

Toronto Foundation for Student Success
Financial Statements
Year ended July 31, 2016

**Toronto Foundation for Student Success
Financial Statements
Year ended July 31, 2016**

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Independent Auditors' Report

To the Board of Directors of
Toronto Foundation for Student Success

Report on the Financial Statements

We have audited the accompanying financial statements of Toronto Foundation for Student Success (the "Foundation"), which comprise the statement of financial position as at July 31, 2016 and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from cash and gift card donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess (deficiency) of revenues over expenses and fund balances.

Independent Auditors' Report (continued)

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Foundation as at July 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Lipton LLP

Chartered Professional Accountants
Licensed Public Accountants

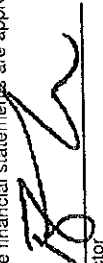
Toronto, Ontario
December 6, 2016

Toronto Foundation for Student Success
Statement of Financial Position
As at July 31, 2016

	Administration	Student Nutrition Programs	Beyond 3:30	Vision and Hearing	Health Clinics	Other Restricted Activities	Undesignated and Fundraising	2016	2015
Assets									
Current									
Cash	\$ 66,133	\$ 7,195,707	\$ 174,703	\$ 45,462	\$ -	\$ 235,869	\$ 4,359	\$ 7,722,233	\$ 6,636,608
Marketable securities	-	794,304	-	-	-	-	307,496	1,101,800	1,052,813
Other receivables	121,460	28,337	-	9,031	7,721	-	63,900	230,449	106,191
Prepaid expenses	14,757	-	18,804	-	-	-	-	33,561	51,855
Interfund balances (Note 3(a))	(62,037)	(116,301)	(77,579)	(28,039)	(7,721)	188,864	102,813	-	-
Scholarship funds	-	-	-	-	-	42,089	-	42,089	41,329
	140,313	7,902,047	115,928	26,454	-	466,822	478,568	9,130,132	7,888,796
Capital assets	2,043	-	-	-	-	-	-	2,043	7,291
	\$ 142,356	\$ 7,902,047	\$ 115,928	\$ 26,454	\$ -	\$ 466,822	\$ 478,568	\$ 9,132,175	\$ 7,896,087
Liabilities									
Current									
Accounts payable and accrued liabilities	\$ 66,296	\$ 32,408	\$ 1,536	\$ 407	\$ -	\$ -	\$ -	\$ 100,947	\$ 138,982
Deferred contributions (Note 4)	-	7,156,886	114,092	22,321	-	343,474	23,455	7,660,228	6,344,825
	66,296	7,189,294	115,928	22,728	-	343,474	23,455	7,761,175	6,483,807
Commitment (Note 6)									
Fund balances									
Unrestricted	76,060	712,753	-	3,726	-	-	455,113	915,887	455,113
Restricted	76,060	712,753	-	3,726	-	123,348	455,113	1,371,000	957,167
	\$ 142,356	\$ 7,902,047	\$ 115,928	\$ 26,454	\$ -	\$ 466,822	\$ 478,568	\$ 9,132,175	\$ 7,896,087

See accompanying notes to financial statements

These financial statements are approved on behalf of the Board of Directors:


 Director


 Director

Toronto Foundation for Student Success
Statement of Operations
Year ended July 31, 2016

	Administration	Student Nutrition Programs	Beyond 3:30	Vision and Hearing	Health Clinics	Other Restricted Activities	Undesignated and Fundraising	2016	2015
Revenues									
City of Toronto	\$ -	\$ 6,424,957	\$ -	\$ -	\$ -	\$ 28,592	\$ -	\$ 6,453,549	\$ 5,500,716
Ministry of Children and Youth Services	39,000	8,903,584	-	-	-	-	-	8,942,584	7,698,172
Ministry of Tourism, Culture and Sport	-	-	538,543	-	-	-	-	538,543	542,308
Toronto District School Board	400,000	184,400	-	34,000	-	-	-	618,400	594,000
Toronto Educational Opportunity Fund	-	68,730	-	-	-	-	-	68,730	67,110
Fundraising and donations	15,000	2,190,848	796,341	163,250	23,289	699,735	521,120	4,408,583	4,928,648
Interest and investment income	-	-	-	-	-	-	88,721	88,721	50,475
	454,000	17,772,519	1,334,884	197,250	23,289	728,327	609,841	21,120,110	19,381,429
Expenditures									
Project costs	21,594	17,099,079	185,792	8,710	5,718	732,759	12,250	18,065,902	16,599,027
Salaries and benefits	442,485	650,692	1,256,236	184,037	61,771	10,000	317,794	2,923,015	2,556,504
Fundraising costs	-	-	-	2,594	317	-	102,200	105,111	154,891
Insurance, legal and audit	18,565	15,124	12,250	1,525	-	-	3,050	50,514	65,829
Travel	341	7,624	2,031	384	360	-	840	11,600	10,055
Amortization	5,248	-	-	-	-	-	-	5,248	5,869
	488,233	17,772,519	1,456,309	197,250	68,186	742,759	436,134	21,161,390	19,392,175
Excess (deficiency) of revenues over expenditures	\$ (34,233)	\$ -	\$ (121,425)	\$ -	\$ (44,897)	\$ (14,432)	\$ 173,707	\$ (41,280)	\$ (10,746)

See accompanying notes to financial statements

Toronto Foundation for Student Success
Statement of Changes in Fund Balances
Year ended July 31, 2016

	Administration	Student Nutrition Programs	Beyond 3:30	Vision and Hearing	Health Clinics	Other Restricted Activities	Undesignated and Fundraising	2016	2015
Fund balances - beginning of year	\$ 76,060	\$ 712,753	\$ -	\$ 3,726	\$ 27,187	\$ 137,441	\$ 455,113	\$ 1,412,280	\$ 1,423,026
Excess (deficiency) of revenues over expenditure:	(34,233)	-	(121,425)	-	(44,897)	(14,432)	173,707	(41,280)	(10,746)
Interfund transfers (Note 3(b))	34,233	-	121,425	-	17,710	339	(173,707)	-	-
Fund balances - end of year	\$ 76,060	\$ 712,753	\$ -	\$ 3,726	\$ -	\$ 123,348	\$ 455,113	\$ 1,371,000	\$ 1,412,280

See accompanying notes to financial statements

Toronto Foundation for Student Success
Statement of Cash Flows
Year ended July 31, 2016

	Administration	Student Nutrition Programs	Beyond 3:30	Vision and Hearing	Health Clinics	Other Restricted Activities	Undesignated and fundraising	2016	2015
Operating activities									
Excess (deficiency) of revenues over expenditures	\$ (34,233)	\$ -	\$ (121,425)	\$ -	\$ (44,897)	\$ (14,432)	\$ 173,707	\$ (41,280)	\$ (10,746)
Items not affecting cash:									
Amortization	5,248	(46,295)	-	-	-	(760)	(2,692)	5,248	5,869
Unrealized gains on marketable securities	(23,985)	(46,295)	(121,425)	-	(44,897)	(15,192)	171,015	(49,747)	(6,220)
Net changes in non-cash working capital:									
Decrease (increase) in other receivables	(77,906)	(3,337)	4,660	(7,707)	10,977	-	(50,945)	(124,258)	36,124
Decrease (increase) in prepaid expenses	5,463	906	11,208	717	-	-	-	18,294	(40,364)
Decrease (increase) in interfund balances	62,037	(54,897)	44,565	28,369	7,721	(188,864)	101,069	-	-
Increase (decrease) in accounts payable and accrued liabilities	(10,107)	13,379	(23,304)	407	-	(18,410)	-	(38,035)	(148,671)
Increase (decrease) in deferred contributions	-	1,455,083	(87,967)	22,321	(6,196)	(439)	(67,399)	1,315,403	2,473,871
Cash flows provided by (used in) operating activities	(49,498)	1,364,839	(172,263)	44,107	(32,595)	(222,905)	153,740	1,085,625	2,309,863
Financing activity									
Interfund transfers	34,233	-	121,425	-	17,710	339	(173,707)	-	-
Cash flows provided by (used in) financing activity	34,233	-	121,425	-	17,710	339	(173,707)	-	-
Net change in cash	(15,265)	1,364,839	(50,838)	44,107	(14,685)	(222,566)	(19,967)	1,085,625	2,309,863
Cash - beginning of year	81,398	5,830,868	225,541	1,355	14,685	458,435	24,326	6,636,608	4,326,745
Cash - end of year	\$ 66,133	\$ 7,195,707	\$ 174,703	\$ 45,462	\$ -	\$ 235,869	\$ 4,359	\$ 7,722,233	\$ 6,636,608

See accompanying notes to financial statements

Toronto Foundation for Student Success

Notes to Financial Statements

Year ended July 31, 2016

1. Nature of business

Toronto Foundation for Student Success (the "Foundation") is a charitable foundation incorporated as a not-for-profit organization under the laws of Ontario. The primary purpose of the Foundation is to raise and disburse funds in support of educational and enrichment activities within the City of Toronto. The Foundation is a registered charity within the meaning of the Income Tax Act (Canada) under paragraph 149(1)(f) and, as such, is exempt from income taxes.

2. Significant accounting policies

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

(a) Management estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. The significant estimate used in the preparation of these financial statements is the determination of accrued liabilities. Estimates are reviewed periodically and adjustments are made in the statement of operations as appropriate in the year they become known.

(b) Fund accounting

The accounts of the Foundation are maintained in accordance with the principles of fund accounting. Resources received and expenses incurred are classified for accounting and reporting purposes into the funds according to activities taken on by the Foundation.

(i) Administration

This fund tracks the revenues and expenditures related to the general operations of the Foundation, which includes, for example, salaries and benefits of administration personnel, insurance, and office and general.

(ii) Student Nutrition Programs

This fund tracks the revenues and expenditures related to student nutrition programs across Toronto, including food and equipment costs.

(iii) Beyond 3:30

This fund tracks the revenues and expenditures related to an afterschool program in our inner city "at risk" communities for middle school children between the hours of 3:30pm and 6:30pm in their local schools. Programs focus on healthy lifestyles including physical activities, food preparation training and nutrition studies.

Toronto Foundation for Student Success
Notes to Financial Statements
Year ended July 31, 2016

2. Significant accounting policies (continued)

(b) Fund accounting (continued)

(iv) Vision and Hearing

This fund tracks the revenue and expenditures related to the Vision and Hearing Screening Clinics, which are conducted in various schools across Toronto. These clinics help determine whether students need vision and hearing assistance, in order to allow them to achieve greater success in school.

(v) Health Clinics

This fund tracks the revenue and expenditures related to the Model Schools Paediatric Health Initiative, which are conducted in certain schools across Toronto. This initiative works to bring clinical health care services into priority school communities.

(vi) Other Restricted Activities

This fund tracks all the revenues and expenditures for smaller programs where contributions are designated for a specific purpose or fundraising event, campaign or initiative, the proceeds of which also help support the Foundation's various programs. Included in this fund are scholarship activities where restricted donations are received solely for this purpose.

(vii) Undesignated and Fundraising

This fund tracks the revenues and expenditures related to general fundraising activities and other undesignated contributions.

(c) Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or the restrictions are met, if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions for which the related expenses are not yet incurred are reported on the statement of financial position as deferred contributions.

Unrestricted contributions are recognized as revenue in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest and investment income earned is recognized as revenue of the Undesignated and Fundraising fund in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

(d) Financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value. All financial assets and financial liabilities are subsequently measured at amortized cost, except for marketable securities, which are measured at fair value with gains and losses recognized in the statement of operations.

Toronto Foundation for Student Success
Notes to Financial Statements
Year ended July 31, 2016

2. Significant accounting policies (continued)

(d) Financial instruments (continued)

The financial assets subsequently measured at amortized cost include cash, scholarship fund and other receivables. The financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

(e) Contributed services

The Foundation would not be able to carry out its programs without the services of many volunteers who donate a considerable number of hours. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

The Toronto District School Board donates the administrative office space occupied by the Foundation. Because of the difficulty of determining the fair value, contributed occupancy costs are not recognized in the financial statements.

(f) Gifts in kind

The Foundation records gifts in kind at the fair market value of the assets or services received. The Foundation received \$477,011 (2015 - \$493,230) of gifts in kind, which have been included in Fundraising and donations.

(g) Allocation of expenses

The costs of each program include the costs of personnel, funding distributions and other expenses that are directly related to providing the program. The Foundation also incurs general support and program co-ordination salaries and benefits expenses that are common to the administration of the Foundation and each of its programs.

The Foundation allocates certain of its general support and program co-ordination salaries and benefits expenses by estimating the time certain employees will spend on the administration of each program.

3. Interfund balances

(a) Interfund balances

Interfund balances are receivables and (payables) amongst the Foundation's funds. Amounts are non-interest bearing and have no fixed terms of repayment.

(b) Interfund transfers

Cash was transferred from the Undesignated and Fundraising fund in the amount of \$173,707 (2015 - \$62,341) to the Administration fund \$34,233 (2015 - \$52,636), the Beyond 3:30 fund \$121,425 (2015 - \$Nil), the Health Clinics fund \$17,710 (2015 - \$Nil), and the Other Restricted Activities fund \$339 (2015 - \$Nil), to cover shortfalls. There was no cash transferred from the Undesignated and Fundraising fund to the Vision and Hearing fund in the current year (2015 - \$9,705).

Toronto Foundation for Student Success
Notes to Financial Statements
Year ended July 31, 2016

4. Deferred contributions

	2016	2015
Deferred contributions - beginning of year	\$ 6,344,825	\$ 3,870,954
Add: contributions during year	7,467,682	6,236,975
Less: amounts taken into revenue during year	(6,152,279)	(3,763,104)
Deferred contributions - end of year	\$ 7,660,228	\$ 6,344,825

	Student Nutrition Programs	Beyond 3:30	Vision and Hearing
Deferred contributions - beginning of year	\$ 5,701,803	\$ 202,059	\$ -
Add: contributions during year	6,985,487	114,092	22,321
Less: amounts taken into revenue during year	(5,530,404)	(202,059)	-
Deferred contributions - end of year	\$ 7,156,886	\$ 114,092	\$ 22,321

	Health Clinics	Other Restricted Activities	Undesignated and Fundraising
Deferred contributions - beginning of year	\$ 6,196	\$ 343,913	\$ 90,854
Add: contributions during year	-	325,817	19,965
Less: amounts taken into revenue during year	(6,196)	(326,256)	(87,364)
Deferred contributions - end of year	\$ -	\$ 343,474	\$ 23,455

5. Allocation of expenses

General support and program coordination salaries and benefits have been allocated as follows:

	2016	2015
Salaries and benefits allocated to:		
Administration	\$ 442,485	\$ 422,944
Student Nutrition Program	189,793	229,291
Beyond 3:30	95,399	97,985
Vision and Hearing	13,018	36,281
Total salaries allocated	\$ 740,695	\$ 786,501

Toronto Foundation for Student Success
Notes to Financial Statements
Year ended July 31, 2016

6. Commitment

The Foundation has a service contract with the Ministry of Children and Youth Services to administer the student nutrition program grant (detail code A513) for purchasing nutritious food items and/or community development. The contract is renewed for the 2017 fiscal year. Under the prior year's Ministry of Children and Youth services contract, there was no surplus or deficit.

7. Financial instruments

In management's opinion, the Foundation is exposed to the following risks through its financial instruments:

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of the Foundation's financial instruments will fluctuate because of changes in market prices. The Foundation is exposed to market risk as a result of its investments in equity instruments included in the Foundation's marketable securities. Management does not believe the Foundation's investments in equity securities are high risk.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit risk in the event of non-performance by its funders, but does not anticipate such non-performance. The maximum credit risk is the fair value of its other receivables.

(c) Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. Management does not anticipate a risk in meeting its current obligations as the Foundation has a sufficient working capital balance.