

**East York Learning Experience
Financial Statements
March 31, 2023**



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Independent Auditor's Report

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To the members of East York Learning Experience:

Qualified Opinion

We have audited the financial statements of East York Learning Experience (the "entity"), which comprise the statement of financial position as at March 31, 2023, statement of changes in net assets, statement of operations and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at March 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many non-for-profit organizations, the entity derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the entity. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, and cash flows from operations for the years ended March 31, 2023 and 2022, current assets as at March 31, 2023 and 2022, and net assets as at April 1 and March 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the entity 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 qualified opinion.

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 entity'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 entity or to cease operations, or has no realistic alternative but to do so.

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Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's 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 auditor's 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.

As part of an audit in accordance with Canadian generally accepted 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 entity's internal control.
- 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the 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 auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Baker Tilly WM LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
June 20, 2023

**East York Learning Experience
Statement of Financial Position
March 31, 2023**

	<u>2023</u>	<u>2022</u>
Assets		
Current		
Cash	\$ 283,101	\$ 220,932
Accounts receivable	2,266	4,080
Goods and services tax recoverable (note 4)	1,710	1,378
Grant receivable	5,805	3,255
Prepays	<u>1,322</u>	<u>1,297</u>
	<u>\$ 294,204</u>	<u>\$ 230,942</u>
 Liabilities		
Current		
Accounts payable and accrued liabilities (note 7)	\$ 12,014	\$ 9,598
Deferred revenue and grants	<u>-</u>	<u>350</u>
	<u>12,014</u>	<u>9,948</u>
 Net Assets		
Unrestricted	186,929	160,948
Internally restricted (note 8)	<u>95,261</u>	<u>60,046</u>
	<u>282,190</u>	<u>220,994</u>
	<u>\$ 294,204</u>	<u>\$ 230,942</u>

PLEASE SIGN
& RETURN

Director

PLEASE SIGN
& RETURN

Director

See accompanying notes and schedules to the financial statements

**East York Learning Experience
Statement of Changes in Net Assets
Year Ended March 31, 2023**

	2023		
	Unrestricted Net Assets	Internally Restricted Net Assets (note 8)	Total
Balance, beginning of year	\$ 160,948	\$ 60,046	\$ 220,994
Excess of revenue over expenditures	84,281	(23,085)	61,196
Internal restrictions	<u>(58,300)</u>	<u>58,300</u>	<u>-</u>
Balance, end of year	<u>\$ 186,929</u>	<u>\$ 95,261</u>	<u>\$ 282,190</u>

	2022		
	Unrestricted Net Assets	Internally Restricted Net Assets (note 8)	Total
Balance, beginning of year	\$ 123,836	\$ 30,800	\$ 154,636
Excess of revenue over expenditures	69,306	(2,948)	66,358
Internal restrictions	<u>(32,194)</u>	<u>32,194</u>	<u>-</u>
Balance, end of year	<u>\$ 160,948</u>	<u>\$ 60,046</u>	<u>\$ 220,994</u>

See accompanying notes and schedules to the financial statements

**East York Learning Experience
Statement of Operations
Year Ended March 31, 2023**

	<u>2023</u>	<u>2022</u>
Revenue		
Grants and donations (see schedule)	\$ <u>266,179</u>	\$ <u>258,308</u>
Expenses		
Salaries	\$ 151,917	\$ 143,917
Employee benefits	13,532	12,312
Rent, maintenance and leaseholds	12,647	12,686
Purchased services including student workshops	7,613	4,300
Professional fees	5,665	5,268
Program and office supplies	4,595	2,047
Insurance	2,489	2,314
Publicity and promotions	1,226	-
Non-recoverable portion of goods and services taxes (note 4)	1,170	1,250
Transportation	919	-
Purchase of capital assets (note 6)	644	2,224
Child care	580	-
Telephone	462	532
Workers compensation	410	401
Miscellaneous	405	416
Professional development	325	472
Volunteer recognition	243	-
Delivery	226	113
Education and training resources	108	-
Printing	100	418
Bank charges	76	100
Training support	<u>-</u>	<u>3,344</u>
	<u>205,352</u>	<u>192,114</u>
Other revenue		
Miscellaneous	350	150
Interest	<u>19</u>	<u>14</u>
Excess of revenue over expenditures	<u><u>\$ 61,196</u></u>	<u><u>\$ 66,358</u></u>

See accompanying notes and schedules to the financial statements

**East York Learning Experience
Schedule of Grants and Donations
Year Ended March 31, 2023**

	Revenue in 2023	Revenue in 2022
Ministry of Labour, Immigration, Training and Skills Development	\$ 120,171	\$ 121,861
Miscellaneous donations	90,089	95,530
Foundations	25,356	10,453
City of Toronto	18,060	17,064
Fundraising events	8,197	8,930
Human Resources and Skills Development Canada	<u>4,306</u>	<u>4,470</u>
	<u>\$ 266,179</u>	<u>\$ 258,308</u>

See accompanying notes and schedules to the financial statements

**East York Learning Experience
Statement of Cash Flows
Year Ended March 31, 2023**

	<u>2023</u>	<u>2022</u>
Cash, beginning of year	\$ <u>220,932</u>	\$ <u>157,939</u>
Cash receipts		
Grants	135,681	137,445
Donations	119,751	110,453
Fundraising	10,011	6,165
Interest	<u>19</u>	<u>14</u>
	<u>265,462</u>	<u>254,077</u>
Cash disbursements		
Salaries and administration	(202,649)	(188,860)
Purchase of capital assets	<u>(644)</u>	<u>(2,224)</u>
	<u>(203,293)</u>	<u>(191,084)</u>
Cash, end of year	\$ <u><u>283,101</u></u>	\$ <u><u>220,932</u></u>

See accompanying notes and schedules to the financial statements

**East York Learning Experience
Notes to the Financial Statements
Year Ended March 31, 2023**

1. Organization and incorporation

East York Learning Experience (the "organization" or "EYLE") commenced funded operations as a not-for-profit unincorporated entity during April 1987. On April 29, 1988, the organization obtained its letters patent under the Corporations Act (Ontario), constituting a corporation without share capital. Subsequently, the organization received registration as a charitable organization for tax purposes on July 8, 1988.

Mission Statement: EYLE's adult literacy, numeracy and digital literacy programs transform lives and enhance self-worth by empowering individuals to reach their full potential.

2. Update on COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. COVID-19 has affected global markets and caused disruptions to domestic and international supply chains. Various measures introduced by all orders of government (i.e., travel restrictions, business closures, reduced government services, restrictions on public movement, imposition of quarantines and social distancing) have had implications for the organization's normal delivery of programs and services, including temporary closures, shifts to virtual/remote work and alternate delivery modalities. Modifications were made across all service areas in the immediate term and it is anticipated that these service delivery modifications may remain in place for a significant period before a full return to normal operations is possible.

The organization cannot estimate the length and gravity of the COVID-19 pandemic. The organization is continually monitoring and assessing new information and recommendations from health and government authorities as it becomes available, and will continue to respond accordingly.

3. Accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Revenue recognition

The organization follows the deferral method of accounting for grants and donations. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred, otherwise they are deferred. 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. In addition, the organization occasionally receives grants for funding periods that include those beyond the fiscal period end date. Accordingly, only that portion of grants which have been expended in the current period are recognized as revenue, otherwise they are deferred.

**East York Learning Experience
Notes to the Financial Statements
Year Ended March 31, 2023**

3. Accounting policies (continued)

Cash

Cash consists of current operating bank accounts. The organization has no restrictions on these accounts.

Contributed services and materials

A number of volunteers contribute a significant amount of their time and services to the organization each year. Because of the difficulty in determining fair value, these contributed services are not recognized in the financial statements. The organization records the fair value of contributed materials at the time of receipt, where such fair value is determinable and the materials would otherwise have been purchased. The organization did not receive any such contributed materials in the years ended 2023 and 2022.

Capital assets

Capital assets are expensed in the period of purchase.

Financial instruments

Arm's Length Transactions

Measurement of financial instruments

The organization measures its financial assets and financial liabilities at fair value at the acquisition date.

The organization subsequently measures all of its financial assets and financial liabilities at amortized cost.

Transaction Costs

Transaction costs related to the acquisition or issuance of financial instruments subsequently measured at fair value and are recognized in the statement of operations when incurred. The carrying amounts of financial instruments not subsequently measured at fair value are adjusted by the amount of the transaction costs directly attributable to the acquisition or issuance of the instrument, and the adjustment is recognized in the statement of operations over the life of the instrument using the straight-line method.

Impairment

Financial assets measured at amortized cost are assessed for indications of impairment at the end of each reporting period. If impairment is identified, the amount of the write-down is recognized as an impairment loss in the statement of operations. Previously recognized impairment losses are reversed when the extent of the impairment decreases, provided that the adjusted carrying amount is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

East York Learning Experience
Notes to the Financial Statements
Year Ended March 31, 2023

4. Goods and services tax

As a charitable organization, East York Learning Experience is eligible for a rebate of a fixed percentage of the goods and services tax paid on purchases. The current rebate factors are 50% for the federal portion and 82% for the provincial portion.

5. Income taxes

The organization is a registered charity within the meaning of the Income Tax Act (Canada) and is not subject to either federal or provincial income taxes.

6. Capital assets

During the year, the organization purchased equipment (including computer equipment and counter guards) for \$644 (2022 - \$2,224).

7. Accounts payable and accrued liabilities

	<u>2023</u>	<u>2022</u>
Trade payable and accrued liabilities	\$ 6,522	\$ 4,818
Government remittances	<u>5,492</u>	<u>4,780</u>
	<u>\$ 12,014</u>	<u>\$ 9,598</u>

8. Internally restricted net assets

The movement in internally restricted funds is as follows:

	<u>2023</u>	<u>2022</u>
Balance, beginning of the year	\$ 60,046	\$ 30,800
Additional funds internally restricted	58,300	32,194
Spent during the year	<u>(23,085)</u>	<u>(2,948)</u>
Balance, end of the year	<u>\$ 95,261</u>	<u>\$ 60,046</u>

The internally restricted funds related to the following:

	<u>2023</u>	<u>2022</u>
Outreach and administrative co-ordinator for 2 years	\$ 55,000	\$ -
Program coordinator's hours extension to full time (3 year contract)	17,596	26,394
Salary of a new part-time evening worker which covers 2 years	11,824	20,600
Special needs assessments for two of the organization's students	5,000	5,000
Replacement of office chairs and printer	2,300	-
Purchase of a new outdoor sign	1,026	2,252
GED fees for students	1,000	1,000
Welcome packages for new students	745	-
Student workshops	425	3,500
Subscriptions	345	1,000
Purchase of a full size bookcase	<u>-</u>	<u>300</u>
	<u>\$ 95,261</u>	<u>\$ 60,046</u>

**East York Learning Experience
Notes to the Financial Statements
Year Ended March 31, 2023**

8. Internally restricted net assets (continued)

The organization may not use these internally restricted amounts for any other purpose without the approval of the Board of Directors.

9. Lease commitment

The organization has a lease commitment in 2023 for office premises totaling \$6,408. The lease expires on September 30, 2023.

10. Financial instruments

Risks and concentrations

The nature and extent of significant risks as at March 31, 2023, are described below. There have been no changes to the significant risks from the prior year.

Liquidity risk

Liquidity risk is the risk that an organization will encounter difficulty in meeting obligations associated with its financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The organization has a comprehensive plan in place to meet its obligations as they come due – primarily through the use of cash flow from operations.