
Financial statements of
Toronto District School Board
Trust Funds

August 31, 2023

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Independent Auditor's Report

To the Board of Trustees of
Toronto District School Board

Qualified Opinion

We have audited the financial statements of Toronto District School Board Trust Funds (the "Trust Funds"), which comprise the statement of financial position as at August 31, 2023, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, except for the possible 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 the Trust Funds as at August 31, 2023, 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 Trust Funds derive revenue from the general public in the form of 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 Trust Funds and we were not able to determine whether any adjustments might be necessary to donations revenue, the deficiency of revenues over expenses, and cash flows from operations for the years ended August 31, 2023 and 2022, current assets as at August 31, 2023 and 2022, and net assets as at September 1 and August 31 for both the 2023 and 2022 fiscal years. Our audit opinion on the financial statements for the year ended August 31, 2022 was modified accordingly because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Trust Funds 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 audit 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 Trust Funds' 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 Trust Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Funds' financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated 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 GAAS 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 GAAS, we 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 Trust Funds' 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 Trust Funds' 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 Trust Funds 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
December 19, 2023

Toronto District School Board Trust Funds
Statement of financial position
As at August 31, 2023

	Notes	Endowment Fund \$	Restricted (donations/scholarship) Fund \$	2023 Total \$	Endowment Fund \$	Restricted (donations/scholarship) Fund \$	2022 Total \$
Assets							
Current assets							
Cash	2	—	2,913,008	2,913,008	—	2,371,060	2,371,060
Short-term investments	3	—	62,392	62,392	—	69,084	69,084
Accounts receivable	5	—	130,674	130,674	—	139,509	139,509
		—	3,106,074	3,106,074	—	2,579,653	2,579,653
Long-term investments	3	4,394,878	5,205,122	9,600,000	4,391,678	5,608,322	10,000,000
		4,394,878	8,311,196	12,706,074	4,391,678	8,187,975	12,579,653
Liabilities and net assets							
Current liabilities							
Accounts payable and accrued liabilities	6	—	22,172	22,172	—	14,060	14,060
Net assets externally restricted		4,394,878	8,289,024	12,683,902	4,391,678	8,173,915	12,565,593
		4,394,878	8,311,196	12,706,074	4,391,678	8,187,975	12,579,653

The accompanying notes are an integral part of the financial statements.

Approved by the Board of Trustees

 _____, Chair of the Board of Trustee

 _____, Director of Education

Toronto District School Board Trust Funds
Statement of operations and changes in net assets
Year ended August 31, 2023

	Notes	Endowment Fund	Restricted (donations/scholarship) Fund	2023 Total	Endowment Fund	Restricted (donations/scholarship) Fund	2022 Total
		\$	\$	\$	\$	\$	\$
Revenue							
Donations		3,200	263,297	266,497	4,200	191,677	195,877
Investment income and other contributions	7	—	285,182	285,182	-	219,174	219,174
		3,200	548,479	551,679	4,200	410,851	415,051
Expenses							
Unrealized loss on investments	8	—	6,692	6,692	—	2,638	2,638
Scholarships and student awards		—	343,277	343,277	—	332,475	332,475
Educational programs/facilities		—	83,401	83,401	—	191,969	191,969
		—	433,370	433,370	—	527,082	527,082
Excess (deficiency) of revenue over expenses		3,200	115,109	118,309	4,200	(116,231)	(112,031)
Net assets, beginning of year		4,391,678	8,173,915	12,565,593	4,387,478	8,290,146	12,677,624
Net assets, end of year		4,394,878	8,289,024	12,683,902	4,391,678	8,173,915	12,565,593

The accompanying notes are an integral part of the financial statements.

Toronto District School Board Trust Funds

Statement of cash flows

Year ended August 31, 2023

	2,023	2022
	\$	\$
Operating activities		
Excess (deficiency) of revenue over expenses for the year	118,309	(112,031)
Item not affecting cash		
Unrealized loss on investments	6,692	2,638
	125,001	(109,393)
Changes in non-cash working capital balances related to operations		
Accounts receivable	8,835	(128,397)
Accounts payable and accrued liabilities	8,112	(10,865)
Due to Toronto District School Board	—	(1,332)
	141,948	(249,987)
Investing activities		
Purchase of investments	(9,600,000)	(10,000,000)
Proceeds from sale of investments	10,000,000	—
	400,000	(10,000,000)
Increase (decrease) in cash and cash equivalents	541,948	(10,249,987)
Cash and cash equivalents, beginning of year	2,371,060	12,621,047
Cash and cash equivalents, end of year	2,913,008	2,371,060

Toronto District School Board Trust Funds

Notes to the financial statements

August 31, 2023

These financial statements report the Trust Funds of the Toronto District School Board (the "Trust Funds").

1. Significant accounting policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations published by the Chartered Professional Accountants of Canada using the restricted fund method of accounting for contributions. The more significant accounting policies are outlined below.

Fund accounting

- (a) The Restricted (donations/scholarship) Fund reports donor-restricted resources, including interest earned on the endowment fund that is used to provide scholarships and student awards as well as educational programs and facility improvements, as directed by the related agreements.
- (b) The Endowment Fund reports restrictions placed by the donors on the capital of the fund.

Financial instruments

The Trust Funds has selected the following classifications and measurements for its financial instrument assets and liabilities:

<u>Asset/liability</u>	<u>Category</u>
Cash	Fair value
Short-term investments	Fair value
Long-term investments	Amortized cost
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Short-term investments consist of shares in a Canadian publicly traded company. Long-term investments consist of GICs with terms greater than one year. Financial assets and financial liabilities are initially recognized at fair value when the Trust Funds become a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, with the exception of cash and short-term investments which are measured at fair value. Changes in fair value are recorded in the Statement of operations.

Financial assets measured at amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists, the asset is written down and the resulting impairment loss is recognized in the Statement of operations.

Publicly traded securities are valued based on the latest bid prices. Transactions are recorded on a trade date basis.

Realized investment income, which consists of interest, dividends and realized gains and losses, is recorded in interest and other income in the Statement of operations when earned. The change in unrealized gains and losses from investments during the year is recorded in the Statement of operations.

Revenue recognition

Restricted expendable contributions are recognized as revenue of the Restricted (donations/scholarship) Fund when received. Contributions for endowments are recorded as revenue in the Endowment Fund when received.

Toronto District School Board Trust Funds

Notes to the financial statements

August 31, 2023

1. Significant accounting policies (continued)

Revenue recognition (continued)

Investment income earned on externally restricted expendable funds is recognized as revenue in the Restricted (donations/scholarship) Fund. Investment income earned on the endowment fund is recognized as revenue of the Restricted (donations/scholarship) Fund.

Donated services

Donated services are not recorded.

Scholarship and student awards

Scholarships and student awards are recorded in the period the awards are approved to be paid.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. There are no significant estimates in these financial statements.

2. Cash

The balance consists of \$2,913,008 (\$2,371,060 in 2022) in an interest-bearing bank account.

3. Investments

Short-term investments consist of \$62,392 (\$69,084 in 2022) in shares of a Canadian publicly traded entity which were previously gifted to the Trust.

Long-term investments consist of a \$9,600,000 5-year cashable GIC purchased on December 22, 2022. Interest is payable at 7.25% for the first year and variable thereafter based on overnight CORRA with interest payable quarterly. In the prior year, long-term investments consisted of \$10,000,000 in non-cashable GICs with interest rates ranging from 1.7%-1.8%.

4. Financial instruments

Price risk

Price risk is the risk that changes in the prices of the Trust Funds' investments will affect the Trust Funds' income or the value of its financial instruments because of changes in market prices, whether those changes are caused by factors specific to the individual investments or factors affecting similar investments traded in the markets. The Trust Funds' equity investments are directly exposed to price risk.

Interest rate risk

The Trust Funds are exposed to interest rate risk as a result of its GIC investment held. The value of fixed income securities will generally rise if interest rates fall and fall if interest rates rise.

There were no significant changes to risk exposures from 2022.

Toronto District School Board Trust Funds

Notes to the financial statements

August 31, 2023

5. Accounts receivable

Included in accounts receivable is an amount of \$530 (\$530 in 2022) representing amounts from the government and accrued interest of \$130,144 (\$138,979 in 2022) from GIC investments.

6. Accounts payable & accrued liabilities

Included in accounts payable and accrued liabilities are scholarship amounts payable for \$22,172 (\$14,060 in 2022).

7. Investment income and other contributions

Investment income and other contributions reported in the Restricted (donations/scholarship) Fund of \$285,182 (\$219,174 in 2022) includes interest earned and other investment income received for Endowment Funds totaling \$70,141 (\$75,166 in 2022). The breakdown of investment income and other contributions is as follows:

	2023	2022
	\$	\$
Interest income earned on		
Endowment Fund	69,146	74,134
Restricted (donations/scholarship) Fund	199,196	141,418
	268,342	215,552
Other income received for		
Endowment Fund	995	1,032
Restricted (donation/scholarship)Fund	15,845	2,590
	16,840	3,622
	285,182	219,174

8. Expenses

Expenses reported in the Restricted (donations/scholarship) Fund of \$433,370 (\$527,082 in 2022) include expenses related to income earned on Endowment Funds of \$61,805 (\$64,465 in 2022) as follows:

	2023	2022
	\$	\$
Unrealized loss on investment	6,692	2,638
Scholarship and awards		
Endowment Fund	56,136	54,850
Restricted (donations/scholarship) Fund	287,141	277,625
	343,277	332,475
Educational programs/facilities:		
Endowment Fund	5,669	9,615
Restricted (donation/scholarship)Fund	77,732	182,354
	83,401	191,969
	433,370	527,082

Toronto District School Board Trust Funds

Notes to the financial statements

August 31, 2023

9. Comparative figures

Certain comparative figures have been reclassified to conform to current year financial statements presentation.