

HALTON LEARNING FOUNDATION

FINANCIAL STATEMENTS

AUGUST 31, 2023



**Coulson
Thompson
Turnbull**

CHARTERED PROFESSIONAL ACCOUNTANTS



HALTON LEARNING FOUNDATION

AUGUST 31, 2023

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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, 2023, 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 our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects the financial position of the organization as at August 31, 2023, 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, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenue, excess (shortfall) of revenue over expenditures, assets and net fund balances.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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 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

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 auditor's 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.

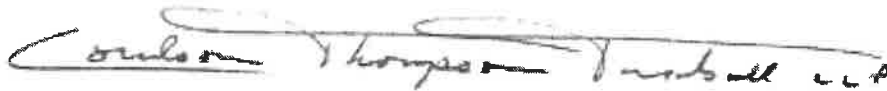
As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 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.

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.



Coulson Thompson Turnbull LLP
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

February 15, 2024
Milton, Ontario



Halton Learning Foundation

STATEMENT OF FINANCIAL POSITION

As at August 31

	General Fund	Capital Fund	Endowment Fund	Restricted Fund	2023 \$	2022 \$
ASSETS						
Current						
Cash	358,737	-	7,632	716,053	1,082,422	1,002,004
Short term investments (note 3)	-	-	36,452	380,748	417,200	400,000
Accounts receivable	3,360	-	-	3,523	6,883	28,650
Harmonized sales tax receivable	11,523	-	-	-	11,523	11,022
Prepaid expenses	22,487	-	-	16,573	39,060	47,329
Total current assets	396,107	-	44,084	1,116,897	1,557,088	1,489,005
Investments (note 5)	-	-	180,527	138,320	318,847	310,901
Cash surrender value of life insurance	83,421	-	-	-	83,421	85,902
Capital assets (note 4)	-	2,384	-	-	2,384	1,667
	479,528	2,384	224,611	1,255,217	1,961,740	1,887,475
LIABILITIES & FUND BALANCES						
Current						
Accounts payable and accrued liabilities	13,810	-	-	122,529	136,339	66,589
Deferred revenue	-	-	-	1,500	1,500	-
Total current liabilities	13,810	-	-	124,029	137,839	66,589
Fund balances						
Invested in capital assets	-	2,384	-	-	2,384	1,667
Unrestricted	465,718	-	-	-	465,718	413,642
Restricted (note 7)	-	-	224,611	1,131,188	1,355,799	1,405,577
Total fund balances	465,718	2,384	224,611	1,131,188	1,823,901	1,820,886
	479,528	2,384	224,611	1,255,217	1,961,740	1,887,475

The accompanying notes are an integral part of these financial statements

Approved on Behalf of the Board

Robert Elliot
NICHOLAS KLIP

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	2023 \$	2022 \$
REVENUE						
Donations	635,562	-	-	544,853	1,180,415	1,000,174
Investment income	27,820	-	15,294	54,679	97,793	(12,430)
Fundraising	6,000	-	-	-	6,000	37,525
Grant income <i>(note 10)</i>	-	-	-	-	-	2,687
	669,382	-	15,294	599,532	1,284,208	1,027,956
PROGRAM COSTS						
School equipment, events and programs	-	-	-	651,458	651,458	475,216
Management fees, salaries and benefits	242,271	-	-	-	242,271	229,564
Scholarships, awards and partnerships	1,000	-	4,500	156,224	161,724	126,092
Event supplies	5,787	-	-	-	5,787	28,484
	249,058	-	4,500	807,682	1,061,240	859,356
ADMINISTRATIVE COSTS						
Salaries and benefits	91,642	-	-	-	91,642	90,393
Computer maintenance and software	26,450	-	-	-	26,450	28,505
Office and sundry	68,460	-	-	-	68,460	24,543
Bank fees	8,523	-	-	719	9,242	7,949
Advertising	6,166	-	-	-	6,166	7,175
Professional fees	4,417	-	-	-	4,417	4,500
Insurance	3,267	-	-	-	3,267	3,059
Life insurance premiums <i>(note 2)</i>	2,481	-	-	-	2,481	2,369
Professional development	2,271	-	-	-	2,271	2,221
Telephone	2,869	-	-	-	2,869	1,922
Meetings	1,354	-	-	-	1,354	819
Amortization	-	1,007	-	-	1,007	549
Travel	327	-	-	-	327	188
	218,227	1,007	-	719	219,953	174,192
Excess (shortfall) of revenue over expenses	202,097	(1,007)	10,794	(208,869)	3,015	(5,592)
Fund balance, beginning of year	413,642	1,667	246,557	1,159,020	1,820,886	1,826,478
Interfund transfers <i>(note 2)</i>	(150,021)	1,724	(32,740)	181,037	-	-
Fund balance, end of year	465,718	2,384	224,611	1,131,188	1,823,901	1,820,886

The accompanying notes are an integral part of these financial statements

Halton Learning Foundation**STATEMENT OF CASH FLOWS**

Year ended August 31

	2023	2022
	\$	\$
OPERATING ACTIVITIES		
Excess (shortfall) of revenue over expenses	3,015	(5,592)
Items not affecting cash:		
Amortization	1,007	549
Cash surrender value of life insurance	2,481	2,369
Changes in non-cash working capital items (<i>note 9</i>)	100,785	(118,742)
Cash provided by (used in) operating activities	107,288	(121,416)
INVESTING ACTIVITIES		
Purchase of capital assets	(1,724)	(1,778)
(Purchase) redemption of investments	(25,146)	252,382
Cash provided by (used) in investing activities	(26,870)	250,604
Net change in cash	80,418	129,188
Cash, beginning of year	1,002,004	872,816
Cash, end of year	1,082,422	1,002,004

The accompanying notes are an integral part of these financial statements

Halton Learning Foundation

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2023

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 \$181,037 from the general fund to the restricted fund (2022 - \$274,767), a transfer of \$1,724 (2022 - \$1,778) from the general fund to the capital fund and a transfer of \$32,740 (2022 - \$0) from the endowment fund to the general 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 \$181,037 to the restricted fund from the general fund (2022 - \$274,767).

(iii) Endowment Fund

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

Halton Learning Foundation

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2023

approved a transfer of \$32,740 from the endowment fund to the general fund (2022 - \$nil).

(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 \$1,724 from the general fund (2022 - \$1,778).

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 \$16,573 (2022 - \$14,250).

Capital Assets

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 reasonable estimated and collected is reasonably ensured.

Halton Learning Foundation

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August 31, 2023

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.

Halton Learning Foundation

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2023

3. SHORT TERM INVESTMENTS

Short term investments are comprised as follows:

	2023	2022
	\$	\$
Guaranteed income certificates; maturing in 2023 and 2024 Bearing interest between 4.05-4.55%	417,200	420,000
	417,200	420,000

4. CAPITAL ASSETS

	Cost	Accumulated Depreciation	2023	2022
	\$	\$	\$	\$
Computer	2,792	744	2,048	883
Furniture	711	375	336	784
	3,503	1,119	2,384	1,667

5. LONG TERM INVESTMENTS

Long term investments are comprised as follows:

	2023	2022
	\$	\$
Investment held with the Oakville Community Foundation earning an average rate of return of 8% (2022 – 6.4%)	318,847	310,901
	318,847	310,901

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.

Halton Learning Foundation

NOTES TO THE FINANCIAL STATEMENTS

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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.

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:

	2023	2022
	\$	\$
Initiatives		
Mental health	1,875	50,543
Physical education	14,196	13,531
Technological education	77,574	114,039
Environmental education	-	188
Eliminating barriers	284,498	352,061
Scholarships	496,716	375,150
Operating Reserve	242,239	231,653
Mark Doering Thoughtful Fund	24,240	(253)
School Grants	450	19,277
Welcome Centre	2,945	2,831
	1,144,733	1,159,020

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

Halton Learning Foundation

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2023

only the interest is granted. The fund balance at August 31, 2023 represents principal plus accumulated interest less expenses.

9. STATEMENT OF CASH FLOWS

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

	2023	2022
	\$	\$
Accounts receivable	8,222	(18,620)
Harmonized sales tax receivable	(501)	(1,856)
Prepaid expenses	21,814	(26,264)
Accounts payable and accrued liabilities	69,750	27,998
Deferred revenue	1,500	(100,000)
	100,785	(118,742)

10. GRANT INCOME

Grant income is comprised of the following amounts:

	2023	2022
	\$	\$
Canada emergency wage subsidy	-	2,687
	-	2,687