

# **PTP - Adult Learning and Employment Programs**

**Financial Statements**

**For the Year Ended March 31, 2022**



## INDEPENDENT AUDITOR'S REPORT

### To the Directors of PTP - Adult Learning and Employment Programs

#### *Opinion*

We have audited the financial statements of PTP - Adult Learning and Employment Programs (the "Organization"), which comprise the statement of financial position as at March 31, 2022 and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, and 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 Opinion*

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

Those charged with governance are responsible for overseeing the Organization'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.

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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 Organization'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 Organization'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 Organization 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.

RSM Canada LLP

Chartered Professional Accountants  
Licensed Public Accountants  
August 26, 2022  
Toronto, Ontario

**PTP - Adult Learning and Employment Programs****Statement of Financial Position****As at March 31, 2022**

	2022	2021
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 661,935	\$ 512,774
Accounts receivable	221,334	145,264
HST recoverable	23,658	24,446
Prepaid and other assets	73,827	62,667
	<b>980,754</b>	745,151
<b>Internally Restricted Assets</b>		
Investments (Note 4)	437,130	426,946
	<b>\$ 1,417,884</b>	<b>\$ 1,172,097</b>

**Liabilities**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 181,061	\$ 221,960
Accrued salaries (Note 5)	98,116	71,521
Deferred operating grants (Note 6)	181,104	103,271
Deferred revenue	48,980	25,895
	<b>509,261</b>	422,647
<b>Deferred tenant lease inducement</b>	<b>91,165</b>	93,266
	<b>600,426</b>	515,913

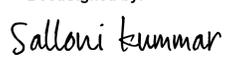
**Net Assets**

Unrestricted net assets / funds	187,274	146,184
Internally restricted net assets (Note 7)	630,184	510,000
	<b>817,458</b>	656,184
	<b>\$ 1,417,884</b>	<b>\$ 1,172,097</b>

**Lease obligations** (Note 8)**Contingent liability** (Note 10)

Approved by the Board

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 Director

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 Director

**PTP - Adult Learning and Employment Programs**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2022**

	Unrestricted Net Assets	Internally Restricted Net Assets	Total 2022	Total 2021
<b>Balances, beginning of year</b>	<b>\$ 146,184</b>	<b>\$ 510,000</b>	<b>\$ 656,184</b>	<b>\$ 593,219</b>
Excess of revenue over expenses (Note 7)	151,090	10,184	161,274	62,965
Interfund transfer (Note 7)	(110,000)	110,000	-	-
<b>Balances, end of year</b>	<b>\$ 187,274</b>	<b>\$ 630,184</b>	<b>\$ 817,458</b>	<b>\$ 656,184</b>

**PTP - Adult Learning and Employment Programs****Statement of Operations****Year Ended March 31, 2022**

	<b>2022</b>	2021
<b>Revenue</b>		
Operating grants (Note 6)	\$ 3,320,964	\$ 3,057,721
Fees for service	761,188	549,853
Other income	90,787	69,879
	<b>4,172,939</b>	3,677,453
<b>Expenses</b>		
Salaries and benefits	2,618,794	2,210,330
Project and program consultants	421,993	442,699
Building occupancy	416,069	449,557
Participation support and training incentives	300,602	293,793
Program supplies	125,661	86,783
Office and administration	106,216	113,119
Professional services	22,330	18,207
	<b>4,011,665</b>	3,614,488
<b>Excess of revenue over expenses</b>	<b>\$ 161,274</b>	<b>\$ 62,965</b>

**PTP - Adult Learning and Employment Programs****Statement of Cash Flows****Year Ended March 31, 2022**

	2022	2021
<b>Cash provided by (used in)</b>		
<b>Operations</b>		
Excess of revenue over expenses	\$ 161,274	\$ 62,965
Item not affecting cash		
Accrued investment income	(4,202)	(2,989)
Deferred tenant lease inducement	2,101	602
	<b>159,173</b>	<b>60,578</b>
Changes in:		
Accounts receivable	(76,070)	(21,721)
HST recoverable	788	(1,772)
Prepaid and other assets	(11,160)	(1,908)
Accounts payable and accrued liabilities	(40,899)	77,156
Accrued salaries	26,595	19,026
Deferred operating grants	77,833	(89,553)
Deferred revenue	23,085	25,895
<b>Provided by operating activities</b>	<b>159,345</b>	<b>67,701</b>
<b>Investing</b>		
Purchase of investments	(89,384)	(97,427)
Redemption of investments	79,200	89,590
<b>Provided by investing activities</b>	<b>(10,184)</b>	<b>(7,837)</b>
<b>Net change in cash</b>	<b>149,161</b>	<b>59,864</b>
<b>Cash, beginning of year</b>	<b>512,774</b>	<b>452,910</b>
<b>Cash, end of year</b>	<b>\$ 661,935</b>	<b>\$ 512,774</b>

**PTP - Adult Learning and Employment Programs**  
**Notes to Financial Statements**  
**March 31, 2022**

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**1. PURPOSE AND LEGAL FORM**

PTP - Adult Learning and Employment Programs (the "Organization") was incorporated, under the laws of Canada on March 18, 1998. On September 17, 2007 the name of the Organization was changed from PTP - Preparatory Training Programs of Toronto to PTP - Adult Learning and Employment Programs. The Organization has obtained articles of continuance under the Canada Not-For-Profit Corporations Act on June 16, 2014. The Organization is to carry on its operations without pecuniary gain to its members and any profits or other accretions to the Organization are to be used in promoting its objectives: To provide basic skills education, upgrading, job search and related services to occupationally and vocationally disadvantaged adults.

The Organization is a Canadian registered charity under the Income Tax Act and is not subject to income taxes.

**2. ECONOMIC DEPENDENCE**

During the year ended March 31, 2022, the Organization received the majority of its revenue, 61% (2021 - 68%), from the Ministry of Labour, Training and Skills Development ("MLTSD"). The amount of revenue from this source is significant enough that the ongoing viability of the Organization is economically dependent on the continued funding from MLTSD.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The financial statements of the Organization have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The more significant of these policies are as follows:

**Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses. Assumptions are based on a number of factors, including historical experience, current events and actions that the Organization may undertake in the future, and other assumptions believed reasonable under the circumstances. These estimates are periodically reviewed and, accordingly, adjustments made to these estimates are taken into income in the year in which it is determined. Significant estimates incorporated into the Organization's financial statements include allocation of expenses to specific programs. Actual results may differ from those estimates.

**PTP - Adult Learning and Employment Programs**  
**Notes to Financial Statements**  
**March 31, 2022**

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**3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Net Assets**

The Organization operates with two classes of net assets:

- unrestricted net assets that can be used for any purposes that are consistent with the objectives of the Organization; and
- internally restricted net assets that can be used only for the purposes specified by the Board of Directors.

**Leases and Rent Expense**

Leases are accounted for as operating leases whereby rent expense is initially recorded in the statement of operations on a straight-line basis over the term of the related lease. The difference between the straight-line rent expense and the rental payments as stipulated under the lease agreement, if any, is initially recorded as deferred tenant inducements and taken into income over the term of the lease.

**Revenue Recognition**

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Any contributions not yet expended are recorded as deferred operating grants. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions restricted for the purchase of capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Fees for service revenue is recorded on the accrual basis. Fees for service revenue is recognized when the related services are provided. Fees for service revenues received in advance of the period to which they apply are recorded as deferred revenue.

The value of donated materials and service is not recorded.

**Financial Instruments**

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include accounts receivable and investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and accrued salaries.

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of a write-down, if any, is recognized in the excess of revenue over expenses. Reversals of impairment are recorded to the extent that the value has increased, up to 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 excess of revenue over expenses.

**PTP - Adult Learning and Employment Programs****Notes to Financial Statements****March 31, 2022****4. INVESTMENTS**

Investments are comprised of cash and guaranteed investment certificates ("GIC") as follows:

	<b>2022</b>	<b>2021</b>
Cash	\$ 4,451	\$ 2,551
B2B Bank - 2.7%, maturing March 8, 2022	-	83,681
Peoples Trust - 2.85%, maturing March 18, 2024	<b>89,591</b>	89,591
General Bank of Canada - 3.05%, maturing March 27, 2023	<b>68,818</b>	66,781
Canadian Western Trust - 2.030%, maturing March 11, 2025	<b>88,584</b>	86,821
Home Trust Company - 1.60%, maturing March 9, 2026	<b>97,521</b>	97,521
Home Equity Bank - 2.99%, maturing March 8, 2027	<b>88,165</b>	-
	<b>\$ 437,130</b>	<b>\$ 426,946</b>

**5. GOVERNMENT REMITTANCES**

Included in accrued salaries are government remittances of \$6,813 (2021 - \$4,776) related to payroll liabilities.

**6. DEFERRED OPERATING GRANTS**

Deferred operating grants consist of externally restricted contributions that can be used only for the purposes specified by the contributors of the resources. The unexpended portion of these grants is recorded as deferred operating grants. Deferred operating grants are comprised as follows:

	<b>2022</b>	<b>2021</b>
Received during year:		
MLTSD	\$ 2,478,719	\$ 2,571,849
City of Toronto	48,710	-
Immigration, Refugees and Citizenship Canada	348,913	240,484
Employment and Social Development Canada	522,455	155,835
	<b>3,398,797</b>	2,968,168
Recognized as revenue during the year	<b>(3,320,964)</b>	<b>(3,057,721)</b>
	<b>77,833</b>	(89,553)
Balance, beginning of year	<b>103,271</b>	192,824
Balance, end of year	<b>\$ 181,104</b>	<b>\$ 103,271</b>

The balance at end of year relates to deferred operating grants from MTLSD and Employment and Social Development Canada.