



# Attachment # 1

Financial Statements

Future Possibilities Canada Inc.

June 30, 2014

# Contents

	<b>Page</b>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 9

## Independent Auditor's Report

Grant Thornton LLP  
Suite 200  
15 Allstate Parkway  
Markham, ON  
L3R 5B4

T +1 416 366 0100  
F +1 905 475 8906  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the Board of Directors of  
*Future Possibilities Canada Inc.*

We have audited the accompanying financial statements of Future Possibilities Canada Inc., which comprise the statement of financial position as at June 30, 2014, and the statements of operations, changes in net assets 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 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.

# Independent Auditor's Report (continued)

## **Basis for qualified opinion**

In common with many charities, the Organization derives revenue from donations from the public, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and net assets.

## **Qualified opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Future Possibilities Canada Inc. as at June 30, 2014, 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.



Markham, Canada  
August 20, 2014

Chartered Accountants  
Licensed Public Accountants

---

## Future Possibilities Canada Inc. Statement of Financial Position

June 30	2014	2013
<b>Assets</b>		
Current		
Cash	\$ 52,076	\$ 42,227
Accounts receivable	10,186	50,104
Prepaid expenses	<u>-</u>	<u>10,363</u>
	62,262	102,694
Equipment (Note 3)	<u>7,140</u>	<u>10,322</u>
	<u>\$ 69,402</u>	<u>\$ 113,016</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 13,554	\$ 15,332
Deferred grant revenue	<u>24,117</u>	<u>74,783</u>
	<u>37,671</u>	<u>90,115</u>
<b>Net assets</b>		
Unrestricted	24,591	12,579
Invested in equipment	<u>7,140</u>	<u>10,322</u>
	<u>31,731</u>	<u>22,901</u>
	<u>\$ 69,402</u>	<u>\$ 113,016</u>

On behalf of the Board of Directors

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

---

## Future Possibilities Canada Inc. Statement of Operations

Year ended June 30	2014	2013
Revenue		
Government grants	\$ 161,434	\$ 105,217
Donations	113,387	144,733
Foundation grants	107,480	112,597
Events	49,080	46,517
Other revenue	<u>800</u>	<u>531</u>
	<u>432,181</u>	<u>409,595</u>
Expenses		
Programs and events	326,228	256,228
Administration	93,941	148,151
Amortization	<u>3,182</u>	<u>3,569</u>
	<u>423,351</u>	<u>407,948</u>
Excess of revenue over expenses	<u>\$ 8,830</u>	<u>\$ 1,647</u>

---

---

## Future Possibilities Canada Inc. Statement of Changes in Net Assets

Year ended June 30

---

	<b>Unrestricted</b>	<b>Invested in equipment</b>	<b>Total 2014</b>	Total 2013
Balance, beginning of year	\$ 12,579	\$ 10,322	\$ <b>22,901</b>	\$ 21,254
Excess (deficiency) of revenue over expenses	<u>12,012</u>	<u>(3,182)</u>	<u><b>8,830</b></u>	<u>1,647</u>
Balance, end of year	<u><b>\$ 24,591</b></u>	<u><b>\$ 7,140</b></u>	<u><b>\$ 31,731</b></u>	<u>\$ 22,901</u>

---

---

## Future Possibilities Canada Inc. Statement of Cash Flows

Year ended June 30	2014	2013
Increase (decrease) in cash		
<b>Operating</b>		
Excess of revenue over expenses	\$ 8,830	\$ 1,647
Item not affecting cash		
Amortization	<u>3,182</u>	<u>3,569</u>
	12,012	5,216
Change in non-cash working capital items		
Accounts receivable	39,918	(33,531)
Prepaid expenses	10,363	(7,644)
Accounts payable and accrued liabilities	(1,778)	10,832
Deferred grant revenue	<u>(50,666)</u>	<u>60,123</u>
	9,849	34,996
<b>Investing</b>		
Purchase of equipment	<u>-</u>	<u>(4,421)</u>
Increase in cash	9,849	30,575
Cash		
Beginning of year	<u>42,227</u>	<u>11,652</u>
End of year	<u>\$ 52,076</u>	<u>\$ 42,227</u>

---

---

# Future Possibilities Canada Inc.

## Notes to the Financial Statements

June 30, 2014

---

### 1. Purpose of the Organization

Future Possibilities Canada Inc. (the "Organization") is a provincial organization that provides coaching and mentoring to elementary and middle school-aged children in Ontario. The Organization is incorporated without share capital under the Corporations Act (Ontario) and is exempt from income taxes. The Organization is a registered charity under the Income Tax Act (Canada).

---

### 2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The significant policies are detailed as follows:

#### Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial position and the reported amounts of revenues and expenses during the fiscal year. Actual results could differ from those estimates.

#### Revenue recognition

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

#### Contributed services

The Organization's activities are supported by time donated by a substantial number of volunteers. Since no objective basis exists for recording and assigning values to these services, they are not reflected in the accompanying financial statements.

#### Donated materials

Donated materials which would otherwise have been purchased are recorded at their fair value at the date of contribution, when fair value can be readily determined.

#### Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is calculated on a basis intended to write off the assets over their estimated useful life as follows, with one-half of the rates applied in the year of acquisition:

Computer equipment	30% Declining balance
Website	3 years Straight-line
Office equipment	30% Declining balance

---

# Future Possibilities Canada Inc.

## Notes to the Financial Statements

June 30, 2014

---

### 2. Summary of significant accounting policies (continued)

#### Allocation of expenses

Certain employees perform a combination of program and administration activities. As a result, the Organization allocates employee compensation expenses based on time dedicated to each activity. Expense allocations are applied on a consistent basis from year to year.

#### Financial instruments

The Organization's financial instruments include cash, accounts receivable and accounts payable. The financial instruments are originally recorded at fair value, and subsequently at amortized cost.

---

### 3. Equipment

			<u>2014</u>	<u>2013</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 20,739	\$ 16,834	\$ 3,905	\$ 5,579
Website	3,899	1,949	1,950	3,249
Office equipment	<u>2,974</u>	<u>1,689</u>	<u>1,285</u>	<u>1,494</u>
	<u>\$ 27,612</u>	<u>\$ 20,472</u>	<u>\$ 7,140</u>	<u>\$ 10,322</u>

---

### 4. Allocation of expenses

During fiscal 2014, \$26,040 (2013 - \$55,512) in employee compensation expenses were allocated to administration expenses.

---

### 5. Commitments

As at June 30, 2014, the Organization has an outstanding commitment during fiscal 2015 of approximately \$26,000 with respect to leasing premises.

---

---

# Future Possibilities Canada Inc.

## Notes to the Financial Statements

June 30, 2014

---

### 6. Financial instruments

#### 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 meet its funding obligation. This risk is mitigated by the Organization through ensuring revenue is derived from qualified sources. The allowance for doubtful accounts in relation to accounts receivable is \$Nil (2013 - \$Nil).

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to liquidity risk with respect to its accounts payable. The Organization reduces its exposure to liquidity risk related to accounts payable by ensuring that it documents when authorized payments are due and maintaining adequate cash reserves to repay advances. Included in accounts payable and accrued liabilities are government remittances owing of \$453 (2013 - \$Nil) relates to sales taxes owing.

#### Other risks

It is management's opinion that the Organization is not exposed to significant currency, cash flow, interest, concentration or market risks arising from its financial instruments.

---