

The League of Canadian Poets

Financial Statements

March 31, 2016

The League of Canadian Poets

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Independent Auditor's Report

To the Directors of
The League of Canadian Poets

We have audited the accompanying financial statements of The League of Canadian Poets, which comprise the statement of financial position as at March 31, 2016, 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.

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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The League of Canadian Poets 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, which is one of the financial reporting frameworks included in Canadian generally accepted accounting principles.

Abrahamse Berkis Pinto LLP

Chartered Accountants, Licensed Public Accountants
June 14, 2016

1.

The League of Canadian Poets

(incorporated under the laws of Canada)

Statement of Financial Position

March 31

2016

2015

Assets

Current assets

Cash	\$ 145,291	\$ 172,589
Term deposit	17,636	17,636
Grants receivable	537	5,600
Sales tax rebates receivable	7,378	7,530
Prepaid expenses and deposits	9,502	10,133

Investments - P.K. Page Fund (Note 4)	180,344	213,488
Investments - Jessamy Stursberg Youth Poetry Fund (Note 5)	27,975	25,793
	56,646	56,744

\$ 264,965 **\$ 296,025**

Liabilities

Current liabilities

Accounts payable and accrued liabilities	\$ 16,392	\$ 9,518
Employee deductions payable	4,738	3,752
Jessamy Stursberg Youth Poetry Fund, in trust (Note 5)	80	450
Deferred contributions - C. Thibaudeau award (Note 6)	3,600	3,950
Deferred grants (Note 7)	144,300	119,800
Deferred membership fees	1,480	33,750

170,590 **171,220**

Net Assets

P.K. Page Fund (Note 4)	27,975	25,793
Restricted (Note 5)	56,646	56,744
Unrestricted	9,754	42,268

94,375 **124,805**

\$ 264,965 **\$ 296,025**

See accompanying notes.

Approved by the Board

_____ Director

_____ Director

The League of Canadian Poets

Statement of Operations For the year ended March 31

	2016	2015
Revenue		
Earned		
Annual general meeting	\$ 7,290	\$ 8,795
Fundraising (Note 4)	13,631	20,436
Membership fees	81,875	73,899
Living Archives sales (Note 8)	70	190
Interest, royalties and other	1,417	535
Endowment fund	6,724	6,352
Government assistance (Note 7)		
Operating grants	121,450	123,100
Programs and project grants	114,600	137,796
	347,057	371,103
Expenses		
Programs		
Canada Council Touring (Note 10)	76,488	76,204
Ontario Arts Council Poets in School (Note 10)	32,347	33,069
Toronto Arts Council Readings in Public Areas (Note 10)	10,553	9,179
Projects		
Marketing projects (Note 10)	19,939	33,275
Annual general meeting	13,076	11,974
Awards	-	4,000
Membership communications	6,256	4,662
Administration		
Salaries and benefits	140,997	124,586
Rent	16,454	16,154
National Council and Executive Committee	12,089	8,029
Computer and photocopier	1,774	13,472
Professional fees	15,840	10,786
Bank charges and interest	3,278	2,150
Office and general	30,480	23,159
	379,571	370,699
(Deficiency) excess of revenue over expenses	\$ (32,514)	\$ 404

See accompanying notes.

The League of Canadian Poets

Statement of Changes in Net Assets For the year ended March 31

	P.K. Page Trust Fund	Unrestricted	Total Unrestricted	Jessamy Stursberg Fund Restricted	Total 2016
Net assets					
Balance, beginning of year	\$ 25,793	\$ 42,268	\$ 68,061	\$ 56,744	\$ 124,805
Excess of revenue over expenses - unrestricted	2,182	(32,514)	(30,332)	2,252	(28,080)
Endowment transfers	-	-	-	(2,350)	(2,350)
Balance, end of year	\$ 27,975	\$ 9,754	\$ 37,729	\$ 56,646	\$ 94,375

	P.K. Page Trust Fund	Unrestricted	Total Unrestricted	Jessamy Stursberg Fund Restricted	Total 2015
Net assets					
Balance, beginning of year	\$ 22,060	\$ 41,864	\$ 63,924	\$ 58,234	\$ 122,158
Excess of revenue over expenses - unrestricted	3,733	404	4,137	660	4,797
Endowment transfers	-	-	-	(2,150)	(2,150)
Balance, end of year	\$ 25,793	\$ 42,268	\$ 68,061	\$ 56,744	\$ 124,805

The League of Canadian Poets

Statement of Cash Flows For the year ended March 31

	2016	2015
Cash flows (used for) from operating activities (Deficiency) excess of revenue over expenses	\$ (32,514)	\$ 404
Changes in non-cash items related to operations		
Grants receivable	5,063	11,616
Sales tax rebates receivable	152	802
Prepaid expenses	631	(2,334)
Accounts payable and accrued charges	6,874	(9,993)
Employee deductions payable	986	331
Jessamy Strusberg Youth Poetry Fund, in trust	(370)	450
Deferred contributions - C. Thibaudeau award	(350)	(350)
Deferred grants	24,500	54,229
Deferred membership fees	(32,270)	11,040
	(27,298)	66,195
Increase (decrease) in cash during the year	(27,298)	66,195
Cash, beginning of year	190,225	124,030
Cash, end of year	\$ 162,927	\$ 190,225
Cash is comprised of		
Cash	\$ 145,291	\$ 172,589
Term deposit	17,636	17,636
	\$ 162,927	\$ 190,225

See accompanying notes.

The League of Canadian Poets

Notes to Financial Statements

March 31, 2016

1. Nature of business

The League of Canadian Poets was incorporated without share capital as a not-for-profit organization under the laws of the Province of Ontario on June 18, 1976. Its purpose is to promote the interests of Canadian poets and poetry. The League is a registered charitable organization under the Canadian Income Tax Act and is, thus, exempt from income taxes under Section 149(1)(1) of the Act. Exemption remains valid as long as the organization continues to meet the requirements of the Act and regulations in respect of registered charities.

2. Summary of significant accounting policies

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 reporting amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reported year. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the results of operations in the year in which they become known.

Revenue recognition

The League follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenues when received or receivable if the amount to be collected can be reasonably estimated and collection is assured. Restricted contributions, including any government grants, are recognized as revenues in the year in which the related expenses are incurred or activity takes place.

The revenue generated from membership fees is recognized over the term of the membership period.

Capital assets

Expenditures on capital assets, which consist mainly of lease payments for computer and photocopier equipment, are expensed in the accounts.

Volunteer services

Much of the work of the League is dependent on voluntary services. Since these services are not normally purchased by the League, and because of the difficulty in determining their fair value, such donated services are not recognized in the accounts.

Expenditure allocations

The League has adopted a policy of allocating payroll expenditures proportionately to their relevant programs and projects based on the estimate of staff time related to each activity.

The League of Canadian Poets

Notes to Financial Statements

March 31, 2016

3. Financial instruments

The carrying amount of the League's financial instruments consisting of cash, term deposits, receivables, equity securities held in trust, and accounts payable and accrued charges approximate their fair values. The equity securities held are subject to fluctuations in market value based on their performance on the Toronto Stock Exchange. Otherwise, it is management's opinion that the League is not exposed to significant interest, currency, or credit risks.

4. P.K. Page fund

The fund was formed in memory of P.K. Page through contributions by the family of P.K. Page and reading fees donated by the League's members. Included in fundraising revenue is \$0 (2015 - \$1,725) for funds raised in P.K. Page's name. In total, \$22,419 has been invested in marketable securities for the P.K. Page Fund and \$5,556 has been earned in investment income. Investment income is to be distributed at the discretion of the National Council.

5. Jessamy Stursberg Youth Poetry fund

In 2011 the League received a \$50,000 endowment in memory of Jessamy Stursberg to support youth initiatives. The contribution was initially held in marketable securities by the Canadian Poetry Foundation, a related party with a common directors, on behalf of The League of Canadian Poets with income disbursed annually by the League to programs and services in support of young Canadian poets. At the beginning of fiscal 2014, the balance of the investment account totalling \$54,630 was transferred to The League of Canadian Poets.

6. Colleen Thibaudeau Award

In 2013 the League received a \$5,000 donation from the Thibaudeau family to provide a cash award in Colleen Thibaudeau's name. The award is distributed annually to a member who has made an outstanding contribution. In 2016 \$350 was awarded (2015 - \$350).

7. Government assistance

Government assistance revenue consists of the following:

	2016	2015
Operating grants:		
Canada Council	\$ 71,000	\$ 71,000
Ontario Arts Council	31,350	33,000
Toronto Arts Council	19,100	19,100
	\$ 121,450	\$ 123,100

The League of Canadian Poets

Notes to Financial Statements

March 31, 2016

7. Government assistance (continued)

	2016	2015
Program and project grants		
Canada Council Touring	\$ 55,900	\$ 55,900
Department of Canadian Heritage	26,700	34,625
Ontario Arts Council Poets in Schools	32,000	32,000
Ontario Trillium Foundation	-	15,271
	\$ 114,600	\$ 137,796

As of March 31, 2016 deferred government grants consist of the following:

	2016	2015
Operating grants	\$ 113,900	\$ 63,900
Program and project grants	30,400	55,900
	\$ 144,300	\$ 119,800

8. Living Archives

The League administers the sale of certain publications, referred to as Living Archives, on behalf of others. Prior to 1997, sales revenues in excess of expenses were accounted for as deferred contributions on the statement of financial position. Beginning in the year ended March 31, 1997, the annual revenues and expenses have been accounted for as revenues and expenses of the League in the statements of operations and changes in net assets.

Cumulative revenues and expenses since the beginning of the year ended March 31, 1997 are as follows:

	2016	2015
Total revenues	\$ 6,590	\$ 6,520
Total expenses	2,661	2,661
	\$ 3,929	\$ 3,859

The League of Canadian Poets

Notes to Financial Statements

March 31, 2016

9. Endowment fund

The Ontario Arts Foundation ("OAF") operates an Ontario Arts Endowment Fund Program in which it holds contributions made to arts organizations for endowment purposes. Endowment funds are held in trust by the OAF in perpetuity.

Arts organizations receive income in amounts determined each year by OAF. In 2016, the League earned income of \$6,724 (2015 - \$6,352). As at March 31, 2016, the market value of The League of Canadian Poets Arts Endowment Fund was approximately \$120,000.

10. Allocation of expenses

Payroll expenses allocated to programs and projects are as follow:

	2016	2015
Canada Council Touring	\$ 20,581	\$ 20,225
Ontario Arts Council Poets in School	15,177	14,460
Toronto Arts Council Readings in Public Areas	6,053	5,779
Marketing projects	2,690	7,500
	\$ 44,501	\$ 47,964