

Toronto Foundation for Student Success
Financial Statements
Year ended July 31, 2021

Toronto Foundation for Student Success

Financial Statements

Year ended July 31, 2021

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Independent Auditors' Report

To the Board of Directors of
Toronto Foundation for Student Success

Qualified Opinion

We have audited the financial statements of Toronto Foundation for Student Success (the "Foundation"), which comprise the statement of financial position as at July 31, 2021, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Toronto Foundation for Student Success as at July 31, 2021, 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 Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from cash 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. Therefore, we were unable to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenues over expenses and cash flows provided by (used in) operating activities for the years ended July 31, 2021 and 2020, current assets as at July 31, 2021 and 2020, and fund balances as at August 1 and July 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended July 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation 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 qualified 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Independent Auditors' Report (Continued)

Auditors' 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 auditors' 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.

- 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Foundation 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.

Lipton LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
December 8, 2021

Toronto Foundation for Student Success
Statement of Financial Position
As at July 31, 2021

	Administration	Student Nutrition Programs	Beyond 3:30	Vision and Hearing	Health Clinics	Other Restricted Activities	Sight Initiative	Undesignated and Fundraising	Elimination of interfund balances	Total 2021	Total 2020
Assets											
Current											
Cash	\$ 1,842,805	\$ 5,485,232	\$ 797,009	\$ 46,467	\$ -	\$ 36,817	\$ -	\$ 81,415	\$ -	\$ 8,289,745	\$ 7,050,994
Marketable securities	-	1,733,231	-	-	-	-	-	-	-	1,733,231	1,421,991
Other receivables	25,922	387,674	53,870	12,520	-	500	-	-	-	480,486	731,571
Prepaid expenses	11,048	-	-	-	-	-	-	-	-	11,048	9,134
Inventory	-	326,606	-	-	-	-	-	-	-	326,606	137,594
Scholarship funds	-	-	-	-	-	44,193	-	-	-	44,193	43,679
Interfund balances (Note 3(a))	-	-	-	-	-	10,907	-	1,236,591	(1,247,498)	-	-
	\$ 1,879,775	\$ 7,932,743	\$ 850,879	\$ 58,987	\$ -	\$ 92,417	\$ -	\$ 1,318,006	\$ (1,247,498)	\$ 10,885,309	\$ 9,394,963
Liabilities											
Current											
Accounts payable and accrued liabilities	\$ 187,910	\$ 35,004	\$ 1,265	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 224,679	\$ 336,647
Deferred contributions (Note 4)	56,938	7,216,889	811,534	45,128	-	91,917	-	309,692	-	8,532,098	7,215,596
Interfund balances (Note 3(a))	1,028,106	52,034	38,080	129,278	-	-	-	-	(1,247,498)	-	-
	1,272,954	7,303,927	850,879	174,406	-	92,417	-	309,692	(1,247,498)	8,756,777	7,552,243
Commitment (Note 6)											
Fund Balances											
Unrestricted	-	-	-	-	-	-	-	1,008,314	-	1,008,314	611,141
Restricted	606,821	628,816	-	(115,419)	-	-	-	-	-	1,120,218	1,231,579
	606,821	628,816	-	(115,419)	-	-	-	1,008,314	-	2,128,532	1,842,720
	\$ 1,879,775	\$ 7,932,743	\$ 850,879	\$ 58,987	\$ -	\$ 92,417	\$ -	\$ 1,318,006	\$ (1,247,498)	\$ 10,885,309	\$ 9,394,963

See accompanying notes to the 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, 2021

	Administration	Student Nutrition Programs	Beyond 3:30	Vision and Hearing	Health Clinics	Other Restricted Activities	Sight Initiative	Undesignated and Fundraising	Total 2021	Total 2020
Revenues										
City of Toronto	\$ -	\$ 12,926,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,926,513	\$ 9,524,234
Ministry of Children, Community & Social Services	574,006	11,402,223	-	-	-	-	-	-	11,976,229	8,686,143
Ministry of Tourism, Culture and Sport	-	-	533,800	-	-	-	-	-	533,800	533,800
Toronto District School Board	400,000	-	-	-	-	-	-	-	400,000	434,000
Toronto Educational Opportunity Fund	-	77,328	-	-	-	-	-	-	77,328	-
Fundraising and donations (Note 2(f))	-	2,709,265	978,773	-	-	444,362	-	934	4,133,334	3,391,500
Fee for service income	-	-	-	-	-	-	1,075	-	1,075	125,839
Interest and investment income	-	-	-	-	-	-	-	399,357	399,357	201,511
Canada Emergency Wage Subsidy (Note 4)	-	-	-	-	-	-	-	-	-	498,848
	974,006	27,115,329	1,512,573	-	-	444,362	1,075	400,291	30,447,636	23,395,875
Expenditures										
Project costs	42,930	25,738,622	258,700	2,232	-	444,362	-	12,951	26,499,797	19,475,745
Salaries and benefits (Note 5)	665,640	1,141,646	1,247,093	19,889	3,226	-	16,923	112,964	3,207,381	3,021,683
Fundraising costs	-	-	-	687	-	-	-	-	687	4,740
Professional services	212,118	234,745	6,000	-	-	-	-	-	452,863	292,770
Travel	-	316	780	-	-	-	-	-	1,096	7,938
	920,688	27,115,329	1,512,573	22,808	3,226	444,362	16,923	125,915	30,161,824	22,802,876
Excess (deficiency) of revenues over expenditures	\$ 53,318	\$ -	\$ -	\$ (22,808)	\$ (3,226)	\$ -	\$ (15,848)	\$ 274,376	\$ 285,812	\$ 592,999

See accompanying notes to the financial statements

Toronto Foundation for Student Success
Statement of Changes in Fund Balances
Year ended July 31, 2021

	Administration	Student Nutrition Programs	Beyond 3:30	Vision and Hearing	Health Clinics	Other Restricted Activities	Sight Initiative	Undesignated and Fundraising	Total 2021	Total 2020
Fund balances - beginning of year	\$ 595,385	\$ 628,816	\$ -	\$ (115,419)	\$ -	\$ 122,797	\$ -	\$ 611,141	\$ 1,842,720	\$ 1,249,721
Excess (deficiency) of revenues over expenditures	53,318	-	-	(22,808)	(3,226)	-	(15,848)	274,376	285,812	592,999
Interfund transfers (Note 3(b))	(41,882)	-	-	22,808	3,226	(122,797)	15,848	122,797	-	-
Fund balances - end of year	\$ 606,821	\$ 628,816	\$ -	\$ (115,419)	\$ -	\$ -	\$ -	\$ 1,008,314	\$ 2,128,532	\$ 1,842,720

See accompanying notes to the financial statements

Toronto Foundation for Student Success
Statement of Cash Flows
Year ended July 31, 2021

	Administration	Student Nutrition Programs	Beyond 3:30	Vision and Hearing	Health Clinics	Other Restricted Activities	Sight Initiative	Undesignated and Fundraising	Total 2021	Total 2020
Operating activities										
Excess (deficiency) of revenues over expenditures	\$ 53,318	\$ -	\$ -	\$ (22,808)	\$ (3,226)	\$ -	\$ (15,848)	\$ 274,376	\$ 285,812	\$ 592,999
Items not affecting cash:										
Accrued interest on scholarship funds	-	-	-	-	-	(514)	-	-	(514)	(624)
Unrealized gains on marketable securities	-	(311,240)	-	-	-	-	-	-	(311,240)	(77,551)
	53,318	(311,240)	-	(22,808)	(3,226)	(514)	(15,848)	274,376	(25,942)	514,824
Net changes in non-cash working capital:										
Decrease (increase) in other receivables	137,797	(14,582)	106,269	22,101	-	(500)	-	-	251,085	(705,444)
Decrease (increase) in prepaid expenses	(1,914)	-	-	-	-	-	-	-	(1,914)	1,434
Increase in inventory	-	(189,012)	-	-	-	-	-	-	(189,012)	(137,594)
Decrease (increase) in interfund balances	(496,791)	1,233,977	15,701	(163,482)	-	(11,368)	-	(578,037)	-	-
Increase (decrease) in accounts payable and accrued liabilities	(17,577)	(93,268)	1,110	(133)	-	(2,100)	-	-	(111,968)	194,738
Increase (decrease) in deferred contributions	4,333	896,016	244,456	43,020	-	(52,187)	-	180,864	1,316,502	3,418,854
Cash flows provided by (used in) operating activities	(320,834)	1,521,891	367,536	(121,302)	(3,226)	(66,669)	(15,848)	(122,797)	1,238,751	3,286,812
Financing activity										
Interfund transfers	(41,882)	-	-	22,808	3,226	(122,797)	15,848	122,797	-	-
Cash flows provided by (used in) financing activity	(41,882)	-	-	22,808	3,226	(122,797)	15,848	122,797	-	-
Net change in cash	(362,716)	1,521,891	367,536	(98,494)	-	(189,466)	-	-	1,238,751	3,286,812
Cash - beginning of year	2,205,521	3,963,341	429,473	144,961	-	226,283	-	81,415	7,050,994	3,764,182
Cash - end of year	\$ 1,842,805	\$ 5,485,232	\$ 797,009	\$ 46,467	\$ -	\$ 36,817	\$ -	\$ 81,415	\$ 8,289,745	\$ 7,050,994

See accompanying notes to the financial statements

Toronto Foundation for Student Success
Notes to the Financial Statements
Year ended July 31, 2021

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 Canada. 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 of the Foundation are 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 and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting 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 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 following 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 "at risk" inner city communities in the City of Toronto 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 the Financial Statements
Year ended July 31, 2021

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 is 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) Sight Initiative

This fund tracks the revenue and expenditures related to the Fees for Service Initiative, which is conducted in certain schools across Toronto. This initiative works to bring eye care services into priority school communities. As the program is a fee for service program, the fund is unrestricted.

(viii) Undesignated and Fundraising

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

(c) Inventory

Inventory, which consists of undistributed gift cards and breakfast groceries, is measured at the lower of cost and net realizable value. Cost is determined using the specific identification method. For gift cards, net realizable value represents the face value.

2. Significant accounting policies (continued)

(d) 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 in 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.

Fee for service income earned is recognized as services are provided, 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 on a time proportion basis, if the amount to be received can be reasonably estimated and collection is reasonably assured.

(e) Financial instruments

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

Financial assets subsequently measured at amortized cost include cash, scholarship funds, interfund balances and other receivables. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities and interfund balances.

(f) 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 their fair value, contributed occupancy costs are not recognized in the financial statements.

(g) Gifts in kind

The Foundation records gifts in kind, which consist mainly of gift cards received, at the fair value of the assets or services received. The Foundation received \$401,173 (2020 - \$338,225) of gifts in kind, which have been included in fundraising and donations revenue.

Toronto Foundation for Student Success
Notes to the Financial Statements
Year ended July 31, 2021

2. Significant accounting policies (continued)

(h) 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 spend on the administration of each program.

3. Interfund balances

(a) Interfund balances

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

(b) Interfund transfers

Cash of \$22,808 (2020 - \$68,100) was transferred from the Administration fund to the Vision and Hearing fund. Cash of \$3,226 (2020 - \$nil) was transferred from the Administration fund to the Health Clinics fund. Cash of \$15,848 (2020 - \$nil) was transferred from the Administration fund to the Sight Initiative fund. These transfers are to cover cash shortfalls, and are not expected to be repaid subsequent to year end. Finally, cash of \$122,797 (2020 - \$nil) was transferred from the Other Restricted Activities fund to the Undesignated and Fundraising fund.

Toronto Foundation for Student Success
Notes to the Financial Statements
Year ended July 31, 2021

4. Deferred contributions

	2021	2020
Deferred contributions - beginning of year	\$ 7,215,596	\$ 3,796,742
Add: contributions during year	32,747,254	28,470,022
Less: amounts recognized as revenue during year	(31,430,752)	(25,051,168)
Deferred contributions - end of year	\$ 8,532,098	\$ 7,215,596

	Administration	Student Nutrition Programs	Beyond 3:30
Deferred contributions - beginning of year	\$ 52,605	\$ 6,320,873	\$ 567,078
Add: contributions during year	978,339	29,520,206	1,696,588
Less: amounts recognized as revenue during year	(974,006)	(28,624,190)	(1,452,132)
Deferred contributions - end of year	\$ 56,938	\$ 7,216,889	\$ 811,534

	Vision and Hearing	Other Restricted Activities	Undesignated and Fundraising
Deferred contributions - beginning of year	\$ 2,108	\$ 144,104	\$ 128,828
Add: contributions during year	43,020	328,237	180,864
Less: amounts recognized as revenue during year	-	(380,424)	-
Deferred contributions - end of year	\$ 45,128	\$ 91,917	\$ 309,692

During the year, the Foundation received an employee wage subsidy of \$nil (2020 - \$498,848) from the Government of Canada under its Canada Emergency Wage Subsidy ("CEWS") program, which is designed to enable businesses to re-hire workers previously laid off as a result of the COVID-19 pandemic and help prevent further job losses. This amount has been recognized in revenues as a contribution within the statement of operations.

5. Allocation of expenses

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

	2021	2020
Salaries and benefits allocated to:		
Administration	\$ 665,640	\$ 617,215
Student Nutrition Programs	489,099	439,252
Beyond 3:30	192,275	83,983
Undesignated and Fundraising	84,227	77,464
Vision and Hearing	14,030	30,033
Sight Initiative	16,021	25,572
Health Clinics	3,226	9,659
Total salaries allocated	\$ 1,464,518	\$ 1,283,178

Toronto Foundation for Student Success
Notes to the Financial Statements
Year ended July 31, 2021

6. Commitment

The Foundation has a service contract with the Ministry of Children, Community & Social 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 2022 fiscal year. Under the prior year's Ministry of Children, Community & Social 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 instruments 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 carrying value of its other receivables.

(c) Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting its obligations associated with its 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.

8. Comparative Figures

Certain figures in the 2020 comparative financial statements have been reclassified to conform with the basis of presentation used in the current year.