

**Eshkiniigjik Naandwechigegamig,
Aabiish Gaa Binjibaaying (ENAGB)
Youth Program**

Financial Statements

March 31, 2020

**Eshkiniigjik Naandwechigegamig,
Aabiish Gaa Binjibaaying (ENAGB) Youth Program**

Financial Statements

March 31, 2020

Index

Independent Auditors' Report	1-2
FINANCIAL STATEMENTS	
Balance Sheet	3
Statement of Revenue and Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-8



July 24, 2020

Independent Auditors' Report

To the Board of Directors of the ENAGB Youth Program

Opinion

We have audited the financial statements of the ENAGB Youth Program, which comprise the statement of financial position as at March 31, 2020, and the statements of changes in fund balances, operations, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ENAGB Youth Program as at March 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the ENAGB Youth Program in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

ENAGB Youth Program's was incorporated September 11, 2018, however did not begin operations until July 2019 and as a result, there are no comparative figures.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the ENAGB Youth Program'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 ENAGB Youth Program or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the ENAGB Youth Program's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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 auditors' 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.

Roger Chaplin CPA, CA LPA MA [Oxon] Gail Bergman CPA, CA LPA B Comm

As part of an audit in accordance with Canadian auditing standards, we exercise professional judgment 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 than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 ENAGB Youth Program's internal controls.
- 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 to events or conditions that may cast significant doubt on the ENAGB Youth Program's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the ENAGB Youth Program to cease to continue as a going concern.

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 control that we identify during our audit.



Chartered Accountants
Licensed Public Accountants
Toronto, Ontario

ENAGB Youth Program

Balance Sheet
March 31, 2020

Page 3

	Notes	
Assets		
Current		
Cash	2	\$ 229,926
Accounts receivable		18,412
Prepaid expenses		1,580
HST recoverable		12,227
		<u>262,145</u>
Long-term		
Capital assets	3	31,786
		<u>\$ 293,931</u>
Liabilities		
Current		
Accounts payable and accrued liabilities		\$ 14,422
Funds held in trust	2	6,423
Deferred revenue	4	247,029
		<u>267,874</u>
Long-term		
Deferred contributions related to capital assets	5	31,786
		<u>299,660</u>
Net assets		<u>(5,729)</u>
		<u>\$ 293,931</u>

See accompanying notes

Approved on behalf of the Board of Directors of
the ENAGB Youth Program:



Laurie Hermiston, President



Alyssa Luttenberger, Treasurer

ENAGB Youth Program

Statement of Revenue and Expenses For the year ended March 31, 2020

Page 4

	General Operation	EarlyON	Total
Revenues			
Donations	\$ 1,745	\$ -	\$ 1,745
Special events	13,123	-	13,123
City of Toronto (note 6)	7,000	360,708	367,708
Gaming (note 2)	8,229	-	8,229
Other income	250	-	250
	<u>30,347</u>	<u>360,708</u>	<u>391,055</u>
Expenses			
Amortization	-	1,673	1,673
Bank charges	1,280	-	1,280
Employee benefits	2,966	15,335	18,301
Insurance	2,855	-	2,855
Professional fees	2,306	14,609	16,915
Meetings	4,840	1,617	6,457
Office and general	4,473	1,505	5,978
Program expenses	6,172	72,129	78,301
Rent	-	21,798	21,798
Salaries - Operations	-	154,966	154,966
Salaries - Administration	6,328	42,078	48,406
Special events	1,856	-	1,856
Staff Training	-	150	150
Startup costs	-	19,002	19,002
Supplies	-	3,820	3,820
Travel	-	8,803	8,803
HST	-	3,223	3,223
Website	3,000	-	3,000
	<u>36,076</u>	<u>360,708</u>	<u>396,784</u>
Expenses over revenue for the year and net assets end of year	<u>(5,729)</u>	<u>-</u>	<u>\$ (5,729)</u>

See accompanying notes

ENAGB Youth Program

Statement of Cash Flows Year ended March 31, 2020

Net cash provided by (used in)	
Operations	
Excess of expenses over revenue for the year	\$ (5,729)
Items not involving cash	
Amortization	1,673
	<u>(4,056)</u>
Changes in non-cash working capital items	
Accounts receivable	(18,412)
Prepaid expenses	(1,580)
HST recoverable	(12,227)
Accounts payable and accrued liabilities	14,422
Funds held in trust	6,423
Deferred revenue	247,029
Deferred contributions related to capital assets	31,786
	<u>263,385</u>
Investing	
Purchase of capital assets	(33,459)
	<u>229,926</u>
Net increase in cash	229,926
Cash, beginning of year	-
Cash, end of year	<u>\$ 229,926</u>

See accompanying notes

ENAGB Youth Program

Notes to Financial Statements March 31, 2020

Page 6

The ENAGB Youth Program focuses on providing cultural, employment, life skills, holistic wellness and recreational opportunities to youth ages 12-24. Programming is designed through youth participation and works to build self-esteem, confidence, skills and self-determination. In addition the organization provides child and family programs as the service provider of the Indigenous EarlyON Program.

On November 8, 2019 the organization received a Alcohol and Gaming licence to run the Chase the Ace progressive raffle.

The organization was incorporated on September 11, 2018 by Letters Patent under the Canada Corporations Act as a not-for-profit organization. Effective on September 28, 2018, the organization was designated as a registered Charitable Organization under paragraph 149(1)(f) of the Income Tax Act and is exempt from income taxes and can issue charitable donation receipts.

1. Summary accounting policies

Basis of presentation

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Capital assets

Capital assets costing more than \$5,000 are recorded at cost and are amortized over the estimated useful life of the asset. Furniture and equipment is amortized from the date the asset put into service over 10 years straight line.

If there is an indication that the capital asset may be impaired, an impairment test is performed that compares the carrying amount to net recoverable amount, which is normally determined by estimating sales less direct costs on an undiscounted basis over the remaining life of the asset. There was no impairment indicators in 2020.

Revenue recognition

ENAGB follows the deferral method of accounting for donations, grants, sponsorships, special events and other income. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Capital asset contributions are deferred and recognized over the useful life of the corresponding assets, commencing in the year the assets are put in use.

Contributed services and materials

Donated materials and capital assets are recognized in the accounts when their fair value are readily determinable and have been received by the organization. During the year, no such amounts have been recorded in the accounts.

Volunteers contribute many hours annually to assist the organization in carrying out its mission and mandate. Because of the difficulty in determining the fair value of such assistance, contributed services are not recognized in the financial statements.

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost includes cash, accounts receivable and HST recoverable. Financial liabilities measured at amortized cost includes accounts payable and accrued liabilities. The organization has not designated any financial asset or financial liability to be measured at fair value.

Summary accounting policies (continued)

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Such estimates include the determination of accrued liabilities. Actual results could differ from managements best estimates as additional information becomes available in the future.

Allocation of expenses

Administration expenses are allocated based on pre-approve negotiations with funders.

2. Gaming

The organization receives proceeds from the Chase the Ace of Spades progressive raffle at the rate of \$5 per ticket sold. The winner is entitled to 20% of the ticket sale revenue and 30% is set aside for progressive prize and the remaining 50% is retained by organization.

Sales	\$ 17,115
Prizes	(2,135)
Bank charges and fees	(329)
	<hr/>
Net	14,651
Funds held in trust for progressive prize	(6,422)
	<hr/>
Organization's share	<u>\$ 8,229</u>

3. Capital assets

	Cost	Accumulated amortization	Net
Furniture and equipment	<u>\$ 33,459</u>	<u>\$ 1,673</u>	<u>\$ 31,786</u>

4. Deferred revenue

Deferred revenue represents unspent resources for specific projects as specific by the contributors. Deferred revenue consists of the following:

	Contributions received	Utilized during the year	Balance March 31, 2020
City of Toronto - EarlyON	\$ 598,835	\$ 367,708	\$ 231,127
Laidlaw Foundation	16,000	98	15,902
	<hr/>	<hr/>	<hr/>
	<u>\$ 614,835</u>	<u>\$ 367,806</u>	<u>\$ 247,029</u>

ENAGB Youth Program

Notes to Financial Statements
March 31, 2020

Page 8

5. Deferred contributions related to the capital assets

Deferred contributions related to the capital assets represents the unamortized cost on capital assets purchased from contributions from the City of Toronto.

Additions during the year	\$	33,459
Amount amortized to revenue		(1,673)
		<hr/>
Balance, end of year	\$	31,786
		<hr/>

6. City of Toronto

Included in the City of Toronto funding is \$7,000 received from the Public Health department for Investment in Youth Engagement. The funds were spent in accordance with the funding agreement as follows:

Meetings and strategic planning	\$	6,300
Administration		700
		<hr/>
	\$	7,000
		<hr/>

7. Economic dependance

The organization is dependent on funding from the City of Toronto. During the year 95% its revenue was from the City of Toronto.

8. Commitments

The organization is committed under a lease for office and program space expiring June 30, 2020. The minimum annual payment in 2021 is \$9,860.

9. Financial risk management

The organization's financial instruments consist of cash, accounts receivable, HST recoverable and accounts payable and accrued liabilities. It is management's opinion that the association is not exposed to significant interest, currency or credit risks arising from the financial instruments.

10. COVID-19

The outbreak of the COVID-19 virus has resulted in the federal and provincial governments enacting emergency measures to contain the spread of the virus. These measures, including physical and social distancing, a prohibition of religious gatherings and the closure of schools and day cares, have resulted in an uncertain and challenging economic environment, and caused material disruption to the organization's operations.

As an emerging risk, the duration and impact of the COVID-19 pandemic is unknown at this time. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty. Accordingly, estimates of the extent to which the COVID-19 pandemic may, directly or indirectly, materially and adversely affect the organization's operations, financial results and condition in future periods are also subject to significant uncertainty, and cannot be estimated.