

**TORONTO CENTRE FOR COMMUNITY  
LEARNING & DEVELOPMENT**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDING MARCH 31, 2016**

**(WITH 2015 COMPARISONS)**

**TORONTO CENTRE FOR COMMUNITY LEARNING & DEVELOPMENT**  
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**MARCH 31, 2016**

**INDEPENDENT AUDITORS' REPORT**

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**TATOR, ROSE & LEONG**  
Chartered Accountants

**INDEPENDENT AUDITORS' REPORT**

**To the Members of  
Toronto Centre for Community Learning & Development**

We have audited the accompanying financial statements of Toronto Centre for Community Learning & Development, which comprise the statement of financial position as at March 31, 2016, 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 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 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 Toronto Centre for Community Learning & Development as at March 31, 2016, 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.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tator, Rose & Leong", written in a cursive style.

Toronto, Canada  
June 4, 2016

TATOR, ROSE & LEONG,  
Chartered Accountants  
Licensed Public Accountants

**TORONTO CENTRE FOR COMMUNITY LEARNING & DEVELOPMENT**

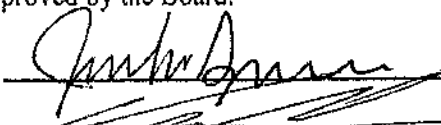
**STATEMENT OF FINANCIAL POSITION**

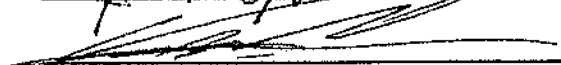
**MARCH 31, 2016**

(With 2015 Comparisons)

|  | 2016                     | 2015                     |
|--|--------------------------|--------------------------|
| <b><u>ASSETS</u></b>                               |                          |                          |
| Current  |                          |                          |
| Cash and cash equivalents                          | \$ 39,342                | \$ 60,325                |
| Short-term investments (Note 3)                    | 15                       | 25,116                   |
| Accounts receivable                                | 38,018                   | 4,528                    |
| Government sales tax receivable                    | 7,712                    | 8,355                    |
| Prepaid expenses                                   | <u>3,350</u>             | <u>3,350</u>             |
|  | 88,437                   | 101,674                  |
| Property, plant and equipment (Note 4)             | 5,459                    | 17,829                   |
| Elizabeth Cooke Endowment                          |                          |                          |
| Fund, at fair value (Note 2)                       | 96,200                   | 103,996                  |
| <b>TOTAL ASSETS</b>                                | <b><u>\$ 190,096</u></b> | <b><u>\$ 223,500</u></b> |
| <b><u>LIABILITIES</u></b>                          |                          |                          |
| Current  |                          |                          |
| Accounts payable and accrued liabilities           | <u>\$ 28,594</u>         | <u>\$ 29,374</u>         |
|  | 28,594                   | 29,374                   |
| Deferred contribution (Note 5)                     | <u>5,912</u>             | <u>12,065</u>            |
| <b>TOTAL LIABILITIES</b>                           | <b><u>34,506</u></b>     | <b><u>41,439</u></b>     |
| <b><u>NET ASSETS</u></b>                           |                          |                          |
| Restricted fund - Endowment fund (Per Statement 2) | 96,200                   | 103,996                  |
| Unrestricted net assets (Per Statement 2)          | <u>59,390</u>            | <u>78,065</u>            |
| <b>TOTAL LIABILITIES &amp;<br/>NET ASSETS</b>      | <b><u>\$ 190,096</u></b> | <b><u>\$ 223,500</u></b> |

Approved by the Board:

  
\_\_\_\_\_, Director

  
\_\_\_\_\_, Director

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

STATEMENT 1

**TORONTO CENTRE FOR COMMUNITY LEARNING & DEVELOPMENT**

**STATEMENT OF CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED MARCH 31, 2016**

**(With 2015 Comparisons)**

|   | 2016             | 2015              |
|---|------------------|-------------------|
| <b><u>RESTRICTED FUND - ELIZABETH COOKE ENDOWMENT</u></b> |                  |                   |
| Balance, April 1  | \$ 103,996       | \$ 96,230         |
| Add: Net investment income                                | 461              | 12,224            |
| Less: Endowment grants and distributions                  | (8,257)          | (4,458)           |
|   | <hr/>            | <hr/>             |
| Balance, March 31   | <u>\$ 96,200</u> | <u>\$ 103,996</u> |
| <b><u>UNRESTRICTED NET ASSETS - OPERATING RESERVE</u></b> |                  |                   |
| Balance, April 1  | \$ 78,065        | \$ 63,034         |
| Less: Excess of revenue over expenditures                 | (18,675)         | 15,031            |
|   | <hr/>            | <hr/>             |
| Balance, March 31   | <u>\$ 59,390</u> | <u>\$ 78,065</u>  |

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

STATEMENT 2

**TORONTO CENTRE FOR COMMUNITY LEARNING & DEVELOPMENT**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED MARCH 31, 2016**

(With 2015 Comparisons)

|   | 2016               | 2015             |
|---|--------------------|------------------|
| <b>REVENUE</b>                                  |                    |                  |
| <b>GOVERNMENT AND FOUNDATION GRANTS</b>         |                    |                  |
| Ministry of Universities, Training and Colleges | \$ 180,229         | \$ 180,229       |
| United Way of Toronto                           | 149,982            | 144,982          |
| City of Toronto                                 | 142,844            | 75,578           |
| George Cedric Metcalf Foundation                | 45,020             | 25,740           |
| JP Bickell Foundation                           | 5,360              | -                |
| Trillium Foundation - deferred                  | 6,153              | 25,971           |
| Prosper Canada                                  | 2,974              | 26,811           |
| Ministry of Citizenship and Immigration         | 2,875              |                  |
| Toronto Community Foundation                    | 900                | 28,750           |
| True Sport Foundation                           | -                  | 3,750            |
| Starbucks Canada                                | -                  | 22,000           |
| Toronto Community Housing Corporation - SIF     | -                  | 3,500            |
|   | <u>536,337</u>     | <u>537,311</u>   |
| <b>PRODUCTIVE ENTREPRISE REVENUE</b>            |                    |                  |
| Clear Language & Design Project                 | 76,288             | 51,408           |
|   | <u>76,288</u>      | <u>51,408</u>    |
| <b>DONATIONS</b>                                |                    |                  |
| Corporate                                       | 77,069             | 113,480          |
| Individual                                      | 10,956             | 10,523           |
|   | <u>88,025</u>      | <u>124,004</u>   |
| <b>OTHER INCOME</b>                             |                    |                  |
| Reimbursement of expenses                       | 270                | 2,440            |
| Miscellaneous income                            | 12,164             | 8,026            |
| Investment income                               | 50                 | 101              |
|   | <u>12,484</u>      | <u>10,567</u>    |
| <b>TOTAL REVENUE</b>                            | <u>713,134</u>     | <u>723,290</u>   |
| <b>EXPENSES</b>                                 |                    |                  |
| Salaries and taxable benefits (Note 6)          | 500,523            | 466,012          |
| Occupancy costs                                 | 51,411             | 58,515           |
| Office and general                              | 27,274             | 38,515           |
| Program expenses                                | 80,994             | 39,977           |
| Amortization                                    | 12,370             | 12,641           |
| Financial assistance                            | 20,612             | 37,299           |
| Telephone                                       | 11,453             | 12,126           |
| Insurance                                       | 5,725              | 5,778            |
| Professional Fees                               | 10,346             | 13,190           |
| Membership and subscription                     | 1,878              | 5,905            |
| Staff and volunteer training                    | 3,773              | 10,182           |
| Bursaries                                       | 2,675              | 5,708            |
| Fundraising and promotion                       | 2,775              | 2,409            |
| <b>TOTAL EXPENSES</b>                           | <u>731,809</u>     | <u>708,259</u>   |
| <b>EXCESS OF (EXPENDITURES OVER REVENUE)</b>    | <u>\$ (18,675)</u> | <u>\$ 15,031</u> |
| <b>REVENUE OVER EXPENDITURES</b>                |                    |                  |

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

STATEMENT 3

**TORONTO CENTRE FOR COMMUNITY LEARNING & DEVELOPMENT**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED MARCH 31, 2016**

**(With 2015 Comparisons)**

|   | 2016             | 2015             |
|---|------------------|------------------|
| <b>OPERATING ACTIVITIES</b>                                     |                  |                  |
| Excess of (expenditures over revenue) revenue over expenditures | \$ (18,675)      | \$ 15,031        |
| Amortization of property, plant and equipment                   | <u>12,370</u>    | <u>12,641</u>    |
|   | (6,305)          | 27,672           |
| Changes in non-cash working capital balances                    |                  |                  |
| (Increase) Decrease in accounts receivable                      | (33,490)         | 44,410           |
| (Increase) in prepaid expenses                                  | -                | (995)            |
| Decrease in government sales tax receivable                     | 643              | 3,077            |
| (Decrease) in accounts payable and accrued liabilities          | <u>(780)</u>     | <u>(6,974)</u>   |
|   | <u>(39,931)</u>  | <u>67,190</u>    |
| <b>INVESTING ACTIVITIES</b>                                     |                  |                  |
| Net change in deferred contributions                            | <u>(6,153)</u>   | <u>(5,170)</u>   |
|   | <u>(6,153)</u>   | <u>(5,170)</u>   |
| CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR                  | (46,084)         | 62,019           |
| CASH AND EQUIVALENTS - BEGINNING OF THE YEAR                    | <u>85,441</u>    | <u>23,422</u>    |
| CASH AND EQUIVALENTS - END OF THE YEAR                          | <u>\$ 39,357</u> | <u>\$ 85,441</u> |
| Cash and equivalents represented by:                            |                  |                  |
| Cash  | \$ 39,342        | \$ 60,325        |
| Short-term investments  | <u>15</u>        | <u>25,116</u>    |
|   | <u>\$ 39,357</u> | <u>\$ 85,441</u> |

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

STATEMENT 4



**TORONTO CENTRE FOR COMMUNITY LEARNING & DEVELOPMENT**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**NATURE OF ORGANIZATION**

Toronto Centre for Community Learning & Development ("the Organization") formerly known as the Toronto East End Literacy Project changed its operating name by letters patent on October 23, 2006. The Toronto Centre for Community Learning & Development is incorporated under the Canada Corporations Act as a non-profit organization. The Organization is a Registered Charity under the Income Tax Act.

The Organization delivers programs in adult literacy (academic upgrading), leadership development, immigrant integration, civic engagement, as well as skills development and volunteerism for youth.

**1. SUMMARY OF ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and are in accordance with Canadian generally accepted accounting principles. The significant accounting policies are as follows:

**Property, plant and equipment and other tangible assets**

Property, plant and equipment and other tangible assets are recorded at cost less accumulated amortization. Amortization is provided using the following rates based on their estimated useful life:

|                               |                        |
|-------------------------------|------------------------|
| Computer equipment            | 30% declining balance  |
| Fixtures                      | 30% declining balance  |
| Office equipment              | 30% declining balance  |
| Computer and systems software | 100% declining balance |

In the year of acquisition, only half rates are used to determine the noted asset's amortization expense.

**Use of Estimates**

The preparation of the financial statements in conformity with Canadian Accounting Standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant area requiring the use of estimates includes useful lives of depreciable assets. Actual results could differ from these estimates.

**TORONTO CENTRE FOR COMMUNITY LEARNING & DEVELOPMENT**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

The Organization follows the deferral method of accounting for grants and contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Productive enterprise revenue is recognized when the relevant service is provided, the invoice is issued and collection of this revenue is reasonably assured. Investment income is recognized when associated income is earned and/or accrued.

Other income are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**Financial Instruments**

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures its financial assets and financial liabilities at amortized cost, except for publicly traded equity securities and derivatives.

Financial assets measured at amortized cost include accounts receivable and fixed-income investments plus equivalents.

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

**Cash and cash equivalents**

Cash and cash equivalents consist of cash on deposit, bank indebtedness, cheques issued and outstanding.

**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 net income. 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 net income.

**TORONTO CENTRE FOR COMMUNITY LEARNING & DEVELOPMENT**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**Impairment of Long-Lived Assets**

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

**Donated Services**

The Organization derives significant benefits from the voluntary services of its members. Since these services are not normally purchased by the Organization and because it is not possible to determine their fair value, donated services are not recognized in these financial statements.

**Restrictions on Net Assets - Elizabeth Cooke Endowment Fund**

Of the Organization's net assets, the Elizabeth Cooke Fund ("Fund") of \$96,200 (2015 - \$103,996) is a restricted fund managed by a third party. The Organization is only allowed access to the fund by way of an annual fund dividend. The Organization has no access to the principal of the Fund. The Fund had a net deficit of \$7,796 (2014 - \$10,377) in the year, and a Fund dividend of \$6,780 (2014 - \$NIL) was received by the Organization.

**Operating reserve**

The organization has the objective of creating an operating reserve as a contingency. The operating reserve ideally should be equal to six months operating expenses.

**TORONTO CENTRE FOR COMMUNITY LEARNING & DEVELOPMENT**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**3. INVESTMENTS**

The Organization owned a GIC since November 2014 and matured on November 27, 2015

The book value together with accrued interest income of the fixed-income investments approximate fair value given the nature of these investments.

Investments are comprised of the following:

|                  | <u>2016</u>  | <u>2015</u>      |
|------------------|--------------|------------------|
| Cash equivalents | 15           | 15               |
| GIC              | -            | 25,101           |
|                  | <u>\$ 15</u> | <u>\$ 25,116</u> |

The investments are held-to-maturity, and use of the investment funds for operating activities is subject to restrictions.

**4. PROPERTY PLANT AND EQUIPMENT**

|                    | <u>2016</u>       |                                     | <u>2015</u>               |
|--------------------|-------------------|-------------------------------------|---------------------------|
|                    | <u>Cost</u>       | <u>Accumulated<br/>amortization</u> | <u>Net book<br/>value</u> |
| Computer equipment | 84,372            | 84,372                              | -                         |
| Fixtures           | 45,292            | 41,273                              | 4,019                     |
| Office equipment   | 6,000             | 4,559                               | 1,441                     |
| Systems software   | 10,000            | 10,000                              | -                         |
|                    | <u>\$ 145,664</u> | <u>\$ 140,205</u>                   | <u>\$ 5,459</u>           |
|                    |                   |                                     | <u>\$ 17,829</u>          |

**5. DEFERRED CONTRIBUTION**

The Organization had received a Trillium Foundation grant in prior years for the restricted use of purchasing capital equipment. The deferred grant is recognized as revenue at the rate of 30% (declining balance method), to coincide with the amortization rate of the assets purchased using this grant.

**TORONTO CENTRE FOR COMMUNITY LEARNING & DEVELOPMENT**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**6. COMMITMENTS**

**i. Office lease agreement**

The Organization has entered into a lease agreement with the Toronto Public Library Board dated October 1, 2015 for office premises. The term of the lease is 12 months. The operating lease commenced on October 1, 2015 and has a termination date of September 30, 2016. The Organization is subject to minimum annual payments of \$2,083 plus a proportionate share of realty taxes and operating costs.

The Toronto Public Library Board has been notified that the Organization will terminate the lease on July 31, 2016. The Organization has entered into a lease agreement with Centre for Social Innovation, effective subsequent to that date.

**ii. Daniels Centre of Learning lease agreement**

The Organization rents out the premises on a monthly rolling basis. The Organization is exempted from basic rent, but is responsible for operating costs and applicable realty taxes. The Organization paid a monthly rental fee of \$558 throughout the fiscal year.

**iii. Office equipment**

The Organization has entered into a lease agreement for two photocopiers. The term of the lease is 6 years and will expire in March 2018. The Organization is subject to minimum annual payments of approximately \$18,753 including HST.

| <u>Fiscal Year Ending</u><br><u>March 31,</u> | <u>Minimum Rent</u><br><u>Payments</u> |
|---|--|
| 2016  | 18,753                                 |
| 2017  | 18,753                                 |
| 2018  | 18,753                                 |
|   | <u>\$ 56,259</u>                       |

**iv. Independent Contractor**

The Organization entered into an independent contractor agreement effective January 4th, 2016 until April 5, 2016, to provide language arts instructor services at a rate of \$20 per hour.

**TORONTO CENTRE FOR COMMUNITY LEARNING & DEVELOPMENT**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2016**

7. **FINANCIAL INSTRUMENTS**

**Risk and concentrations**

The Organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides measure of the Organization's risk exposure.

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk in connection with the collection of its accounts receivable. However, the Organization has a large number of diverse customers, which minimizes the concentration of credit risk.

**Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of a change in foreign exchange rates. The Organization deals exclusively with Canadian customers and suppliers, thus it is exposed to minimal currency risk.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk due to the variable interest rates on fixed income investments. Change in the instrument's interest rate can cause fluctuations in interest income and cash flows. The Organization does not use derivative financial instruments to alter the effects of this risk.

**Liquidity Risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. Like all entities, the Organization would be exposed to liquidity risk if it were ever unable to meet its payment obligations.

**Other Price Risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is not exposed to other price risk.