

**Lesbian Gay Bi Trans Youth Line**

**Financial Statements**

**March 31, 2017**



## **Independent Auditors' Report**

To the Members,

### **Lesbian Gay Bi Trans Youth Line**

#### **Report of the financial statements**

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, 2017** and the statements of operations and changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Managements'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 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.

# Lesbian Gay Bi Trans Youth Line

## Independent Auditors' Report

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### Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the organization's records. Therefore, we were not able to determine whether any adjustments might be necessary to the donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2017 and 2016, current assets as at March 31, 2017 and 2016, and net assets as at April 1 and March 31 for both the 2017 and 2016 years. Our audit opinion on the financial statements for the year ended March 31, 2016 was modified accordingly because of the possible effects of this limitation in scope.

### Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of **Lesbian Gay Bi Trans Youth Line** as at **March 31, 2017** and the results of its operations and cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

*Clarkson Rouble LLP*

Mississauga, Ontario  
August 31, 2017

**Clarkson Rouble LLP**  
Chartered Professional Accountants  
Licensed Public Accountants



# Lesbian Gay Bi Trans Youth Line

## Statement of Financial Position As at March 31

	2017	2016
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 108,105	\$ 124,679
Guaranteed Investment Certificate	10,000	10,000
Accounts receivable	19,873	2,020
HST rebate receivable	4,310	7,008
	<u>142,288</u>	<u>143,707</u>
<b>Equipment (Note 2)</b>	<u>-</u>	<u>2,615</u>
	<u>\$ 142,288</u>	<u>\$ 146,322</u>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 22,818	\$ 12,337
Deferred revenue	20,060	33,560
	<u>42,878</u>	<u>45,897</u>
<b>Net Assets</b>	<u>99,410</u>	<u>100,425</u>
	<u>\$ 142,288</u>	<u>\$ 146,322</u>

*See accompanying notes to financial statements*

**On behalf of the Board:**

\_\_\_\_\_ Director \_\_\_\_\_ Director

# Lesbian Gay Bi Trans Youth Line

## Statement of Operations and Changes in Net Assets Year Ended March 31

	2017	2016
<b>Revenue</b>		
Corporation and foundation grants (Note 3)	\$ 77,497	\$ 68,500
Ministry of Health	86,160	86,160
City of Toronto grant	42,705	41,790
Employment grants	18,721	7,031
Donations	57,360	113,127
Fundraising	35,226	11,188
Other income	-	682
	<u>317,669</u>	<u>328,478</u>
<b>Expenses</b>		
<b>Charitable activities expenses (Schedule 1)</b>	<u>233,141</u>	<u>217,991</u>
<b>Administration expenses</b>		
Accounting and audit	12,045	12,345
Amortization	2,615	2,615
Board of directors costs, insurance	3,487	3,203
Office supplies, bank charges and other	11,789	37,748
Salaries, benefits and related costs	55,607	51,749
	<u>85,543</u>	<u>107,660</u>
	<u>318,684</u>	<u>325,651</u>
<b>(Deficiency) excess of revenue over expenses for the year</b>	<b>(1,015)</b>	<b>2,827</b>
<b>Net Assets, beginning of year</b>	<u>100,425</u>	<u>97,598</u>
<b>Net Assets, end of year</b>	<b>\$ 99,410</b>	<b>\$ 100,425</b>

*See accompanying notes to financial statements*

# Lesbian Gay Bi Trans Youth Line

## Statement of Cash Flows Year Ended March 31

	2017	2016
<b>Cash provided by operating activities</b>		
Excess (deficiency) of revenue over expenses for the year	\$ (1,015)	\$ 2,827
Items not requiring an outlay of cash		
Amortization	2,615	2,615
	1,600	5,442
<b>Changes in working capital</b>		
Accounts receivable	(17,853)	17,960
HST rebate receivable	2,698	2,655
Accounts payable and accrued liabilities	10,481	4,526
Deferred revenue	(13,500)	20,060
<b>(Decrease) increase from operating activities</b>	<b>(16,574)</b>	<b>50,643</b>
<b>(Decrease) increase in cash</b>	<b>(16,574)</b>	<b>50,643</b>
<b>Cash, beginning of year</b>	<b>134,679</b>	<b>84,036</b>
<b>Cash, end of year</b>	<b>\$ 118,105</b>	<b>\$ 134,679</b>
<b>Represented by:</b>		
Cash in bank	\$ 108,105	\$ 124,679
Guaranteed Investment Certificate	10,000	10,000
	<b>\$ 118,105</b>	<b>\$ 134,679</b>

*See accompanying notes to financial statements*

# Lesbian Gay Bi Trans Youth Line

## Notes to Financial Statements

March 31, 2017

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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.

### 1. Significant accounting policies

These financial statements are prepared by management in accordance with Canadian Accounting Standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

#### 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

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.

Special events revenue is recognized on completion of the event.

#### 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 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.

# Lesbian Gay Bi Trans Youth Line

Notes to Financial Statements  
March 31, 2017

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**1. 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:

<b>Asset</b>	<b>Rate</b>
Computer equipment	3 years straight line
Telephone equipment	5 years straight line

**f) Measurement uncertainty**

The preparation of Organization's financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions which 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 revenues and expenses during the reporting 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 activities and administrative activities.

**g) Financial instruments**

*Financial instruments*

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and liabilities at amortized cost, with the exception of investments, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, short term investments and accounts receivable.

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

The organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.



# Lesbian Gay Bi Trans Youth Line

## Notes to Financial Statements

March 31, 2017

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### 1. Significant accounting policies (continued)

#### g) Financial instruments (continued)

##### *Transaction costs*

The organization recognizes its transaction costs in net income in the period incurred except for financial instruments that will not be subsequently measured at fair value. The carrying amounts of these instruments are adjusted by the transaction costs that are directly attributable to their issuance.

### 2. Equipment

	2017			2016	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Computer equipment	\$ 8,488	\$ 8,488	\$ -	\$ 2,615	
Telephone equipment	10,018	10,018	-	-	
	<b>\$ 18,506</b>	<b>\$ 18,506</b>	<b>\$ -</b>	<b>\$ 2,615</b>	

### 3. Funding from Corporation and foundation grants

	2017	2016
Canada Post Community Foundation	\$ -	\$ 6,000
Innoweave Cloud Computing	7,500	-
Planned Parenthood	20,000	17,500
TD Bank Financial Group	25,000	25,000
The Geoffrey H. Wood Foundation	-	4,000
Toronto Arts Council	9,997	-
Toronto Foundation - Vital Ideas	15,000	15,000
Others	-	1,000
	<b>\$ 77,497</b>	<b>\$ 68,500</b>

# Lesbian Gay Bi Trans Youth Line

## Notes to Financial Statements

March 31, 2017

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### 4. Financial instruments risk exposure

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the statement of financial position date.

#### **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's main credit risks relate to accounts receivable, however the risk is limited due to the nature of its accounts receivable. Contributions are not recorded in receivables unless collection is reasonably assured. The organization has not had issues with these collections over the past several years. The allowance for doubtful accounts is \$Nil (2015 - \$Nil).

#### **Liquidity risk**

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable. The organization expects to meet these obligations as they come due through sufficient cash flow from operations. The organization has not had issues with meeting obligations in the past several years.

There has been no change in risk assessment from the prior year.

#### **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

#### *Interest rate risk*

Interest rate risk refers to the risk that the fair value of financial instruments will fluctuate because of changes in market interest rates. The exposure of the organization to interest rate risk arises from the possibility that changes in interest rates will affect the value of short-term investments held by the organization. The organization manages this risk by holding redeemable term deposits.

## Lesbian Gay Bi Trans Youth Line

### Schedule of Charitable Activities Expenses Year Ended March 31

### Schedule 1

	2017	2016
<b>Operations</b>		
Events	\$ 11,939	\$ 3,492
Occupancy	9,908	9,908
Promotional materials	1,244	4,099
Salaries, benefits and related costs	168,806	156,582
Telephone, internet and website	14,588	15,621
Travel	844	651
Volunteer training and support	14,917	12,482
Special projects	10,895	15,156
	<b>\$ 233,141</b>	<b>\$ 217,991</b>