

EAST YORK LEARNING EXPERIENCE

East York, Ontario

FINANCIAL STATEMENTS

March 31, 2024



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INDEPENDENT AUDITOR'S REPORT

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, 2024, and the statement of changes in net assets, statement of operations and statement of cash flows for the year then ended, and notes and schedule 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, 2024, 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.

Basis for Qualified Opinion

In common with many not-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 expenses, and cash flows related to operating activities for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2023 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 audit 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.

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 25, 2024

EAST YORK LEARNING EXPERIENCE

STATEMENT OF FINANCIAL POSITION

March 31, 2024

	2024	2023
	\$	\$
Assets		
Current		
Cash	435,096	283,101
Accounts receivable	3,978	2,266
Prepaid expenses	1,339	1,322
Goods and services tax recoverable (Note 2)	1,310	1,710
Grant receivable	-	5,805
	441,723	294,204
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 3)	11,528	12,014
Deferred revenue (Note 4)	<u>7,603</u>	<u>-</u>
	<u>19,131</u>	<u>12,014</u>
Net Assets		
Unrestricted	306,266	186,929
Internally Restricted (Note 7)	<u>116,326</u>	<u>95,261</u>
	422,592	282,190
	441,723	294,204

Approved by the Board:

EAST YORK LEARNING EXPERIENCE

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2024

	Unrestricted Net Assets \$	Internally Restricted Net Assets (Note 7) \$	Total 2024 \$
Balance, beginning	186,929	95,261	282,190
Excess (deficiency) of revenue over expenses	168,357	(27,955)	140,402
Internal restrictions	(49,020)	49,020	-
Balance, ending	306,266	116,326	422,592

	Unrestricted Net Assets \$	Internally Restricted Net Assets (Note 7) \$	Total 2023 \$
Balance, beginning	160,948	60,046	220,994
Excess (deficiency) of revenue over expenses	84,281	(23,085)	61,196
Internal restrictions	(58,300)	58,300	-
Balance, ending	186,929	95,261	282,190

The accompanying notes and schedule are an integral part of these financial statements.

EAST YORK LEARNING EXPERIENCE

STATEMENT OF OPERATIONS

For the year ended March 31, 2024

	2024	2023
	\$	\$
Revenue		
Grants and donations, Schedule 1	<u>365,713</u>	<u>266,179</u>
Expenses		
Salaries	163,581	151,917
Employee benefits	14,813	13,532
Rent, maintenance and leaseholds	12,481	12,647
Purchase of capital assets (Note 6)	8,794	644
Purchased services including student workshops	6,908	7,613
Professional fees	6,180	5,665
Program and office supplies	4,373	4,595
Insurance	2,595	2,489
Transportation	2,024	919
Non-recoverable portion of goods and services taxes (Note 2)	1,531	1,170
Telephone	493	462
Training support - other	457	-
Workers compensation	419	410
Professional development	215	325
Delivery	186	226
Miscellaneous	92	405
Volunteer recognition	75	243
Child care	60	580
Printing	30	100
Bank charges	30	76
Publicity and promotions	-	1,226
Education and training resources	-	108
	<u>225,337</u>	<u>205,352</u>
Excess of revenue over expenses before other items	<u>140,376</u>	<u>60,827</u>
Other income		
Interest	26	19
Miscellaneous	-	350
	<u>26</u>	<u>369</u>
Excess of revenue over expenses	<u>140,402</u>	<u>61,196</u>

The accompanying notes and schedule are an integral part of these financial statements.

EAST YORK LEARNING EXPERIENCE

STATEMENT OF CASH FLOWS

For the year ended March 31, 2024

	2024	2023
	\$	\$
Cash flows related to operating activities		
Cash receipts		
Grants	146,678	135,681
Donations	225,513	119,751
Fundraising	5,218	10,011
Interest	27	19
	<u>377,436</u>	<u>265,462</u>
Cash outflows		
Salaries and administration	(216,647)	(202,649)
Purchase of capital assets	(8,794)	(644)
	<u>(225,441)</u>	<u>(203,293)</u>
Net increase in cash	151,995	62,169
Cash, beginning	283,101	220,932
Cash, ending	435,096	283,101

The accompanying notes and schedule are an integral part of these financial statements.

EAST YORK LEARNING EXPERIENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

East York Learning Experience (the "Entity" 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

1. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies.

Revenue recognition

The Entity 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 Entity occasionally receives grants for funding periods that include those beyond the fiscal period end date. Accordingly, only the 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 Entity has no restrictions on these accounts

Contributed materials and services

A number of volunteers contribute a significant amount of their time and services to the Entity each year. Because of the difficulty in determining fair value, these contributed services are not recognized in the financial statements. The Entity 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 Entity did not receive any such contributed materials in the years ended 2024 and 2023.

Capital assets

Capital assets are expensed in the period of purchase.

EAST YORK LEARNING EXPERIENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

1. Significant accounting policies (continued)

Financial instruments

Arm's Length Transactions

Measurement of financial instruments

The Entity measures its financial assets and financial liabilities at fair value at the acquisition date, except for financial assets and financial liabilities acquired in related party transactions.

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

Related Party Transactions

Measurement of related party financial instruments

The Entity measures all related party financial instruments recognized in these financial statements at either the cost of the related party financial instrument, or at the cost of the consideration exchanged for the related party financial instrument. Measurement is based on the nature of the financial instrument, and depends on whether the instrument has repayment terms. The Entity has no related party financial instruments required to be measured at fair value.

When the instrument has repayment terms, the cost is determined using the undiscounted cash flows, excluding interest and dividend payments, and less any impairment losses previously recognized by the transferor.

When the related party financial instrument has no repayment terms, the cost of the instrument is determined using the consideration transferred or received.

Related party financial instruments initially measured at cost are subsequently measured using the cost method.

Transaction Costs

Transaction costs related to the acquisition or issuance of financial instruments subsequently measured at fair value 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 and related party financial assets measured using the cost method 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

For the year ended March 31, 2024

1. Significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

2. Goods and services tax recoverable

As a charitable organization, the Entity 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.

3. Accounts payable and accrued liabilities

	2024	2023
	\$	\$
Trade payable and accrued liabilities	6,001	6,522
Government remittances	<u>5,527</u>	<u>5,492</u>
	<u>11,528</u>	<u>12,014</u>

4. Deferred revenue

	2024	2023
	\$	\$
Grants	<u>7,603</u>	<u>-</u>

The Entity received grants of \$14,895 (2023: \$Nil) during the year and recognized \$7,292 (\$2023: \$Nil) in revenue.

5. Income taxes

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

EAST YORK LEARNING EXPERIENCE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

6. Capital assets

During the year, the Entity purchased equipment for \$8,794 (2023 - \$644).

7. Internally restricted net assets

The movement in internally restricted funds is as follows below:

	2024	2023
	\$	\$
Balance, beginning of the year	95,261	60,046
Additional funds internally restricted	49,020	58,300
Spent during the year	<u>(27,955)</u>	<u>(23,085)</u>
Balance, end of year	<u>116,326</u>	<u>95,261</u>

The internally restricted funds relate to:

Outreach and administrative co-ordinator contract until March 31, 2026	67,869	55,000
Part-time evening worker contract until March 31, 2026	20,738	11,824
Program coordinator's full time hours until March 31, 2026	17,884	17,596
Special needs assessments for two of the Entity's students	5,000	5,000
Purchase of laptop and brochures	1,933	-
Student testing fees	1,000	1,000
Replacement of office chairs and printer	721	2,300
Purchase of wireless printer	500	-
Subscriptions	345	345
Welcome packages for new students	336	745
Purchase of new outdoor sign	-	1,026
Student workshops	<u>-</u>	<u>425</u>
	<u>116,326</u>	<u>95,261</u>

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

8. Lease commitments

The organization has a lease commitment in 2025 and 2026 for office premises totaling \$13,571 and \$6,786 respectively. The lease expires on September 30, 2025.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

9. Financial instruments

Items that meet the definition of a financial instrument include cash, accounts receivable, grant receivable, accounts payable and accrued liabilities.

Financial instrument transactions, such as collecting receivables and settling payables, may result in exposure to significant financial risks and concentrations of risk.

For the year ended March 31, 2024, the Entity wasn't exposed to significant risks arising from its financial instruments. There have been no changes to the significant risks from the prior year.

EAST YORK LEARNING EXPERIENCE

SCHEDULE OF GRANTS AND DONATIONS

For the year ended March 31, 2024

	2024	2023
	\$	\$
Miscellaneous donations	190,682	90,089
Ministry of Labour, Immigration, Training and Skills Development	119,389	120,171
Foundations	30,143	25,356
City of Toronto	13,880	18,060
Fundraising events	6,931	8,197
Human Resources and Skills Development Canada	4,688	4,306
	365,713	266,179

The accompanying notes are an integral part of these financial statements.