Grant Thornton

Financial Statements

Ontario Online Learning Consortium

March 31, 2023

Contents

Independent Auditor's Report

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To the Members of
Ontario Online Learning Consortium

Opinion

We have audited the financial statements of Ontario Online Learning Consortium (the "Organization"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations and changes in net assets 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, 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 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. 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.

Grant Thornton LLP

Markham, Canada
June 22, 2023

Chartered Professional Accountants
Licensed Public Accountants

Ontario Online Learning Consortium
Statement of Financial Position

March 31		**2023**	2022
Assets			
Current			
Cash		**$ 2,739,715**	$ 3,120,391
Receivables		**420,766**	714,924
Prepaid expenses		**87,945**	70,172
		3,248,426	3,905,487
Property and equipment (Note 3)		**11,708**	31,571
Intangible assets (Note 4)		**215,524**	406,158
		$ 3,475,658	$ 4,343,216
Liabilities			
Current			
Accounts payable and accrued liabilities		**$ 621,810**	$ 1,919,891
Deferred revenue (Note 5)		**2,853,848**	2,423,325
		$ 3,475,658	$ 4,343,216

On behalf of the Board

Steven Murphy Director
Signer ID: Q00JJ0A0E2...
Steven Murphy

06/28/2023

Peter Hickey Director
Signer ID: 6JK1TINDY5...
Peter Hickey

07/02/2023

Ontario Online Learning Consortium
Statement of Operations and Changes in Net Assets

Year ended March 31	**2023**	2022
Revenue		
Government grants (Note 8)	**$ 15,108,695**	$ 53,684,161
Interest income	**116,770**	2,369
Cost recoveries	**7,806**	-
	15,233,271	53,686,530
Expenses		
Strategic initiatives	**7,173,103**	47,885,165
Salaries and benefits	**5,034,599**	4,237,200
Professional fees	**1,644,668**	616,775
Amortization	**210,498**	284,510
Space rental and insurance	**268,395**	267,537
Computing and financial services	**529,031**	283,774
Communications	**317,368**	92,023
Office supplies and maintenance	**22,154**	17,585
Meetings, travel, conferences and registration	**33,455**	1,961
	15,233,271	53,686,530
Excess of revenue over expenses	**-**	-
Net assets, beginning of year	**-**	-
Net assets, end of year	**$ -**	$ -

See accompanying notes to the financial statements.

Ontario Online Learning Consortium
Statement of Cash Flows

Year ended March 31	**2023**	2022
Increase (decrease) in cash		
Operating		
Excess of revenue over expenses	**$ -**	$ -
Items not affecting cash		
Amortization of property and equipment	**19,864**	19,438
Amortization of intangible assets	**190,634**	265,072
	210,498	284,510
Change in non-cash working capital items		
Receivables	**(23,668)**	(1,021)
Harmonized sales tax	**317,827**	(528,446)
Prepaid expenses	**(17,773)**	(36,824)
Accounts payable and accrued liabilities	**(1,298,083)**	1,375,192
Deferred revenue	**430,523**	(11,386,379)
	(380,676)	(10,292,968)
Investing		
Purchase of intangible assets	**-**	(3,533)
Decrease in cash	**(380,676)**	(10,296,501)
Cash		
Beginning of year	**3,120,391**	13,416,892
End of year	**$ 2,739,715**	$ 3,120,391

1. Nature of operations

Ontario Online Learning Consortium (the "Organization") was incorporated on October 3, 2014 under the Canada Not-for-Profit Corporation Act. The organization is exempt from income tax, except for income from property, under Section 149(1) of the Income Tax Act.

The Organization is a collaborative centre of excellence in online and technology-enabled learning, governed and operated by Ontario’s publicly assisted post-secondary institutions.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) using the deferral fund method of reporting externally restricted contributions.

Use of estimates

The preparation of the Organization’s financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Due to the inherent uncertainty involved in making estimates, actual results could differ from those estimates. Significant items subject to such estimates and assumptions include accrued liabilities and useful lives of property, equipment and intangible assets.

Financial instruments

The Organization’s financial instruments are comprised of cash, receivables and accounts payable. Financial assets and liabilities are initially recognized at their fair value. The Organization subsequently measures all financial assets and financial liabilities at amortized cost.

Property and equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rates are as follows:

Computer equipment	3 years
Leasehold improvements	5 years
Furniture and fixtures	5 years

2. Summary of significant accounting policies (continued)

Intangible assets

Intangible assets are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rates are as follows:

Website	5 years
Open Library Infrastructure	5 years

The Organization tests their property and equipment and intangible assets (long-lived assets) for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized when the carrying amount of the long-lived asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Accrual of expenses

Expenses have been recorded using the accrual basis of accounting, and all expenses have been recorded in the period to which the expense relates.

Revenue recognition

Grants are initially recorded as deferred revenue and are recognized as revenue in the year in which the related expenses are incurred.

Investment and other income is recognized when received or receivable and the amount can be reasonably estimated and collection reasonably assured.

Cost recovery revenue relates to library infrastructure services provided to third parties on a cost recovery basis. Revenue is initially recorded as deferred revenue and is recognized as revenue in the year in which the related expenses are incurred.

Contributed goods and services

Contributed goods and services are not reflected in these financial statements as the fair values of these goods and services cannot be reasonably estimated.

3. Property and equipment

	Cost	Accumulated Amortization	**2023 Net Book Value**	2022 Net Book Value
Computer equipment	$ 56,029	$ 54,164	**$ 1,865**	$ 3,042
Leasehold improvements	75,090	69,786	**5,304**	20,322
Furniture and fixtures	19,644	15,105	**4,539**	8,207
	$ 150,763	$ 139,055	**$ 11,708**	$ 31,571

The Organization completed leasehold improvements during the 2018 fiscal year. Netted against the cost of the leasehold improvements is a leasehold reimbursement from the landlord of $124,325.

4. Intangibles

	Cost	Accumulated Amortization	**2023 Net Book Value**	2022 Net Book Value
Website Portal	$ 1,207,014	$ 1,028,157	$ 178,857	$ 329,492
Open Library Infrastructure	200,000	163,333	36,667	76,666
	$ 1,407,014	$ 1,191,490	$ 215,524	$ 406,158

5. Deferred revenue

	Balance, beginning of year	Funds received	Expenditures	Total repayments	**Balance, end of year**
Operations and strategic initiatives 2016 – 2023	$ 1,493,430	$ 5,683,623	$ (5,995,262)	$ -	**$ 1,181,791**
Ontario collaboration platform	(234,750)	1,234,750	(607,214)	-	**392,786**
Virtual learning support for institutions	1,103,072	1,428,862	-	(2,516,711)	**15,223**
Virtual learning supports for institutions 2.0	-	8,127,500	(7,376,739)	-	**750,761**
Future skills centre micro-credentials project	-	148,700	-	-	**148,700**
Virtual passport research	-	200,000	(119,686)	-	**80,314**
Ryerson University micro-credentials research	(16,537)	16,537	-	-	**-**
Library infrastructure services	33,505	22,759	(6,978)	-	**49,286**
IP Curriculum	46,700	-	-	-	**46,700**
IP Curriculum 2.0	(2,095)	871,425	(920,196)	-	**(50,866)**
French as a second language	-	328,750	(89,597)	-	**239,153**
	$ 2,423,325	$ 18,062,906	$ (15,115,672)	$ (2,516,711)	**$ 2,853,848**

6. Commitments

The Organization has entered into a lease for office premises, expiring in 2028. Future minimum annual lease payments for the next five years and thereafter are as follows:

2024	$ 130,127
2025	134,271
2026	134,271
2027	134,271
2028	134,271
Subsequent years	55,946
	$ 723,157

7. Financial instruments

Transactions in financial instruments may result in the Organization assuming or transferring to another party one of more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments.

Credit risk

The Organization's credit risk is primarily with respect to their accounts receivable. Given the nature of HST receivable, the Organization does not consider credit risk to be significant.

Liquidity risk

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to liquidity risk mainly in respect of its accounts payable. The Organization manages liquidity risk by maintaining cash balances in excess of outstanding obligations.

Currency risk

Currency risk is the risk to the Organization that arises from fluctuations in foreign exchange rates. The Organization is not exposed to significant currency risk as transactions in foreign currencies are limited.

Interest rate risk

Interest rate risk is the risk that the fair value (price risk) or future cash flows (cash flow risk) of a financial instrument will fluctuate because of changes in market interest rates. The Organization is not exposed to interest rate risk due to the nature of their financial instruments.

8. Economic dependence

The Organization is economically dependent on the Ministry of Colleges and Universities for grant revenue.

Signature Certificate

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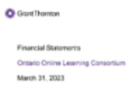

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