

**East York Learning Experience
Financial Statements
March 31, 2022**



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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, 2022, 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, 2022, 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, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1 and March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 31, 2021 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.

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

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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 21, 2022

**East York Learning Experience
Statement of Financial Position
March 31, 2022**

	<u>2022</u>	<u>2021</u>
Assets		
Current		
Cash	\$ 220,932	\$ 157,939
Accounts receivable	4,080	1,315
Goods and services tax recoverable (note 4)	1,378	920
Grant receivable	3,255	1,625
Prepays	<u>1,297</u>	<u>1,249</u>
	<u>\$ 230,942</u>	<u>\$ 163,048</u>
 Liabilities		
Current		
Accounts payable and accrued liabilities (note 7)	\$ 9,598	\$ 8,412
Deferred revenue and grants	<u>350</u>	<u>-</u>
	<u>9,948</u>	<u>8,412</u>
 Net Assets		
Unrestricted	160,948	123,836
Internally restricted (note 8)	<u>60,046</u>	<u>30,800</u>
	<u>220,994</u>	<u>154,636</u>
	<u>\$ 230,942</u>	<u>\$ 163,048</u>

Director

Director

See accompanying notes and schedules to the financial statements

**East York Learning Experience
Statement of Changes in Net Assets
Year Ended March 31, 2022**

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

	<u>2021</u>		
	<u>Unrestricted Net Assets</u>	<u>Internally Restricted Net Assets (note 8)</u>	<u>Total</u>
Balance, beginning of year	\$ 94,596	\$ -	\$ 94,596
Excess of expenditures over revenue	60,040	-	60,040
Internal restrictions (note 8)	<u>(30,800)</u>	<u>30,800</u>	<u>-</u>
Balance, end of year	<u>\$ 123,836</u>	<u>\$ 30,800</u>	<u>\$ 154,636</u>

See accompanying notes and schedules to the financial statements

**East York Learning Experience
Statement of Operations
Year Ended March 31, 2022**

	<u>2022</u>	<u>2021</u>
Revenue		
Grants and donations expended (see schedule)	\$ <u>258,308</u>	\$ <u>212,164</u>
Expenses		
Salaries	\$ 143,917	\$ 109,249
Rent, maintenance and leaseholds	12,686	12,054
Employee benefits	12,312	10,349
Program and office supplies	6,347	7,338
Professional fees	5,268	5,004
Training support	3,344	1,300
Insurance	2,314	2,047
Purchase of capital assets (note 6)	2,224	1,990
Non-recoverable portion of goods and services taxes (note 4)	1,250	1,109
Telephone	532	625
Professional development	472	120
Printing	418	-
Miscellaneous	416	147
Workers compensation	401	385
Delivery	113	-
Bank charges	100	373
Education and training resources	-	43
	<u>192,114</u>	<u>152,133</u>
Other revenue		
Miscellaneous	150	-
Interest	14	9
Excess of revenue over expenditures	<u>\$ 66,358</u>	<u>\$ 60,040</u>

See accompanying notes and schedules to the financial statements

**East York Learning Experience
Schedule of Grants and Donations
Year Ended March 31, 2022**

	<u>Revenue in 2022</u>	<u>Revenue in 2021</u>
Ministry of Labour, Training and Skills Development	\$ 121,861	\$ 121,876
Miscellaneous donations	95,530	67,564
City of Toronto	17,064	1,625
Foundations	10,453	13,039
Fundraising events	8,930	8,060
Human Resources and Skills Development Canada	<u>4,470</u>	<u>-</u>
	<u>\$ 258,308</u>	<u>\$ 212,164</u>

See accompanying notes and schedules to the financial statements

**East York Learning Experience
Statement of Cash Flows
Year Ended March 31, 2022**

	<u>2022</u>	<u>2021</u>
Cash, beginning of year	\$ <u>157,939</u>	\$ <u>98,836</u>
Cash receipts		
Grants	137,445	121,876
Donations	110,453	80,604
Fundraising	6,165	7,926
Interest	<u>14</u>	<u>9</u>
	<u>254,077</u>	<u>210,415</u>
Cash disbursements		
Salaries and administration	(188,860)	(149,322)
Purchase of capital assets	<u>(2,224)</u>	<u>(1,990)</u>
	<u>(191,084)</u>	<u>(151,312)</u>
Cash, end of year	\$ <u><u>220,932</u></u>	\$ <u><u>157,939</u></u>

See accompanying notes and schedules to the financial statements

East York Learning Experience Notes to the Financial Statements Year Ended March 31, 2022

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).

Change in accounting policy

The organization has adopted the amendments to *CPA Handbook* Section 3856, Financial Instruments. The amendments have been adopted effective April 1, 2020, the beginning of the earliest comparative period in these financial statements (the "transition date"). The amendments provide guidance on the accounting for financial instruments arising from transactions between both arm's-length and related parties, and require disclosure of enterprise-specific information related to significant risks arising from financial instruments.

The organization has applied the amendments retrospectively, in accordance with the transition provisions. The amendments provide transition relief for instruments without repayment terms to be measured at their pre-adoption carrying amount less impairment at the transition date. Transition relief is also provided for instruments extinguished or derecognized prior to the transition date, such that only instruments existing on the transition date need to be assessed.

The adoption of the amendments had no impact on the organization's financial statements other than the enterprise-specific risk disclosures related to significant risks arising from the organization's financial instruments (note 10).

East York Learning Experience
Notes to the Financial Statements
Year Ended March 31, 2022

3. Accounting policies (continued)

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.

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 2022 and 2021.

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.

**East York Learning Experience
Notes to the Financial Statements
Year Ended March 31, 2022**

3. Accounting policies (continued)

Financial instruments (continued)

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.

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 computer equipment for \$2,224 (2021 - \$1,990). The organization used the funds from training supports from the Ministry of Labour, Training and Skills Development for these expenses.

7. Accounts payable and accrued liabilities

	<u>2022</u>	<u>2021</u>
Trade payable and accrued liabilities	\$ 4,818	\$ 4,945
Government remittances	<u>4,780</u>	<u>3,467</u>
	<u>\$ 9,598</u>	<u>\$ 8,412</u>

**East York Learning Experience
Notes to the Financial Statements
Year Ended March 31, 2022**

8. Internally restricted net assets

In 2021, the organization's Board of Directors internally restricted net assets of \$30,800 for the purposes of funding costs. At year end, an additional \$32,194 from the surplus as at March 31, 2022 was internally restricted, resulting in total internally restricted funds of \$60,046 (2021 - \$30,800). The internally restricted funds related to the following:

	<u>2022</u>	<u>2021</u>
Salary of a new part-time evening worker which covers 2 years	\$ 20,600	\$ 22,300
Special needs assessments for two of the organization's students	5,000	5,000
Purchase of a new outdoor sign	<u>2,252</u>	<u>3,500</u>
	27,852	30,800
Additional funds restricted:		
Program coordinator's hours extension to full time (3 year contract)	26,394	-
Student workshops	3,500	-
Subscriptions	1,000	-
GED fees for students	1,000	-
Purchase of a full size bookcase	<u>300</u>	<u>-</u>
	32,194	-
	<u>\$ 60,046</u>	<u>\$ 30,800</u>

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 2022 for office premises totaling \$19,224. The lease expires on September 30, 2023.

The future minimum premise lease payments over the next two years are as follows:

2023	\$ 12,816
2024	<u>6,408</u>
	<u>\$ 19,224</u>

10. Financial instruments

Risks and concentrations

The nature and extent of significant risks as at March 31, 2022, 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.
