

Toronto Foundation for Student Success
Financial Statements
Year ended July 31, 2014

**Toronto Foundation for Student Success
Financial Statements
Year ended July 31, 2014**

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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, 2014 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 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, 2014 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 9, 2014

Toronto Foundation for Student Success
Statement of Financial Position
As at July 31, 2014

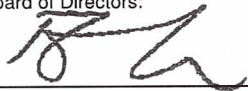
	Administration	Student Nutrition Programs	Beyond 3:30	Vision and Hearing	Health Clinics (Note 10)	Other Restricted Activities (Note 10)	Undesignated and Fundraising (Note 10)	2014	2013
Assets									
Current									
Cash	\$ 535,220	\$ 1,497,044	\$ 845,016	\$ 133	\$ -	\$ 1,319,118	\$ 130,214	\$ 4,326,745	\$ 3,784,322
Marketable securities	-	744,227	-	-	-	-	303,413	1,047,640	587,627
Other receivables	125,530	1,905	450	800	-	-	13,630	142,315	223,641
Prepaid expenses	1,977	588	848	222	-	-	7,856	11,491	28,871
Interfund balances (Note 5(a))	(392,984)	1,002,097	(684,724)	8,669	66,942	-	-	-	-
	269,743	3,245,861	161,590	9,824	66,942	1,319,118	455,113	5,528,191	4,624,461
Scholarship funds	-	-	-	-	-	40,282	-	40,282	40,282
Capital assets (Note 3)	13,160	-	-	-	-	-	-	13,160	15,543
	\$ 282,903	\$ 3,245,861	\$ 161,590	\$ 9,824	\$ 66,942	\$ 1,359,400	\$ 455,113	\$ 5,581,633	\$ 4,680,286
Liabilities									
Current									
Accounts payable and accrued liabilities	\$ 206,843	\$ 74,906	\$ 4,281	\$ -	\$ -	\$ 1,623	\$ -	\$ 287,653	\$ 402,989
Deferred contributions (Note 4)	-	2,458,202	157,309	120	39,755	1,215,568	-	3,870,954	2,768,235
	206,843	2,533,108	161,590	120	39,755	1,217,191	-	4,158,607	3,171,224
Commitment (Note 8)									
Fund balances									
Unrestricted	-	-	-	-	-	-	455,113	455,113	546,146
Restricted	76,060	712,753	-	9,704	27,187	142,209	-	967,913	962,916
	76,060	712,753	-	9,704	27,187	142,209	455,113	1,423,026	1,509,062
	\$ 282,903	\$ 3,245,861	\$ 161,590	\$ 9,824	\$ 66,942	\$ 1,359,400	\$ 455,113	\$ 5,581,633	\$ 4,680,286

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, 2014

	Administration	Student Nutrition Programs	Beyond 3:30	Vision and Hearing	Health Clinics (Note 10)	Other Restricted Activities (Note 10)	Undesignated and Fundraising (Note 10)	2014	2013 (Note 10)
Revenues									
City of Toronto	\$ -	\$ 4,434,013	\$ -	\$ -	\$ -	\$ 224,697	\$ -	\$ 4,658,710	\$ 3,398,533
Ministry of Children and Youth Services	194,667	6,052,898	-	-	-	-	-	6,247,565	5,716,508
Ministry of Tourism, Culture and Sport	-	-	564,697	-	-	-	-	564,697	385,433
Toronto District School Board	400,000	160,000	-	-	-	-	-	560,000	826,206
Toronto Educational Opportunity Fund	-	83,521	-	-	-	-	-	83,521	80,948
Fundraising and donations	-	1,788,239	538,228	245,612	59,702	450,628	319,711	3,402,120	3,244,261
Interest and investment income	-	-	-	-	-	-	182,351	182,351	49,323
	594,667	12,518,671	1,102,925	245,612	59,702	675,325	502,062	15,698,964	13,701,212
Expenditures									
Project costs	135,832	12,228,011	92,049	10,099	7,401	633,977	-	13,107,369	11,246,267
Salaries and benefits	576,281	245,704	942,167	235,513	52,301	62,060	188,144	2,302,170	2,438,843
Bad debts	-	-	-	64,395	-	-	-	64,395	-
Fundraising costs	-	-	50,000	-	-	-	134,618	184,618	26,099
Insurance, legal and audit	46,271	40,000	13,740	-	-	2,112	-	102,123	57,499
Travel	2,739	4,956	4,969	-	-	1,236	-	13,900	17,727
Amortization	10,425	-	-	-	-	-	-	10,425	4,903
	771,548	12,518,671	1,102,925	310,007	59,702	699,385	322,762	15,785,000	13,791,338
Excess (deficiency) of revenues over expenditures	\$ (176,881)	\$ -	\$ -	\$ (64,395)	\$ -	\$ (24,060)	\$ 179,300	\$ (86,036)	\$ (90,126)

See accompanying notes to financial statements

Toronto Foundation for Student Success
Statement of Changes in Fund Balances
Year ended July 31, 2014

	Administration	Student Nutrition Programs	Beyond 3:30	Vision and Hearing	Health Clinics	Other Restricted Activities	Undesignated and Fundraising	Total
					(Note 10)	(Note 10)	(Note 10)	
Fund balances - As at July 31, 2013	\$ 71,063	\$ 712,753	\$ -	\$ 9,704	\$ 27,187	\$ 142,209	\$ 546,146	\$ 1,509,062
Excess (deficiency) of revenues over expenditures	(176,881)	-	-	(64,395)	-	(24,060)	179,300	(86,036)
Interfund transfers (Note 5(b))	181,878	-	-	64,395	-	24,060	(270,333)	-
Fund balances - As at July 31, 2014	\$ 76,060	\$ 712,753	\$ -	\$ 9,704	\$ 27,187	\$ 142,209	\$ 455,113	\$ 1,423,026

See accompanying notes to financial statements

Toronto Foundation for Student Success
Statement of Cash Flows
Year ended July 31, 2014

	Administration	Student Nutrition Programs	Beyond 3:30	Vision and Hearing	Health Clinics (Note 10)	Other Restricted Activities (Note 10)	Undesignated and fundraising (Note 10)	2014	2013
Operating activities									
Excess (deficiency) of revenues over expenditures	\$ (176,881)	\$ -	\$ -	\$ (64,395)	\$ -	\$ (24,060)	\$ 179,300	\$ (86,036)	\$ (90,126)
Items not affecting cash:									
Amortization	10,425	-	-	-	-	-	-	10,425	4,903
Gains on marketable securities	-	-	-	-	-	-	(120,032)	(120,032)	-
	(166,456)	-	-	(64,395)	-	(24,060)	59,268	(195,643)	(85,223)
Change in non-cash working capital balances:									
Marketable securities	-	-	-	-	-	-	-	-	(48,853)
Other receivables	(110,395)	27,205	10,659	98,205	18,975	7,325	29,352	81,326	103,302
Prepaid expenses	16,576	354	1,572	146	-	5,207	(6,475)	17,380	(3,079)
Interfund balances	14,511	(1,167,129)	674,669	(93,533)	(66,942)	14,330	624,094	-	-
Accounts payable and accrued liabilities	19,521	(58,622)	(11,559)	(4,805)	(7,099)	(50,493)	(2,279)	(115,336)	237,356
Deferred revenue	-	68,061	55,716	120	10,352	968,470	-	1,102,719	405,237
Cash flows provided by (used by) operating activities	(226,243)	(1,130,131)	731,057	(64,262)	(44,714)	920,779	703,960	890,446	608,740
Financing activity									
Interfund transfers	181,878	-	-	64,395	-	24,060	(270,333)	-	-
Cash flows provided by (used by) financing activity	181,878	-	-	64,395	-	24,060	(270,333)	-	-
Investing activities									
Purchase of capital assets	(8,042)	-	-	-	-	-	-	(8,042)	(8,206)
Purchase of marketable securities	-	(624,195)	-	-	-	-	(303,413)	(927,608)	(470)
Sale of marketable securities	587,627	-	-	-	-	-	-	587,627	-
Cash flows provided by (used by) investing activities	579,585	(624,195)	-	-	-	-	(303,413)	(348,023)	(8,676)
Increase (decrease) in cash position	535,220	(1,754,326)	731,057	133	(44,714)	944,839	130,214	542,423	600,064
Cash - beginning of year	-	3,251,370	113,959	-	44,714	374,279	-	3,784,322	3,184,258
Cash - end of year	\$ 535,220	\$ 1,497,044	\$ 845,016	\$ 133	\$ -	\$ 1,319,118	\$ 130,214	\$ 4,326,745	\$ 3,784,322

See accompanying notes to financial statements

Toronto Foundation for Student Success
Notes to Financial Statements
Year ended July 31, 2014

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, exempt from 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 amounts 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 settlement of operations as appropriate in the year they become known.

(b) Capital assets

Capital assets are stated at cost less accumulated amortization. Amortization is provided for over the estimated useful life of the assets using the following methods and annual rates:

	Method	Rate
Computer equipment	Declining balance	30%
Office furniture and equipment	Declining balance	30%

(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, 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.

Investment income earned are 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.

Toronto Foundation for Student Success
Notes to Financial Statements
Year ended July 31, 2014

2. Significant accounting policies (continued)

(d) 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) 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.

(ii) Other Restricted Activities

These funds track all the revenues and expenditures for smaller programs where funds 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 these funds are scholarship activities where restricted donations are received solely for this purpose.

(iii) 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.

(iv) Student Nutrition Programs

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

(v) 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.

(vi) Undesignated and Fundraising

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

(vii) 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.

Interfund receivables (payables) balances are loans to and from fund balances, amounts will be paid before the year ending July 31, 2015.

Toronto Foundation for Student Success
Notes to Financial Statements
Year ended July 31, 2014

2. Significant accounting policies (continued)

(e) 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.

The financial assets measured at amortized cost include cash and cash equivalents and other receivables. The financial liabilities measured at amortized cost include the accounts payable and accrued liabilities and deferred revenue.

(f) Contributed services and gifts in kind

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.

The Foundation received donations of gift cards of \$246,700 (2013 - \$299,000), 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. Capital assets

	Cost	Accumulated amortization	2014	2013
Computer equipment	\$ 46,878	\$ 42,869	\$ 4,009	\$ 4,556
Office furniture and equipment	27,903	18,752	9,151	10,987
	\$ 74,781	\$ 61,621	\$ 13,160	\$ 15,543

Toronto Foundation for Student Success
Notes to Financial Statements
Year ended July 31, 2014

4. Deferred contributions

	2014	2013
Deferred contributions - beginning of year	\$ 2,768,235	\$ 2,362,998
Add: contributions during year	3,337,349	881,615
Less: amounts taken into revenue during year	(2,234,630)	(476,378)
Deferred contributions - end of year	\$ 3,870,954	\$ 2,768,235

	Student Nutrition Programs	Beyond 3:30	Vision and Hearing	Health Clinics	Other Restricted Activities
Deferred contributions - beginning of year	\$ 2,390,141	\$ 101,593	\$ -	\$ 29,403	\$ 247,098
Add: contributions during year	2,095,048	157,782	120	11,330	1,073,070
Less: amounts taken into revenue during year	(2,026,987)	(102,066)	-	(978)	(104,600)
Deferred contributions - end of year	\$ 2,458,202	\$ 157,309	\$ 120	\$ 39,755	\$ 1,215,568

5. Interfund balances and transfers

(a) Interfund balances

Amounts are non-interest bearing and have no fixed terms of repayment.

(b) Interfund transfers

- (i) Cash transferred from the Undesignated and Fundraising fund in the amount of \$88,455, for short-falls experienced in the Other Restricted Activities fund, \$24,060, and the Vision and Hearing fund, \$64,395.
- (ii) Unrestricted investment income in the amount of \$181,878 was allocated to the Administration fund from the Undesignated and Fundraising fund for general use.

6. Wage subsidy

	Wage Subsidy	Prior 1998	1999-2005	Improvement
Deferred from prior years	\$ -	\$ -	\$ -	\$ -
Received in this fiscal year	5,064	18,263	-	-
Wage subsidies expensed in this fiscal year	(5,064)	(18,263)	-	-
Wage subsidies returned to Children's services this fiscal year	-	-	-	-
Wages subsidies deferred to future years	\$ -	\$ -	\$ -	\$ -

Toronto Foundation for Student Success
Notes to Financial Statements
Year ended July 31, 2014

7. Allocation of expenses

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

	2014	2013
Total unallocated salaries and benefits	\$ 715,281	\$ 636,635
Salaries and benefits allocated to:		
Administration	\$ 576,281	\$ 636,635
Student Nutrition Program	104,000	-
Beyond 3:30	10,000	-
Undesignated and Fundraising	25,000	-
Total of salaries allocated	\$ 715,281	\$ 636,635
Percentage of salaries allocated	100%	100%

8. 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 2015 fiscal year. Under the prior year's Ministry of Children and Youth services contract, there was no surplus or deficit. A similar contract with City of Toronto to administer the purchasing of nutritious food items is renewed for the period August 2014 to September 2015.

9. Financial instruments

The Organization is exposed to market risk through its financial instruments.

Market risk arises as a result of trading in equity instruments included in the Foundation's marketable securities. Fluctuations in the market expose the Foundation to a risk of loss. Management does not believe their trade in equity instruments to be high risk.

10. Comparative Figures

The comparative figures have been reclassified to reflect the following:

- (a) All revenues, expenditures, assets, liabilities and fund balances relating to programs under the Model Schools Paediatric Health Initiative formerly included as Other Restricted Activities, have been allocated to Health Clinics.
- (b) Other Restricted Activities has been expanded to include activity under the Optimal Outcomes Childcare Consultation program, and as such, Optimal Outcomes Childcare Consultation is no longer reported separately as its own fund. All revenues, expenditures, assets, liabilities and fund balances relating to the Optimal Outcomes Childcare Consultation program have been reclassified to Other Restricted Activities.
- (c) Certain other figures in the 2013 financial statements have been reclassified to conform with the basis of presentation used in 2014. The Unrestricted fund was renamed Undesignated and Fundraising.