

**PROSPER CANADA CENTRE FOR FINANCIAL LITERACY  
OPERATING FUND  
(FORMERLY SOCIAL AND ENTERPRISE DEVELOPMENT INNOVATIONS  
- CANADIAN CENTRE FOR FINANCIAL LITERACY  
OPERATING FUND)  
FINANCIAL STATEMENT  
FOR THE YEAR ENDED  
MARCH 31, 2014**

**PROSPER CANADA CENTRE FOR FINANCIAL LITERACY  
OPERATING FUND  
(FORMERLY SOCIAL AND ENTERPRISE DEVELOPMENT INNOVATIONS  
- CANADIAN CENTRE FOR FINANCIAL LITERACY  
OPERATING FUND)**

**MARCH 31, 2014**

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INDEPENDENT AUDITOR'S REPORT

To: The Toronto Dominion Bank and "Class Counsel"

We have audited the statement of Revenues and Expenditures of the Prosper Canada Centre for Financial Literacy Operating Fund (formerly Social and Enterprise Development Innovations - Canadian Centre for Financial Literacy Operating Fund) for the year ended March 31, 2014 and a summary of significant accounting policies and other explanatory information (together "the financial statement"). This financial statement has been prepared pursuant to an Ontario Superior Court of Justice Order.

*Management's Responsibility*

Management is responsible for the preparation of this financial statement in accordance with the Ontario Superior Court of Justice Order, and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statement, 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 statement 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, if any, made by management, as well as evaluating the overall presentation of the financial statement.

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 statement presents fairly, in all material respects, the revenues and expenditures of Prosper Canada Centre for Financial Literacy Operating Fund for the year ended March 31, 2014 in accordance with the Ontario Superior Court of Justice Order.

*Basis of Accounting*

Without modifying our opinion, we draw attention to Note 2 to the financial statement, which describes the basis of accounting. The financial statement is prepared to provide information to The Toronto Dominion Bank and "Class Counsel". As a result, the statement may not be suitable for another purpose.

*Akler, Browning, Frimet  
& Landzberg LLP*

CHARTERED ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS  
TORONTO, CANADA  
JUNE 25, 2014

**PROSPER CANADA CENTRE FOR FINANCIAL LITERACY  
 OPERATING FUND  
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**STATEMENT OF REVENUES AND EXPENDITURES**

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|   | For the Year Ended March 31 |                 |
|---|-----------------------------|-----------------|
|   | <u>2014</u>                 | <u>2013</u>     |
|   | \$                          | \$              |
| <b>REVENUES</b>                             |                             |                 |
| Grants                                      | 870,228                     | 696,124         |
| Interest                                    | <u>13,246</u>               | <u>20,412</u>   |
|   | <u>883,474</u>              | <u>716,536</u>  |
| <b>EXPENDITURES</b>                         |                             |                 |
| Salaries and benefits                       | 583,961                     | 492,923         |
| Program support - Evaluation                | 147,116                     | 62,521          |
| Occupancy costs                             | 48,300                      | 50,325          |
| Travel and meetings                         | 22,601                      | 23,671          |
| Printing and promotion                      | 20,734                      | 33,166          |
| Program delivery                            | 19,711                      | 15,367          |
| Website development                         | 11,519                      | 12,607          |
| Office and general                          | 10,148                      | 10,751          |
| Equipment/software                          | 8,217                       | 6,343           |
| Audit                                       | 5,000                       | 5,394           |
| Telephone and internet                      | <u>6,167</u>                | <u>3,468</u>    |
|   | <u>883,474</u>              | <u>716,536</u>  |
| <b>EXCESS OF REVENUES OVER EXPENDITURES</b> | <u><u>-</u></u>             | <u><u>-</u></u> |

APPROVED ON BEHALF OF THE BOARD:



CHAIR OF AUDIT COMMITTEE

See accompanying notes to the financial statement

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NOTES TO THE FINANCIAL STATEMENT  
MARCH 31, 2014

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**Note 1: Objectives**

Prosper Canada (formerly Social and Enterprise Development Innovations) is a not-for-profit organization, federally incorporated without share capital and is registered with Canada Revenue Agency as a charitable organization.

The Prosper Canada Centre for Financial Literacy ("CFL") (formerly the Canadian Centre for Financial Literacy) represents a \$3,500,000 fund provided by the CFL co-founder, TD Bank Financial Group, effective July 9, 2009 to support the activities of the CFL over a five year period ending December 31, 2014. The purpose of the CFL is to expand opportunities for increasing the financial literacy of low income and otherwise economically disadvantaged persons and groups in Canada.

**Note 2: Significant Accounting Policy**

The following is a summary of the significant accounting policies used by management in the preparation of this financial statement.

**Basis of Accounting**

The basis of accounting used in this financial statement differs from Canadian accounting standards for not-for-profit organizations in that the accompanying financial statement reflects only the results of operation for the CFL as disclosed by its books, and does not include any other assets, liabilities, revenues or expenditures of the organization.

**Revenue Recognition**

The organization follows the deferral method of accounting for contributions. Contributions are recognized as revenue in the year in which the related expenses are incurred.

**Use of Estimates**

The preparation of the financial statement in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures. The main estimate relates to the impairment of financial assets.

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**Note 3: Deferred Contributions**

Deferred contributions represent unspent resources externally restricted by the funder that are related to a future period. At year end, \$687,349 of funds had been received and remained unspent. These funds will be recognized as revenue in the period in which they are spent.