

HALTON LEARNING FOUNDATION

FINANCIAL STATEMENTS

AUGUST 31, 2022

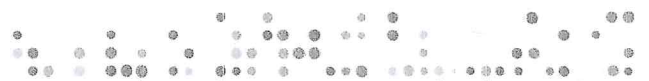


HALTON LEARNING FOUNDATION

AUGUST 31, 2022

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Independent Auditor's Report

**To the Board of Directors of:
Halton Learning Foundation**

Qualified Opinion

I have audited the accompanying financial statements of Halton Learning Foundation, which comprise of the balance sheet as of August 31, 2022, and the statement of operations and changes in fund balance and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financials statements present fairly, in all material respects the financial position of the organization as at August 31, 2022, and its financial performance 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, Halton Learning Foundation derives revenue from events and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Organization and I was not able to determine whether any adjustments might be necessary to revenue, excess (shortfall) of revenue over expenditures, assets and net fund balances.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.



- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.



Melissa L. Coulson, CPA, Professional Corporation

Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

January 26, 2023

Milton, Ontario



Halton Learning Foundation

STATEMENT OF FINANCIAL POSITION

As at August 31

	General Fund	Capital Fund	Endowment Fund	Restricted Fund	2022 \$	2021 \$
ASSETS						
Current						
Cash	293,581	-	25,563	682,860	1,002,004	872,816
Short term investments (note 3)	-	-	50,000	350,000	400,000	420,000
Accounts receivable	2,868	-	172	25,610	28,650	10,030
Harmonized sales tax receivable	11,022	-	-	-	11,022	9,166
Prepaid expenses	33,079	-	-	14,250	47,329	21,065
Total current assets	340,550	-	75,735	1,072,720	1,489,005	1,333,077
Investments (note 5)	-	-	170,822	140,079	310,901	543,283
Cash surrender value of life insurance	85,902	-	-	-	85,902	88,271
Capital assets (note 4)	-	1,667	-	-	1,667	438
	426,452	1,667	246,557	1,212,799	1,887,475	1,965,069
LIABILITIES & FUND BALANCES						
Current						
Accounts payable and accrued liabilities	12,810	-	-	53,779	66,589	38,591
Deferred revenue	-	-	-	-	-	100,000
Total current liabilities	12,810	-	-	53,779	66,589	138,591
Fund balances						
Invested in capital assets	-	1,667	-	-	1,667	438
Unrestricted	413,642	-	-	-	413,642	445,878
Internally restricted (note 7)	-	-	246,557	1,159,020	1,405,577	1,380,162
Total fund balances	413,642	1,667	246,557	1,159,020	1,820,886	1,826,478
	426,452	1,667	246,557	1,212,799	1,887,475	1,965,069

The accompanying notes are an integral part of these financial statements

Approved on Behalf of the Board

Director

Director

Halton Learning Foundation

STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCES

Year ended August 31

	General Fund	Capital Fund	Endowment Fund	Restricted Fund	2022 \$	2021 \$
REVENUE						
Donations	629,837	-	-	370,337	1,000,174	938,684
Investment income	5,149	-	(8,114)	(9,465)	(12,430)	80,990
Grant income (note 10)	2,687	-	-	-	2,687	44,268
Fundraising	37,525	-	-	-	37,525	41,046
Registrations, fees and admissions	-	-	-	-	-	14,711
	675,198	-	(8,114)	360,872	1,027,956	1,119,699
PROGRAM COSTS						
School equipment, events and programs	-	-	-	475,216	475,216	344,560
Management fees, salaries and benefits	229,564	-	-	-	229,564	191,503
Scholarships, awards and partnerships	-	-	4,600	121,492	126,092	128,325
Event supplies	28,484	-	-	-	28,484	41,551
	258,048	-	4,600	596,708	859,356	705,939
ADMINISTRATIVE COSTS						
Salaries and benefits	90,393	-	-	-	90,393	103,117
Computer maintenance and software	28,505	-	-	-	28,505	22,810
Office and sundry	24,543	-	-	-	24,543	15,049
Bank fees	7,147	-	-	802	7,949	8,470
Advertising	7,175	-	-	-	7,175	10,817
Professional fees	4,500	-	-	-	4,500	4,674
Insurance	3,059	-	-	-	3,059	2,729
Life insurance premiums (note 2)	2,369	-	-	-	2,369	(9,572)
Professional development	2,221	-	-	-	2,221	3,296
Telephone	1,922	-	-	-	1,922	-
Meetings	819	-	-	-	819	586
Amortization	-	549	-	-	549	544
Travel	188	-	-	-	188	152
	172,841	549	-	802	174,192	162,672
Excess (shortfall) of revenue over expenses	244,309	(549)	(12,714)	(236,638)	(5,592)	251,088
Fund balance, beginning of year	445,878	438	259,271	1,120,891	1,826,478	1,575,390
Interfund transfers (note 2)	(276,545)	1,778	-	274,767	-	-
Fund balance, end of year	413,642	1,667	246,557	1,159,020	1,820,886	1,826,478

The accompanying notes are an integral part of these financial statements

Halton Learning Foundation

STATEMENT OF CASH FLOWS

Year ended August 31

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Excess (shortfall) of revenue over expenses	(5,592)	251,088
Items not affecting cash:		
Amortization	549	544
Cash surrender value of life insurance	2,369	(9,573)
Changes in non-cash working capital items <i>(note 9)</i>	(118,742)	120,973
Cash provided by (used in) operating activities	(121,416)	363,032
INVESTING ACTIVITIES		
Purchase of capital assets	(1,778)	-
Purchase (redemption) of investments	252,382	(292,408)
Cash provided by (used) in investing activities	250,604	(292,408)
Net change in cash	129,188	70,624
Cash, beginning of year	872,816	802,192
Cash, end of year	1,002,004	872,816

The accompanying notes are an integral part of these financial statements

Halton Learning Foundation

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2022

1. DESCRIPTION OF THE ORGANIZATION

Halton Learning Foundation (the "Foundation") was set up to acquire and allocate resources to enrich educational opportunities and eliminate economic barriers to learning for Halton District School Board students. The foundation is incorporated by Letters Patent as a corporation without share capital under the laws of Ontario. The Foundation obtained status as a Registered Charity effective September 1, 2004.

The Foundation is classified as a non-profit organization under the Income Tax Act (Canada) and as such, is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

Fund accounting

The Foundation follows the restricted method of accounting for contributions.

(i) General Fund

The revenue and expenses related to the administration of the foundation and the collection of unrestricted donations and fundraising activities are reported in the General Fund.

During the year, the board approved a transfer of \$274,767 from the general fund to the restricted fund (2021 - \$24,414) and a transfer of \$1,778 from the general fund to the capital fund.

(ii) Restricted Fund

The Restricted Fund reports amounts for which the use is restricted internally or externally by the Foundation or its donors.

During the year, the board approved a transfer of \$274,767 to the restricted fund from the general fund (2021 - \$24,414).

(iii) Endowment Fund

The Endowment fund reports amounts for which the principal is maintained and the investment income is externally restricted by the donors.

Halton Learning Foundation

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2022

(iv) **Capital Fund**

The Capital Fund records the purchase of capital assets which are considered to be in the normal course of operations.

During the year, the board approved a transfer of \$1,778 from the general fund (2021 – \$nil).

Short Term Investments

Investments in short term securities are classified as held-for-trading based on management's intention and are reported at estimated fair value. Realized gains and losses are recognized in the statement of operations as investment income as they arise.

Prepaid Expenses

Prepaid expenses include insurance and other similar type items where payment is made in full for future benefit. Included in prepaid expenses are gift cards on hand available for distribution to schools totaling \$3,750 (2021 - \$3,750).

Property and Equipment

Capital assets are recorded at cost. Amortization is recorded on a straight-line basis over the estimated useful lives of the related assets:

Computers	3 years
Furniture and fixtures	5 years

Long Term Investments

Long term investments represent amounts held with Oakville Community Foundation and are classified as held-for-trading. They are reported at their fair value and as investment income as they arise.

Revenue Recognition

Donations are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collected is reasonably ensured.

The Foundation recognizes revenue from registrations, fees and admissions in the period they relate to.

Halton Learning Foundation

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2022

Revenues specifically intended for future periods are initially deferred and taken into revenue as expenses are incurred.

Contributions of shares in publicly traded companies are recorded at the closing market price of the shares on the day they are effectively received by the Organization, or, in the case of thinly traded and other shares, whose liquidation is restricted in any form, at a value discounted from the closing price where this is considered appropriate. The resultant value of the shares is included in donations.

Investment income is recognized on an accrual basis.

Life Insurance Policy

The Foundation and The Federation of Ontario Naturalists are the owners and beneficiaries of a donated life insurance policy. The amount recognized in the statement of revenue and expenses and fund balances is the change in the Foundation's portion of the cash surrender value, until proceeds of the policy are received less premium payments made. The corresponding asset is recorded as the cash surrender value of life insurance.

Gifts-in-kind

Gifts-in-kind are recorded at fair market value when received.

Volunteer Services

The Halton Learning Foundation benefits from substantial services in the form of volunteer time. Since these invaluable services are not purchased by Halton Learning Foundation, they are not recorded in these financial statements.

Use of estimates

The preparation of 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 disclosed in the financial statements. Actual results could differ from those estimates. In particular, the useful lives of fixed assets could differ from the estimates made.

3. SHORT TERM INVESTMENTS

Short term investments are comprised as follows:

	2022	2021
	\$	\$
Guaranteed income certificates; maturing in 2023 and 2024		
Bearing interest between 4.05-4.55%	400,000	420,000
	400,000	420,000

Halton Learning Foundation

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2022

4. CAPITAL ASSETS

	Cost	Accumulated Depreciation	2022	2021
	\$	\$	\$	\$
Computer	1,524	641	883	254
Furniture	1,264	480	784	184
	2,788	1,121	1,667	438

5. LONG TERM INVESTMENTS

Long term investments are comprised as follows:	2022	2021
	\$	\$
Investment held with the Oakville Community Foundation earning an average rate of return of 6.4% (2021 – 7.7%)	310,901	543,283
	310,901	543,283

6. FINANCIAL INSTRUMENTS

Fair Values

The fair values of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying value due to their short-term nature.

Interest Rate Risk

The Foundation is not exposed to significant interest rate risk due to the short term maturity of its monetary current assets and current liabilities. In particular, the amount of interest income earned on its short term investments is impacted more by the investment decisions made and the demands to have available cash on hand, than by movements in the interest rates over a given period.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or the future cash flows from investments denominated in currencies other than Canadian dollars will fluctuate because of changes in foreign exchange rates. A portion of the long term investments held with the Oakville Community Foundation are held in currencies other than Canadian dollars, the majority of which is in U.S. dollars.

Halton Learning Foundation

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2022

Other Price Risk

Other price risk is the risk that the fair value or the future cash flows from investments will fluctuate because of the changes in market prices, other than those arising from interest rate risk or foreign currency risk. The investments held with the Oakville Community Foundation are subject to other price, with the mitigation of this risk by the Oakville Community Foundation through an investments policy requiring diversification to decrease the volatility of returns.

7. RESTRICTED FUND

The Restricted Fund includes funds raised to support Halton District School Board initiatives and student scholarships and awards and emergency bursary funds for students as well as an operating reserve fund. The fund balance represents principal plus accumulated interest less expenses. Composition of the restricted fund is detailed as follows:

	2022	2021
	\$	\$
Initiatives		
Mental health	50,543	9,000
Physical education	13,531	13,482
Technological education	114,039	112,478
Environmental education	188	212
Eliminating barriers	352,061	424,430
Scholarships	375,150	308,329
Operating Reserve	231,653	228,187
Raffle Fund	-	40
Mark Doering Thoughtful Fund	(253)	21,902
School Grants	19,277	-
Welcome Centre	2,831	2,831
	<u>1,159,020</u>	<u>1,120,891</u>

8. ENDOWMENT FUND

The Endowment Fund represents funds raised to support Halton District School Board initiatives and student scholarships and awards where the principal is maintained in the endowment fund and only the interest is granted. The fund balance at August 31, 2022 represents principal plus accumulated interest less expenses.

Halton Learning Foundation

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2022

9. STATEMENT OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

	2022	2021
	\$	\$
Accounts receivable	(18,620)	(81)
Harmonized sales tax receivable	(1,856)	76
Prepaid expenses	(26,264)	3,364
Accounts payable and accrued liabilities	27,998	17,614
Deferred revenue	(100,000)	100,000
	<u>(118,742)</u>	<u>120,973</u>

10. GRANT INCOME

Grant income is comprised of the following amounts:

	2022	2021
	\$	\$
Canada emergency wage subsidy	2,687	44,268
	<u>2,687</u>	<u>44,268</u>