Financial Statements of

LESBIAN GAY BI TRANS YOUTH LINE

March 31, 2013

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Financial Statements

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SCARROW
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Lesbian Gay Bi Trans Youth Line

We have audited the accompanying financial statements of Lesbian Gay Bi Trans Youth Line, which comprise the statement of financial position as at March 31, 2013, and the statements of operations and changes in fund balance 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 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 organization'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 organization'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.

INDEPENDENT AUDITOR'S REPORT (continued)

Basis for Qualified Opinion
Lesbian Gay Bi Trans Youth Line derives a material amount of revenue from donations and fundraising activities. We were not able to obtain sufficient appropriate audit evidence about the completeness of the reported amounts for accounts receivable, donation and fundraising revenue, revenue in excess of expenditure and changes to net assets because there is no direct relationship between assets or services given up in exchange for amounts received or receivable. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion
Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2013 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.

Comparative Information
Without modifying our opinion, we draw attention to note 3 to the financial statements which describes that Lesbian Gay Bi Trans Youth Line adopted Canadian accounting standards for not-for-profit organizations on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheets as at March 31, 2012 and April 1, 2011, and the statements of operations and changes in fund balance and cash flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Scarrow & Company Professional Corporation

Authorized to practice public accounting by
The Institute of Chartered Accountants of Ontario

Markham, Ontario
September 10, 2013

LESBIAN GAY BI TRANS YOUTH LINE

Statement of Financial Position

As at March 31, 2013

	March 31, 2013	March 31, 2012	April 1, 2011
ASSETS			
Current assets			
Cash	$ 140,493	$ 144,837	$ 210,867
Term deposits	10,000	10,000	-
Accounts receivable	19,063	38	-
Prepaid expenses	-	278	-
HST receivable	8,980	13,868	5,453
	178,536	169,021	216,320
Other assets			
Equipment (note 4)	430	92	2,434
	$ 178,966	$ 169,113	$ 218,754
LIABILITIES AND FUND BALANCE			
Current liabilities			
Accounts payable and accrued liabilities	$ 11,621	$ 26,954	$ 8,806
Deferred revenue (note 7)	28,308	-	39,100
	39,929	26,954	47,906
GENERAL FUND BALANCE	139,037	142,159	170,848
	$ 178,966	$ 169,113	$ 218,754

See accompanying notes to financial statements

Approved on behalf of the board

________________, Director

________________, Director

LESBIAN GAY BI TRANS YOUTH LINE

Statement of Operations and Changes in Fund Balance

For the year ended March 31, 2013

	2013	2012
Revenues		
Dividend and interest income	$ 66	$ 96
Donation Scholarship	10,000	10,000
Donations	54,164	50,869
Donations in kind	42,675	44,025
Fundraising	65,157	59,133
Grants:		
City of Toronto	31,765	31,765
Corporation grants and foundation grants, Schedule 1	59,640	84,135
Ministry of Health	86,160	86,022
Pride & Remembrance Foundation (note 7)	29,092	-
Trillium Foundation (note 7)	71,900	78,200
	450,619	444,245
Charitable activities expenses, Schedule 2	369,230	366,079
Excess of revenues over charitable activities expenses before undernoted items	81,389	78,166
Administration expenses		
Accounting and audit	11,210	8,637
Amortization	307	2,341
Board of director costs, insurance	3,949	3,138
Office supplies, bank charges and other	11,218	24,148
Salaries, benefits and related costs	57,827	68,591
	84,511	106,855
(Deficiency) excess of revenues over expenses	(3,122)	(28,689)
General fund balance, beginning of year	142,159	170,848
General fund balance, end of year	$ 139,037	$ 142,159

See accompanying notes to financial statements

LESBIAN GAY BI TRANS YOUTH LINE

Statement of Cash Flows

For the year ended March 31, 2013

	2013	2012
Operating activities		
(Deficiency) excess of revenues over expenses	$ (3,122)	$ (28,689)
Amortization	307	2,342
Changes in non-cash working capital accounts (note 5)	(885)	(29,683)
	(3,700)	(56,030)
Investing activities		
Purchase of equipment	(644)	-
	(644)	-
Decrease in cash	(4,344)	(56,030)
Cash, beginning of year	154,837	210,867
Cash, end of year	$ 150,493	$ 154,837
Cash consists of:		
Cash	$ 140,493	$ 144,837
Term deposits	10,000	10,000
	$ 150,493	$ 154,837

See accompanying notes to financial statements

1. Nature of operations

Lesbian Gay Bi Trans Youth Line was incorporated on September 12, 1995 under the Canada Corporations Act as a corporation without share capital to provide peer support and peer counselling to and/or about lesbian, gay, bisexual, two-spirited and transgendered youth. The organization is a registered charity, as described in Section 149(1)(f) of the Income Tax Act, and therefore is not subject to either federal or provincial income tax.

2. Summary of significant accounting policies

The organization applies the Canadian accounting standards for not-for-profit enterprises.

(a) Fund accounting

The organization's accounts are maintained in accordance with the principle of fund accounting. The general fund reports contributions and expenses related to the operations and administration of the organization.

(b) Revenue recognition and deferred revenue

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

(c) Donations in kind

Donations in kind are recorded only if a tax receipt is issued. Tax receipts are issued for gifts in kind if requested by the donor and if the fair market value of the gift is readily determinable. The total amount of gift in kind tax receipt is included in both the revenue and expense.

From time to time, the organization receives donations of art and graphic design services at no cost. These items are recorded at market value and included in donations in kind revenue.

(d) Donated services

The organization derives a significant benefit from members acting as volunteers and directors. Since these services are not normally purchased by the organization and because of the difficulty of determining the fair market value, the value of these donated services is not recorded in these financial statements

2. Summary of significant accounting policies (continued)

(e) Equipment

Equipment is recorded at cost. The organization provides for amortization using the following methods at rates designed to amortize the cost of the equipment over its estimated useful life. The annual amortization rates and methods are as follows:

Asset	Rate
Computer equipment	3 years Straight-line
Telephone equipment	5 years Straight-line

(f) Measurement uncertainty

The preparation of 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 liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Areas of measurement uncertainty include the valuation of donations in kind and the allocation of costs between charitable activites and administrative activities.

3. Adoption of accounting standards for not-for-profit organizations

These financial statements were prepared in accordance with Part III of the CICA Handbook-Accounting ("Part III").

The organizations's first reporting period using Part III is for the year ended March 31, 2013. As a result, the date of transition to Part III is April 1, 2011. The organization presented Financial Statements under its previous Canadian generally accepted accounting principles ("CGAAP") annually to March 31st of each fiscal year up to, and including, March 31, 2012.

As these financial statements are the first financial statements for which the organization has applied Part III, the financial statements have been prepared in accordance with the provisions set out in Section 1501 of Part III, First-time Adoption by Not-for-profit Organizations.

The organization is required to apply Part III effective for periods ending on March 31, 2013 in:

a) preparing and presenting its opening statement of financial position at April 1, 2011 and

b) preparing and presenting its statement of financial position for March 31, 2013 (including comparative amounts for 2012), statement of operations, statement of changes in net assets, and statement of cash flows for the year ended March 31, 2013 (including comparative amount for 2012) and disclosures (including comparative information for 2012).

Section 1501 provides organizations with certain exemptions to the strict requirement that an Organization's opening statement of financial position shall comply with Part III. The organization did not make use of any of the available exemptions under Section 1501. Further, there are no adjustments to the opening statement of financial position resulting from adopting Part III.

4. Equipment

	Cost	Accumulated amortization	March 31, 2013 Net Book Value	March 31, 2012 Net Book Value	April 1, 2011 Net Book Value
Office equipment	$ -	$ -	$ -	$ -	$ 338
Computer equipment	644	214	430	-	-
Telephone equipment	10,018	10,018	-	92	2,096
	$ 10,662	$ 10,232	$ 430	$ 92	$ 2,434

5. Changes in non-cash working capital accounts

	2013	2012
Accounts payable and accrued liabilities	$ (15,334)	$ 18,148
Accounts receivable	(19,025)	(38)
Deferred revenue	28,308	(39,100)
HST	4,888	(8,415)
Prepaid expenses	278	(278)
	$ (885)	$ (29,683)

6. HST rebate receivable

During the year the Company filed for a rebate of HST from the applicable government authorities. Where it was practical, the related expenditure categories have been reduced by the amount of the HST rebate claimed, and for insignificant amounts, the rebate was credited to office and general expense. The Company also applied for this rebate in respect of the 2013 fiscal year and this amount, in the aggregate, has been separately shown on the statement of operations and member's surplus. The amount that is receivable is subject to review and approval by the applicable government department and the amount ultimately refunded could differ from that which has been calculated.

7. Restricted funds

Pride & Remembrance Foundation

Restricted funding was obtained from the Pride & Remembrance Foundation to offset expenses incurred during the year. The amount of funding recognized is matched to the amount of expenses incurred. The amount of funding received in excess of the expenses incurred is recorded as deferred revenue on the statement of financial position, to be carried forward and recognized when additional expenses are incurred in future periods.

The Ontario Trillium Foundation

Restricted funding was obtained from the Ontario Trillium Foundation to offset expenses incurred during the year. The amount of funding recognized is matched to the amount of expenses incurred. The amount of funding received in excess of the expenses incurred is recorded as deferred revenue on the statement of financial position, to be carried forward and recognized when additional expenses are incurred in future periods.

The J.W. McConnell Family Foundation

Restricted funding was obtained from the J.W. McConnell Family Foundation to offset expenses incurred for technology in a project proposal approved under the Platformation Fund criteria. The there were no expenses incurred to offset against this grant in fiscal 2013. The amount of funding received is recorded as deferred revenue and carried forward to be recognized when expenses are incurred in future periods.

8. Financial instruments

Fair value

The organization's financial instruments include cash, HST receivable and accounts payable and accrued liabilities. The carrying value of these instruments approximates their fair value due to their short-term maturities.

Interest, currency and credit risk

Management is of the opinion that the organization is not exposed to significant interest rate, currency or credit risk arising from its financial instruments.

9. Comparative amounts

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2013 financial statements.

LESBIAN GAY BI TRANS YOUTH LINE

Schedule of Corporation and Foundation Grants

For the year ended March 31, 2013

	2013	2012
CIBC	$ -	$ 5,000
CIBC Mellon	-	8,000
Counselling Foundation of Canada	32,000	32,000
Ministry of Community Safety and Correctional Services	-	12,885
TD Bank Financial Group	25,000	22,000
Telus Communications	-	1,250
The Geoffrey H. Wood Foundation	1,000	3,000
The Yonge Street Mission	1,640	-
	$ 59,640	$ 84,135

See accompanying notes to financial statements

LESBIAN GAY BI TRANS YOUTH LINE

Schedule of Charitable Activities Expenses

For the year ended March 31, 2013

	2013	2012
Operations		
Events	$ 38,571	$ 54,238
Occupancy	9,608	9,896
Promotional materials	11,578	18,667
Salaries, benefits, and related costs	126,115	198,297
Scholarship	10,000	10,000
Telephone, internet and website	14,097	10,182
Travel	226	6,550
Volunteer training and support	15,369	14,224
	$ 225,564	$ 322,054
In-Kind		
Donated art	$ 42,675	$ 41,625
Graphic design	-	2,400
	$ 42,675	$ 44,025
Trillium Project Expenses		
Events	$ 8,913	$ -
Honorarium	1,400	-
Office	3,241	-
Salary	48,503	-
Telephone and internet	662	-
Travel expense	9,180	-
	$ 71,899	$ -
Pride and Remembrance Expenses		
Retreat	$ 3,614	$ -
Salary	24,000	-
Travel expense	1,478	-
	$ 29,092	$ -
	$ 369,230	$ 366,079

See accompanying notes to financial statements