

SUCCESS BEYOND LIMITS EDUCATION PROGRAM INC.

(a not-for-profit organization)

DRAFT
FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2015

INDEX

1. Independent Auditors' Report
2. Statement of Financial Position
3. Statement of Changes in Net Assets
4. Statement of Operations
5. Statement of Cash Flows
- 6 - 8. Notes to Financial Statements

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CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Success Beyond Limits Education Program Inc., which comprise the statement of financial position for the year from May 31, 2015, and the statements of changes in net assets, operations 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 judgement, 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Success Beyond Limits Education Program Inc., for the year ended May 31, 2015, 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.

Respectfully submitted,

Toronto, Ontario
Date

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

SUCCESS BEYOND LIMITS EDUCATION PROGRAM INC.

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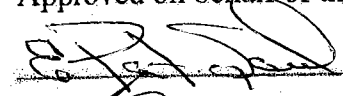
STATEMENT OF FINANCIAL POSITION

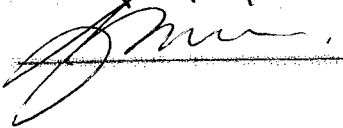
YEAR ENDED MAY 31, 2015

	2015	2014
ASSETS		
Current		
Cash	\$ 54,234	\$ 314
Accounts receivable	1,340	10,360
Grants receivable	-	50,000
Prepaid expenses and sundry assets	<u>5,984</u>	<u>18,069</u>
	61,558	78,743
Capital assets - at cost less accumulated amortization (note 2)	<u>2,841</u>	<u>1,800</u>
	<u>\$ 64,399</u>	<u>\$ 80,543</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 26,895	\$ 30,799
Deferred revenue (note 3)	<u>73,068</u>	<u>92,975</u>
	99,963	123,774
NET ASSETS		
Unrestricted net assets	<u>(35,564)</u>	<u>(43,231)</u>
	<u>\$ 64,399</u>	<u>\$ 80,543</u>

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Approved on behalf of the Board:

 Director

 Director

The accompanying notes form an integral part of these financial statements.

SUCCESS BEYOND LIMITS EDUCATION PROGRAM INC.

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STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MAY 31, 2015

	2015	2014
BALANCE - Beginning of year	\$ (43,231)	\$ (67,605)
Add - Excess of revenues over expenses	<u>7,667</u>	<u>24,374</u>
BALANCE - End of year	\$ <u>(35,564)</u>	\$ <u>(43,231)</u>

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SUCCESS BEYOND LIMITS EDUCATION PROGRAM INC.

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STATEMENT OF OPERATIONS

YEAR ENDED MAY 31, 2015

	2015	2014
REVENUES		
Federal		
- Human Resources and Skills Development	\$ 12,989	\$ 5,757
Provincial		
- Ministry of Tourism, Culture and Sport	56,212	57,255
Municipal		
- Toronto Public Health	5,000	2,900
- Toronto District School Board	67,561	71,300
- YUFA Foundation	67,000	125,500
Foundations		
- Ontario Trillium Foundation	74,807	75,343
- Jays Care Foundation	50,000	50,000
- Laidlaw Foundation	67,525	24,900
- YMCA	1,340	-
- Woodgreen Community Services	13,470	-
- Toronto Community Foundation	20,000	-
- Other	2,900	-
Other Organizations		
- Canadian Tire Jump Start Charities	14,578	9,550
- TD Bank	82,500	35,000
- Harbinger Communications Inc.	-	4,280
- East Metro Youth Services	5,165	33,939
- Toronto Community Housing Corporation	15,000	3,000
- Telus	19,000	-
- Sundry	29,244	58
	<u>604,291</u>	<u>498,782</u>
EXPENSES		
Salaries and benefits	326,263	296,374
Program costs	223,966	145,266
Professional development	16,188	2,009
Insurance	11,272	10,812
Professional fees	4,294	6,596
Office supplies	3,339	2,326
Telephone	3,250	1,303
Bank charges and interest	3,185	2,561
Staff travel	2,097	2,106
Small capital expenditures	698	4,605
Amortization	2,072	450
	<u>596,624</u>	<u>474,408</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 7,667</u>	<u>\$ 24,374</u>

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SUCCESS BEYOND LIMITS EDUCATION PROGRAM INC.

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STATEMENT OF CASH FLOWS

YEAR ENDED MAY 31, 2015

	2015	2014
Cash flow from operating activities:		
Excess of revenues over expenses	\$ <u>7,667</u>	\$ <u>24,374</u>
Adjustments for:		
Amortization of capital assets	<u>2,072</u>	<u>450</u>
Changes in non-cash working capital:		
(Increase) decrease in accounts receivable	9,020	(10,360)
(Increase) decrease in grants receivable	50,000	(50,000)
(Increase) decrease in prepaid expenses and sundry assets	12,085	(12,966)
Increase (decrease) in accounts payable and accrued liabilities	(3,904)	20,266
Decrease in deferred revenue	<u>(19,907)</u>	<u>(18,155)</u>
	<u>47,294</u>	<u>(71,215)</u>
Cash flow from operating activities:	<u>57,033</u>	<u>(46,391)</u>
Cash flow from investing activities:		
Purchase of capital assets	<u>(3,113)</u>	<u>(2,250)</u>
Net increase (decrease) in cash and cash equivalents	53,920	(48,641)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>314</u>	<u>48,955</u>
CASH AND CASH EQUIVALENTS - End of year	\$ <u>54,234</u>	\$ <u>314</u>

DRAFT

The accompanying notes form an integral part of these financial statements.

SUCCESS BEYOND LIMITS EDUCATION PROGRAM INC.

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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2015

I. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit organizations in Part III of the CPA Handbook.

(a) PURPOSE OF THE ORGANIZATION

Success Beyond Limits Education Program Inc. (SBL) believes in supporting young people's success in education in the Jane-Finch Community by delivering a comprehensive, year-round program with the assistance of dedicated and skilled staff, youth mentors, volunteers and the support of key community partners. SBL believes in providing individualized and intensive supports for students and their families.

The organization is incorporated under the laws of the Province of Ontario as a not-for-profit organization, and is exempt from income taxes under Section 149 of the Income Tax Act.

(b) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of highly liquid bank accounts and marketable investments with an original maturity date of 90 days or less.

(c) GRANTS AND ACCOUNTS RECEIVABLE

Grants and accounts receivable include amounts due from government contracts and other revenue sources. Unless otherwise provided for, all receivables are expected to be collected within 90 days.

(d) REVENUE RECOGNITION

- (i) The organization uses the deferral method in accounting for contributions. Accordingly, contributions subject to externally imposed restrictions are initially recorded as deferred revenue and are subsequently recognized as revenue in the year in which the related expenses are incurred.

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-6-

SUCCESS BEYOND LIMITS EDUCATION PROGRAM INC.

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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2015

...Continued

- (ii) Donated goods and services are not recorded in the accounts of the organization, except when a fair value of such goods and services can be reasonably estimated and when the goods and services are normally purchased by the organization and would be paid for if not donated. Volunteers contribute significant amounts of time to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in these statements.
- (iii) Charitable donations in kind are recorded in the financial statements if donation receipts are issued and fair value of the donation can be reasonably determined.

(e) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting standards for not-for-profit organizations requires the organization's management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from these estimates.

(f) FINANCIAL INSTRUMENTS

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and grants receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and deferred revenues.

(g) AMORTIZATION

Amortization of the capital assets has been provided for on a straight-line basis over a period of 5 years.

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