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**LEAGUE OF CANADIAN POETS**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Members  
League of Canadian Poets  
TORONTO  
Ontario

### *Opinion*

We have audited the accompanying financial statements of League of Canadian Poets which comprise the statement of financial position as at March 31, 2024 and the statements of operations, statement of changes in fund balances 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, 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 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 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 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 these 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.

NORTON McMULLEN LLP  
Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada  
TBD

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**LEAGUE OF CANADIAN POETS**  
**STATEMENT OF FINANCIAL POSITION**

As at March 31,

2024

2023

**ASSETS**

**Current**

Cash	\$ 41,535	\$ 56,312
Cash - internally restricted	90,208	85,298
Cash - externally restricted (Note 3)	-	8,715
HST recoverable	7,221	8,995
Prepaid expenses	<u>7,580</u>	<u>10,841</u>
	\$ 146,544	\$ 170,161

**Term Deposit (Note 2)**

17,845      17,815

**Investments Held for Jessamy Stursberg Endowment Fund (Note 3)**

-      62,450

\$ 164,389      \$ 250,426

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**LIABILITIES**

**Current**

Accounts payable and accrued liabilities	\$ 22,305	\$ 17,423
Deferred revenues (Note 4)	<u>22,135</u>	<u>18,120</u>
	\$ 44,440	\$ 35,543

**FUND BALANCE**

Unrestricted	\$ 29,741	\$ 58,420
Internally restricted (Note 5)	90,208	85,298
Jessamy Stursberg Endowment Fund (Note 3)	<u>-</u>	<u>71,165</u>
	<u>\$ 119,949</u>	<u>\$ 214,883</u>

\$ 164,389      \$ 250,426

**Externally Held Endowment Funds (Note 6)**

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Approved by the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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**LEAGUE OF CANADIAN POETS**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
For the year ended March 31, 2024

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	<b>BALANCE</b> Beginning	<b>Revenues</b>	<b>Expenses</b>	<b>Transfers</b> (Notes 3, 5)	<b>BALANCE</b> Ending
<b>General Fund (Page 5)</b>	\$ 58,420	\$ 459,683	\$ 479,804	\$ (8,558)	\$ 29,741
<b>Internally Restricted Funds</b>	85,298	-	-	4,910	90,208
<b>Jessamy Stursberg Endowment Fund (Page 6)</b>	<u>71,165</u>	<u>10,991</u>	<u>85,804</u>	<u>3,648</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>\$ 214,883</u>	<u>\$ 470,674</u>	<u>\$ 565,608</u>	<u>\$ -</u>	<u>\$ 119,949</u>
<b>PRIOR YEAR TOTAL FUNDS</b>	<u>\$ 271,842</u>	<u>\$ 455,162</u>	<u>\$ 512,121</u>	<u>\$ -</u>	<u>\$ 214,883</u>

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# LEAGUE OF CANADIAN POETS

## STATEMENT OF OPERATIONS - GENERAL FUND

For the year ended March 31,

2024

2023

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### REVENUES

Public sector revenues (Note 7)	\$ 266,085	\$ 299,868
Earned revenues (Note 8)	139,802	133,108
Contributions	42,749	27,050
Externally Held Endowment Funds (Note 6)	11,047	8,060
	<u>\$ 459,683</u>	<u>\$ 468,086</u>

### EXPENSES

Artistic		
Poets fees	\$ 129,303	\$ 147,911
Artistic salaries	48,691	50,000
Poets travel and accomodation	18,000	15,616
Programming		
Awards and prizes	12,600	9,900
Content, design and other fees	12,590	15,716
Juror and panelist fees	7,625	7,300
Marketing and communications	26,483	12,845
Development	1,464	300
Administration		
Salaries and benefits	132,763	149,457
Professional fees	45,083	32,759
Office and general	18,547	23,599
Telecommunications and technology	9,945	8,086
Financial transaction fees	7,593	7,295
Rent	4,635	24,288
Insurance	4,482	4,499
	<u>\$ 479,804</u>	<u>\$ 509,571</u>

### DEFICIENCY OF REVENUES OVER EXPENSES

\$ (20,121)    \$ (41,485)

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**LEAGUE OF CANADIAN POETS****STATEMENT OF OPERATIONS - JESSAMY STURSBURG ENDOWMENT FUND**

For the year ended March 31,

**2024****2023**

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**REVENUES**

Investment income	\$	<b>10,641</b>	\$	3,128
Contributions		<b>350</b>		-
Unrealized losses on investments		-		(16,052)
	\$	<b>10,991</b>	\$	(12,924)

**EXPENSES**

Grants, awards and related costs (Note 3)		<b>2,591</b>		2,550
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**EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES  
BEFORE THE FOLLOWING:**

	\$	<b>8,400</b>	\$	(15,474)
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Disbursement to Ontario Arts Foundation (Notes 3 and 6)

		<b>83,213</b>		-
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**DEFICIENCY OF REVENUES OVER EXPENSES**

	\$	<b>(74,813)</b>	\$	(15,474)
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# LEAGUE OF CANADIAN POETS

## STATEMENT OF CASH FLOWS

For the year ended March 31,

2024

2023

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### CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):

#### OPERATING ACTIVITIES

Deficiency of revenues over expenses

General Fund

\$ (20,121) \$ (41,485)

Jessamy Stursberg Endowment Fund

(74,813) (15,474)

\$ (94,934) \$ (56,959)

Items not affecting cash:

Unrealized losses on investments

- 16,052

\$ (94,934) \$ (40,907)

Net change in non-cash working capital balances:

HST recoverable

1,774 (1,443)

Prepaid expenses

3,261 (2,866)

Accounts payable and accrued liabilities

4,882 (21,346)

Deferred revenues

4,015 (27,385)

\$ (81,002) \$ (93,947)

#### FINANCING ACTIVITIES

Repayment of Canada Emergency Business Account loan

- (40,000)

#### INVESTING ACTIVITIES

Redemption of investments

62,420 987

#### DECREASE IN CASH

\$ (18,582) \$ (132,960)

CASH - Beginning

150,325 283,285

CASH - Ending

\$ 131,743 \$ 150,325

Cash consists of the following:

Unrestricted cash

\$ 41,535 \$ 56,312

Internally restricted cash

90,208 85,298

Externally restricted cash

- 8,715

\$ 131,743 \$ 150,325



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# LEAGUE OF CANADIAN POETS

## NOTES TO FINANCIAL STATEMENTS

### MARCH 31, 2024

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#### NATURE OF OPERATIONS

The League of Canadian Poets ("the League") was incorporated without share capital as a not-for-profit organization under the laws of the Province of Ontario on June 18, 1976. It is a membership-based organization that exists to serve the professional needs of Canadian poets as well as to promote the interests of Canadian poets and poetry.

As a registered National Arts Service Organization, the League is exempt from the payment of income taxes under Part 1 of the Income Tax Act (Canada).

#### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

##### a) Fund Accounting

Resources are classified into funds according to the activities or objectives specified as follows:

The **General Fund** accounts for general operations and programs. Unrestricted contributions including grants to be used for general operations and contributions received for specific projects are reported in this fund.

**Internally Restricted Funds** have been established to account for the League's activities pertaining to:

- Emergency Reserve
- Strategic Planning
- Special Projects
- The League of Canadian Poets Bursary Fund
- Lesley Strutt Poetry Contest Fund
- Membership Support Fund
- Jessamy Stursberg Fund

The **Jessamy Stursberg Endowment Fund** accounts for the League's activities pertaining an endowment received to support youth initiatives. During the year, the League disbursed the balance of this fund to the Ontario Arts Foundation to hold this endowment on the League's behalf.

##### b) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used.

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**LEAGUE OF CANADIAN POETS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

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1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

c) **Cash and Cash Equivalents**

Cash and cash equivalents consist of bank balances and cash held in the investment account.

d) **Investments**

Investments in term deposits are measured at amortized cost which due to their nature approximates original cost plus accrued interest.

e) **Revenue Recognition**

The League follows the restricted fund method of accounting for contributions which includes grants, donations, and bequests. Externally restricted contributions are recognized as revenue in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized as revenue in the General Fund. Restricted contributions for which there is no fund are accounted for using the deferral method.

Endowment contributions are recognized as direct increases in fund balances. Investment income earned on endowment investments are externally restricted, and as such, are recognized as revenue in Endowment Fund balances when earned.

Membership fees and other earned revenues are recognized as revenue in the General Fund proportionately over the fiscal year to which they relate. Investment income is recognized as revenue in the appropriate fund when earned.

f) **Contributed Services**

Volunteers contribute significant hours per year to assist the League in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

g) **Financial Instruments**

**Measurement of Financial Instruments**

The League initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. The League subsequently measures all financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash and term deposits. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

The League has no financial assets measured at fair value and has not elected to carry any financial assets or liabilities at fair value.

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**LEAGUE OF CANADIAN POETS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

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1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

g) **Financial Instruments** - Continued

**Impairment**

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the excess (deficiency) of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

2. **TERM DEPOSIT**

The term deposit matures in September 2027 and earns interest at 0.55% per annum.

3. **JESSAMY STURSBURG ENDOWMENT FUND**

In 2011, the League received a \$50,000 endowment in memory of Jessamy Stursberg to support youth initiatives. In 2024, the fund balance of \$83,213 was transferred to the Ontario Arts Foundation to be held on behalf of the League.

During the year, \$2,591 in awards and related costs were disbursed for youth initiatives (2023 - \$2,550) according to the intent and purpose of the endowment.

During the year, a transfer was made from the General Fund to the Jessamy Stursberg Endowment Fund of \$3,648 (2022 - \$Nil) to cover the shortfall of the fund balance compared to the amount disbursed to the Ontario Arts Foundation.

4. **DEFERRED REVENUE**

Deferred revenue consist of the following:

	<b>2024</b>	<b>2023</b>
Membership fees	\$ 19,885	\$ 9,870
C. Thibaudeau Award	2,250	3,250
Donations	-	5,000
	<u>\$ 22,135</u>	<u>\$ 18,120</u>

**LEAGUE OF CANADIAN POETS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**5. INTERNALLY RESTRICTED FUNDS**

The continuity of internally restricted funds during the year is as follows:

		<u>Balance Beginning</u>	<u>Transfers from/(to) unrestricted</u>	<u>Balance Ending</u>
Emergency Reserve	(a)	\$ 25,000	\$ -	\$ 25,000
Strategic Planning	(b)	8,385	(8,385)	-
Special Projects	(c)	27,772	(2,780)	24,992
The League of Canadian Poets Bursary Fund	(d)	15,250	(2,600)	12,650
Lesley Strutt Poetry Contest Fund	(e)	8,891	486	9,377
Membership Support Fund	(f)	-	7,389	7,389
Jessamy Stursberg Fund	(g)	-	10,800	10,800
		<u>\$ 85,298</u>	<u>\$ 4,910</u>	<u>\$ 90,208</u>

The Board of Directors of the League has established internally restricted funds, as follows:

- a) In 2018, an Emergency Reserve was set up for the purpose of building financial security for the League in case of significant disruptions in operations or funding.
- b) In 2020, a Strategic Planning Reserve was set up to support upcoming work relating to strategic planning for the League. It was transferred to the General Fund and spent during the year.
- c) In 2020, a Special Projects Reserve was set up to support upcoming projects for the League to be completed in future years. During the year, \$2,780 (2023 - \$Nil) was transferred to the General Fund for the Spoken Word project.
- d) In 2021, a Bursary Fund Reserve was set up to fund bursaries to support poetry scholars in Canada. During the year, \$2,600 (2023 - \$2,500) was transferred to the General Fund for bursary disbursements.
- e) In 2022, the Lesley Strutt Poetry Contest Fund was set up to fund an annual award for the best original poem, in memory of Lesley Strutt. An additional \$486 (2023 - \$635) was transferred to this fund in the year.
- f) In 2024, the Membership Support Fund was set up with a transfer from the General Fund of \$7,389 to set aside funds to support members in the future.
- g) In 2024, the Jessamy Stursberg Fund was set up with a transfer from the General Fund of \$10,800 to set aside funds for use before receipts from the Jessamy Stursberg externally held endowment fund begin in fiscal year 2027-2028 (Note 6).

The internally restricted fund balance amounts are supported by cash balances.

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**LEAGUE OF CANADIAN POETS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

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**6. EXTERNALLY HELD ENDOWMENT FUNDS**

*Ontario Arts Endowment Fund:*

The Ontario Arts Foundation (“OAF”) operates an Ontario Arts Endowment Fund Program in which it holds and has supplemented contributions made to arts organizations for endowment purposes. The League of Canadian Poets has established two separate funds with the OAF, both of which are controlled and managed by the OAF in accordance with its investment and income distribution policies. Accordingly, the assets of the fund are not reflected in these financial statements. The funds are as follows:

- a) *Art Endowment Fund:* As at the year end, the fair value of the League of Canadian Poets Art Endowment Fund was \$176,819 (2023 - \$158,539). Income of \$8,337 (2023 - \$8,060) was recognized as revenue by the League for the year.
- b) *Stursberg Endowment Fund:* In 2024, the League transferred the residual balance of \$83,213 from the Jessamy Stursberg Endowment Fund to OAF to create the League of Canadian Poets Stursberg Fund externally held endowment fund (Note 3). These funds will be managed and allowed to grow for three years, after which time the League will receive an annual disbursement of income to support the Jessamy Stursberg Youth Poetry Contest and related activities. As at the year end, the fair value of the League of Canadian Poets Stursberg Endowment Fund was \$85,089 (2023 - \$Nil).

*P.K. Page Fund:*

The P.K. Page Fund is an externally held endowment fund formed in memory of P.K. Page. The assets of the fund are controlled by third parties in a private giving fund. Accordingly, the assets of this fund are not reflected in these financial statements. As at the year end, the fair value of the P.K. Page Fund was \$57,653 (2023 - \$54,357). Income of \$2,710 (2023 - \$Nil) was recognized as revenue by the League for the year.

**7. PUBLIC SECTOR REVENUES**

Public sector revenues consist of the following:

	<b>2024</b>	<b>2023</b>
Canada Council for the Arts:		
Operating grant	\$ 187,500	\$ 187,500
Project grants	-	33,000
Ontario Arts Council operating grant	55,145	60,268
Toronto Arts Council operating grant	19,100	19,100
Canada Summer Jobs Grant	<u>4,340</u>	<u>-</u>
	<u>\$ 266,085</u>	<u>\$ 299,868</u>

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**LEAGUE OF CANADIAN POETS**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

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**8. EARNED REVENUES**

Earned revenues consist of the following:

	2024	2023
Membership fees	\$ 125,137	\$ 117,797
Awards and contest submission fees	11,020	10,773
Royalties, interest and other	3,048	3,733
Book sales	597	805
	<u>\$ 139,802</u>	<u>\$ 133,108</u>

**9. FINANCIAL INSTRUMENTS**

**Risks and Concentrations**

The League is exposed to various risks through its financial instruments. The following analysis provides a summary of the League's exposure to and concentrations of risk at March 31, 2024:

a) **Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The League is not exposed to significant credit risk. There has been no change in the assessment of credit risk from the prior year.

b) **Liquidity Risk**

Liquidity risk is the risk that the League will encounter difficulty in meeting obligations associated with financial liabilities. The League is exposed to this risk mainly with respect to its accounts payable and accrued liabilities. The League manages this risk by managing its working capital and by generating sufficient cash flow from operations. There has been no change in the assessment of liquidity risk from the prior year.

c) **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and price risk. The League is mainly exposed to interest rate risk as follows:

i) **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As described in Note 2, the League is exposed to interest rate risk with respect to its investment in a term deposit. The term deposit earns interest at a fixed rate which significantly mitigates the League's exposure to this risk. The exposure to this risk fluctuates as the balance held in term deposits and related interest rates change from year to year.