

Toronto Foundation for Student Success
Financial Statements
Year ended July 31, 2024

Toronto Foundation for Student Success

Financial Statements

Year ended July 31, 2024

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Independent Auditors' Report

To the Board of Directors of
Toronto Foundation for Student Success

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, 2024, 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, the accompanying financial statements present fairly, in all material respects, the financial position of Toronto Foundation for Student Success as at July 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 *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 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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism through 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 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 10, 2024

Toronto Foundation for Student Success
Statement of Financial Position
As at July 31, 2024

	Administration	Student Nutrition Programs	Beyond 3:30	Vision and Hearing	Other Restricted Activities	Undesignated and Fundraising	Elimination of Interfund Balances	Total 2024	Total 2023
Assets									
Current									
Cash	\$ 2,339,617	\$ 8,119,920	\$ 2,050,895	\$ 143,654	\$ 153,323	\$ -	\$ -	\$ 12,807,409	\$ 17,858,716
Marketable securities	75,000	2,346,380	-	-	-	-	-	2,421,380	1,861,855
Other receivables	33,449	-	69,394	2,235	-	-	-	105,078	276,656
Prepaid expenses	54,255	-	-	-	-	-	-	54,255	27,918
Inventory	-	15,920	-	-	-	-	-	15,920	157,363
Scholarship funds	-	-	-	-	46,127	-	-	46,127	45,224
Interfund balances (Note 3)	-	-	-	-	-	3,744,800	(3,744,800)	-	-
	2,502,321	10,482,220	2,120,289	145,889	199,450	3,744,800	(3,744,800)	15,450,169	20,227,732
Capital assets (Note 4)	-	-	440,000	-	-	-	-	440,000	-
	\$ 2,502,321	\$ 10,482,220	\$ 2,560,289	\$ 145,889	\$ 199,450	\$ 3,744,800	\$ (3,744,800)	\$ 15,890,169	\$ 20,227,732
Liabilities									
Current									
Accounts payable and accrued liabilities	\$ 162,170	\$ 106,230	\$ 26,665	\$ 8,989	\$ 1,057	\$ -	\$ -	\$ 305,111	\$ 421,566
Deferred contributions (Note 5)	207,495	7,936,755	2,260,263	176,884	92,030	1,624,855	-	12,298,282	17,051,097
Interfund balances (Note 3)	1,479,222	1,810,419	273,361	75,435	106,363	-	(3,744,800)	-	-
	1,848,887	9,853,404	2,560,289	261,308	199,450	1,624,855	(3,744,800)	12,603,393	17,472,663
Commitment (Note 7)									
Fund Balances									
Unrestricted	-	-	-	-	-	2,119,945	-	2,119,945	1,588,238
Restricted	653,434	628,816	-	(115,419)	-	-	-	1,166,831	1,166,831
	653,434	628,816	-	(115,419)	-	2,119,945	-	3,286,776	2,755,069
	\$ 2,502,321	\$ 10,482,220	\$ 2,560,289	\$ 145,889	\$ 199,450	\$ 3,744,800	\$ (3,744,800)	\$ 15,890,169	\$ 20,227,732

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, 2024

	Administration	Student Nutrition Programs	Beyond 3:30	Vision and Hearing	Emergency Fund	Other Restricted Activities	Sight Initiative	Undesignated and Fundraising	Total 2024	Total 2023
Revenues										
City of Toronto	\$ -	\$ 13,202,515	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,202,515	\$ 12,318,607
Ministry of Children, Community & Social Services	602,267	9,615,393	-	-	-	-	-	-	10,217,660	8,631,571
Ministry of Tourism, Culture and Sport	-	-	693,940	-	-	-	-	-	693,940	533,800
Toronto District School Board	400,000	-	-	34,000	-	-	-	-	434,000	422,100
Fundraising and donations (Note 2(h) and 4)	116,714	3,315,883	1,395,711	108,442	293,195	643,041	-	-	5,872,986	9,931,655
Fee for service income	-	-	-	-	-	-	85,864	-	85,864	1,275
Interest and investment income	-	-	-	-	-	-	-	1,410,925	1,410,925	935,862
	1,118,981	26,133,791	2,089,651	142,442	293,195	643,041	85,864	1,410,925	31,917,890	32,774,870
Expenditures										
Program expenses (Note 2(c))	132,418	24,457,363	280,995	14,104	293,195	643,041	402	30,464	25,851,982	27,449,988
Salaries and benefits (Note 6)	1,195,442	1,658,027	1,686,432	256,780	-	-	76,415	405,516	5,278,612	4,655,320
Professional services	114,671	-	9,840	-	-	-	-	-	124,511	110,857
Travel	96	18,401	2,384	71	-	-	-	126	21,078	14,525
Amortization	-	-	110,000	-	-	-	-	-	110,000	-
	1,442,627	26,133,791	2,089,651	270,955	293,195	643,041	76,817	436,106	31,386,183	32,230,690
Excess (deficiency) of revenues over expenditures	\$ (323,646)	\$ -	\$ -	\$ (128,513)	\$ -	\$ -	\$ 9,047	\$ 974,819	\$ 531,707	\$ 544,180

See accompanying notes to the financial statements

Toronto Foundation for Student Success
Statement of Changes in Fund Balances
Year ended July 31, 2024

	Administration	Student Nutrition Programs	Beyond 3:30	Vision and Hearing	Other Restricted Activities	Sight Initiative	Undesignated and Fundraising	Total 2024	Total 2023
Fund balances - beginning of year	\$ 653,434	\$ 628,816	\$ -	\$ (115,419)	\$ -	\$ -	\$ 1,588,238	\$ 2,755,069	\$ 2,210,889
Excess (deficiency) of revenues over expenditures	(323,646)	-	-	(128,513)	-	9,047	974,819	531,707	544,180
Interfund transfers (Note 3(b))	323,646	-	-	128,513	-	(9,047)	(443,112)	-	-
Fund balances - end of year	\$ 653,434	\$ 628,816	\$ -	\$ (115,419)	\$ -	\$ -	\$ 2,119,945	\$ 3,286,776	\$ 2,755,069

See accompanying notes to the financial statements

Toronto Foundation for Student Success
Statement of Cash Flows
Year ended July 31, 2024

	Administration	Student Nutrition Programs	Beyond 3:30	Vision and Hearing	Other Restricted Activities	Sight Initiative	Undesignated and Fundraising	Total 2024	Total 2023
Operating activities									
Excess (deficiency) of revenues over expenditures	\$ (323,646)	\$ -	\$ -	\$ (128,513)	\$ -	\$ 9,047	\$ 974,819	\$ 531,707	\$ 544,180
Items not affecting cash:									
Amortization	-	-	110,000	-	-	-	-	110,000	-
Accrued interest on scholarship funds	-	-	-	-	(903)	-	-	(903)	(821)
Contributed capital assets	-	-	(550,000)	-	-	-	-	(550,000)	-
Unrealized gain on marketable securities	-	(484,525)	-	-	-	-	-	(484,525)	(209,674)
	(323,646)	(484,525)	(440,000)	(128,513)	(903)	9,047	974,819	(393,721)	333,685
Net changes in non-cash working capital:									
Decrease (increase) in other receivables	(879)	-	139,022	33,435	-	-	-	171,578	(136,515)
Increase in prepaid expenses	(26,337)	-	-	-	-	-	-	(26,337)	(15,268)
Decrease in inventory	-	141,443	-	-	-	-	-	141,443	133,893
Increase (decrease) in interfund balances	(944,858)	1,673,284	357,711	12,239	185,894	-	(1,284,270)	-	-
Increase (decrease) in accounts payable and accrued liabilities	(60,836)	(70,824)	9,980	4,726	499	-	-	(116,455)	(33,584)
Increase (decrease) in deferred contributions	47,044	(5,701,346)	344,677	30,277	(144,631)	-	671,164	(4,752,815)	5,394,295
Cash flows provided by (used in) operating activities	(1,309,512)	(4,441,968)	411,390	(47,836)	40,859	9,047	361,713	(4,976,307)	5,676,506
Financing activity									
Interfund transfers	323,646	-	-	128,513	-	(9,047)	(443,112)	-	-
Cash flows provided by (used in) financing activity	323,646	-	-	128,513	-	(9,047)	(443,112)	-	-
Investing activities									
Purchase of marketable securities	(75,000)	-	-	-	-	-	-	(75,000)	-
Cash flows used in investing activity	(75,000)	-	-	-	-	-	-	(75,000)	-
Net change in cash	(1,060,866)	(4,441,968)	411,390	80,677	40,859	-	(81,399)	(5,051,307)	5,676,506
Cash - beginning of year	3,400,483	12,561,888	1,639,505	62,977	112,464	-	81,399	17,858,716	12,182,210
Cash - end of year	\$ 2,339,617	\$ 8,119,920	\$ 2,050,895	\$ 143,654	\$ 153,323	\$ -	\$ -	\$ 12,807,409	\$ 17,858,716

See accompanying notes to the financial statements

Toronto Foundation for Student Success
Notes to the Financial Statements
Year ended July 31, 2024

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 estimates used in the preparation of these financial statements are the determination of accrued liabilities and useful lives of property, plant and equipment. 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.

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) Emergency Fund

The Emergency Fund provides students with support for urgent needs, and in emergency situations. This may be a warm coat, a pair of boots that don't leak, or any other essential items that will help a student in need get to school and participate to the best of their ability.

(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 the School Opportunity Fund, Scholarships and other donor designated donations i.e. direct donations to schools or community based programs which 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 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. The total gift cards recognized as an expense during the year was \$129,725 (2023 - \$178,125).

(d) Tangible capital assets

Tangible assets are stated at cost less accumulated amortization. Amortization of computer equipment is recorded on a straight-line basis over the estimated useful life of the assets of five years.

2. Significant accounting policies (continued)

(e) 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.

(f) 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.

(g) 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.

(h) Gifts in kind

The Foundation records gifts in kind of gift cards received, at the fair value of the assets or services received. The Foundation received \$605,035 (2023 - \$382,877) 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, 2024

2. Significant accounting policies (continued)

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

(b) Interfund transfers

During the year, cash of \$323,646 (2023 - \$56,996) was transferred from the Undesignated and Fundraising fund to the Administration fund, cash of \$119,466 (2023 - \$154,458) was transferred from the Undesignated and Fundraising fund to the Vision and Hearing fund and cash of \$9,047 (2023 - \$Nil) was transferred from the Sight Initiative fund to the Vision and Hearing fund. These transfers were to cover cash shortfall within the respective funds.

4. Tangible capital assets

	Cost	Accumulated amortization	2024	2023
Computer equipment	\$ 550,000	\$ 110,000	\$ 440,000	\$ -

During the year, the Foundation received contributed capital assets which had a fair value of \$550,000 (2023 - \$Nil) at the date of contribution. These contributions were recognized within fundraising and donation revenue in the Beyond 3:30 Fund in the statement of operations.

Toronto Foundation for Student Success
Notes to the Financial Statements
Year ended July 31, 2024

5. Deferred contributions

	2024	2023
Deferred contributions - beginning of year	\$ 17,051,098	\$ 11,656,802
Add: contributions during year		
Contributions received from government sources	17,568,523	27,773,418
Contributions received from non-government sources	9,202,328	7,776,241
Less: amounts recognized as revenue during year		
Revenue from government sources	(24,114,115)	(21,483,978)
Revenue from non-government sources	(7,409,552)	(8,671,385)
Deferred contributions - end of year	\$ 12,298,282	\$ 17,051,098

	Administration	Student Nutrition Programs	Beyond 3:30
Deferred contributions - beginning of year	\$ 160,451	\$ 13,638,101	\$ 1,915,586
Add: contributions during year	1,171,751	21,790,234	2,253,332
Less: amounts recognized as revenue during year	(1,124,707)	(27,491,580)	(1,908,655)
Deferred contributions - end of year	\$ 207,495	\$ 7,936,755	\$ 2,260,263

	Vision and Hearing	Other Restricted Activities	Undesignated and Fundraising
Deferred contributions - beginning of year	\$ 146,607	\$ 236,661	\$ 953,692
Add: contributions during year	132,777	751,594	671,163
Less: amounts recognized as revenue during year	(102,500)	(896,225)	-
Deferred contributions - end of year	\$ 176,884	\$ 92,030	\$ 1,624,855

6. Allocation of expenses

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

	2024	2023
Salaries and benefits allocated to:		
Administration	\$ 1,195,442	\$ 946,804
Student Nutrition Programs	768,457	686,276
Beyond 3:30	246,203	244,184
Undesignated and Fundraising	88,879	91,993
Vision and Hearing	107,039	99,389
Sight Initiative	69,055	-
Total salaries allocated	\$ 2,475,075	\$ 2,068,646

7. 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 2025 fiscal year. Under the prior year's Ministry of Children, Community & Social Services contract, there was no surplus or deficit.

8. 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.