THE LIFE INSTITUTE

FINANCIAL STATEMENTS

JUNE 30, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of The LIFE Institute,

Opinion
We have audited the financial statements of The LIFE Institute (the organization), which comprise the statement of financial position as at June 30, 2026, and the statements of operations, 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 LIFE Institute as at June 30, 2026 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 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 your 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.

Pennylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

October 22, 2026
Toronto, Ontario

THE LIFE INSTITUTE

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	2026	2025
ASSETS		
Current assets		
Cash	$ 100,193	$ 180,233
Guaranteed investment certificates (note 2)	218,020	142,075
Amounts receivable	4,727	2,328
Prepaid expenses	29,109	25,805
	$ 352,049	$ 350,441
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	$ 15,489	$ 24,229
Net assets		
Endowment (note 4)	13,012	13,012
Unrestricted	323,548	313,200
	336,560	326,212
	$ 352,049	$ 350,441

On behalf of the Board:

Peter Drumm, Director

Michael Treuman, Director

see accompanying notes

THE LIFE INSTITUTE

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2026

	2026			2025
	Unrestricted	Endowment	Total	Total
Net assets, beginning of year	$ 313,200	$ 13,012	$ 326,212	$ 312,442
Excess of revenue over expenses for the year	10,348	-	10,348	13,770
NET ASSETS, END OF YEAR	$ 323,548	$ 13,012	$ 336,560	$ 326,212

see accompanying notes

THE LIFE INSTITUTE

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
REVENUE		
Course fees	$ 411,056	$ 348,893
Membership dues	116,185	109,625
Donations	9,464	4,378
Interest	9,386	11,291
Event fees	7,915	4,662
HST rebate	3,967	-
Total revenue	557,973	478,849
EXPENSES		
Courses	205,466	173,205
Salaries and benefits	181,118	159,119
Toronto Metropolitan University Fee (note 5)	47,551	42,103
Professional services	41,313	30,722
Website	26,979	24,232
Events	19,493	10,408
Credit card processing fees	13,969	12,359
Office and general	8,777	10,170
Insurance	2,959	2,761
Total expenses	547,625	465,079
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	$ 10,348	$ 13,770

see accompanying notes

THE LIFE INSTITUTE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	$ 10,348	$ 13,770
Net change in non-cash working capital items (see below)	(14,443)	(18,138)
Net cash used for operating activities	(4,095)	(4,368)
INVESTING ACTIVITIES		
Guaranteed investment certificates redeemed (purchased)	(75,945)	57,956
NET INCREASE (DECREASE) IN CASH FOR THE YEAR	(80,040)	53,588
Cash, beginning of year	180,233	126,645
CASH, END OF YEAR	$ 100,193	$ 180,233
Net change in non-cash working capital items:		
Decrease (increase) in current assets-		
Amounts receivable	$ (2,399)	$ 4,458
Prepaid expenses	(3,304)	(7,411)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(8,740)	(15,185)
	$ (14,443)	$ (18,138)

see accompanying notes

The LIFE Institute (the organization) is incorporated without share capital in the Province of Ontario. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

The organization enables adults age 50+ to pursue their passion for life-long learning through a wide range of educational courses, activities, and related opportunities to volunteer that embody the core values of learning, community, inclusion, and integrity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered significant:

Revenue recognition
The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

Course fees
Course fees are recognized as revenue in the period in which the course takes place. Course fees received for future periods are deferred in the accounts.

Membership dues
Membership dues are recognized as revenue in the year to which they apply. Membership dues received for future periods are deferred in the accounts.

Events
Event revenue is recognized in the period that the event takes place.

Interest income
Interest income is recorded in the statement of operations over the term of the guaranteed investment certificates, except to the extent that it relates to endowed investments in which case it is added to endowment net assets.

Contributions
The organization follows the deferral method of revenue recognition for contributions.

Externally restricted contributions, including grants and restricted donations, related to current expenses are recognized as revenue in the current year. Externally restricted contributions received in the year for expenses to be incurred in the following year are recorded as deferred contributions. Externally restricted endowment contributions are recognized as direct increases in net assets when recorded in the accounts.

Unrestricted contributions, including donations are recorded as revenue when received.

Contributed materials and services
Contributed materials and services which are normally purchased by the organization are not recorded in the accounts.

2. GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates are issued by a major Canadian chartered bank, bear interest at rates ranging from 2.70% to 3.52% and mature between July 2026 and October 2030.

3. FINANCIAL INSTRUMENTS

The organization's financial instruments include cash, guaranteed investment certificates, amounts receivable, accounts payable and accrued liabilities. Amounts receivable, accounts payable and accrued liabilities are initially recorded at fair value and are subsequently recorded net of any provisions for impairment in value. Guaranteed investment certificates are recorded at cost plus accrued interest, which approximates fair value.

4. ENDOWMENT

The endowment net assets are subject to externally imposed restrictions stipulating that donated capital be maintained permanently. Investment income earned on the donated capital is restricted to providing bursaries for qualifying students of the organization.

5. TRANSACTIONS WITH TORONTO METROPOLITAN UNIVERSITY

The organization entered a 16-month agreement with The Chang School of Toronto Metropolitan University (TMU), commencing September 1, 2025, whereby TMU agrees to provide the organization with space for courses, meeting rooms, administration, special events and access to certain other TMU resources.

In exchange, the organization:

i. paid $50,000 on September 1, 2025 and $16,667 on September 1, 2026.

ii. will pay 50% of the organization's excess of revenue (net of donations) over expenses for the year ended June 30, 2026.