		
Greater Essex Catholic District School Board	226,165	297,479
Windsor Essex County District School Board	61,758	78,360
Windsor Essex County District School Board		
After school program	1,500	39,543
Other program fees	14,640	31,736
	<u>\$ 522,303</u>	<u>\$ 1,070,457</u>

**Schedule 2**