
Financial statements of Toronto District School Board Trust Funds

August 31, 2021

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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, 2021, 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, 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 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 excess (deficiency) of revenues over expenses, and cash flows from operations for the years ended August 31, 2021 and 2020, current assets as at August 31, 2021 and 2020, and net assets as at September 1 and August 31 for both the 2021 and 2020 fiscal years. Our audit opinion on the financial statements for the year ended August 31, 2020 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 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.

(To be signed by Deloitte LLP)

Chartered Professional Accountants
Licensed Public Accountants
[DATE]

Toronto District School Board Trust Funds**Statement of financial position**

As at August 31, 2021

		2021			2020		
	Notes	Endowment Fund \$	Restricted (donations/ scholarship) Fund \$	Total \$	Endowment Fund \$	Restricted (donations/ scholarship) Fund \$	Total \$
Assets							
Cash and cash equivalents	7	4,387,478	8,233,569	12,621,047	4,373,082	8,416,172	12,789,254
Investments		—	71,722	71,722	—	61,105	61,105
Accounts receivable	5	—	11,112	11,112	—	70,835	70,835
		4,387,478	8,316,403	12,703,881	4,373,082	8,548,112	12,921,194
Liabilities and net assets							
Accounts payable and accrued liabilities		—	24,925	24,925	—	18,868	18,868
Due to Toronto District School Board	6	—	1,332	1,332	—	4,395	4,395
		—	26,257	26,257	—	23,263	23,263
Net assets externally restricted		4,387,478	8,290,146	12,677,624	4,373,082	8,524,849	12,897,931
		4,387,478	8,316,403	12,703,881	4,373,082	8,548,112	12,921,194

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, 2021

		2021			2020		
	Notes	Endowment Fund	Restricted (donations/scholarship) Fund	Total	Endowment Fund	Restricted (donations/scholarship) Fund	Total
		\$	\$	\$	\$	\$	\$
Revenue							
Donations		14,396	120,241	134,637	8,600	149,867	158,467
Investment income and other contributions	2	—	188,746	188,746	—	308,833	308,833
Unrealized gain (loss) on investments		—	10,617	10,617	—	(6,714)	(6,714)
		14,396	319,604	334,000	8,600	451,986	460,586
Expenses	3						
Scholarships and student awards		—	520,753	520,753	—	433,543	433,543
Educational programs/facilities		—	33,554	33,554	—	25,104	25,104
		—	554,307	554,307	—	458,647	458,647
Excess (deficiency) of revenue over expenses		14,396	(234,703)	(220,307)	8,600	(6,661)	1,939
Net assets, beginning of year		4,373,082	8,524,849	12,897,931	4,364,482	8,531,510	12,895,992
Net assets, end of year		4,387,478	8,290,146	12,677,624	4,373,082	8,524,849	12,897,931

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

Appendix F

Toronto District School Board Trust Funds

Statement of cash flows

Year ended August 31, 2021

	2021 \$	2020 \$
Operating activities		
(Deficiency) excess of revenue over expenses for the year	(220,307)	1,939
Item not affecting cash		
Unrealized (gain) loss on investments	(10,617)	6,714
	(230,924)	8,653
Changes in non-cash working capital balances related to operations		
Accounts receivable	59,723	(33,557)
Accounts payable and accrued liabilities	6,057	9,769
Due to Toronto District School Board	(3,063)	(1,986,466)
	(168,207)	(2,001,601)
Decrease in cash and cash equivalents	(168,207)	(2,001,601)
Cash and cash equivalents, beginning of year	12,789,254	14,790,855
Cash and cash equivalents, end of year	12,621,047	12,789,254

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

Toronto District School Board Trust Funds**Notes to the financial statements**August 31, 2021

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 CPA Canada using the restricted fund method of accounting for contributions. The more significant of the 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 are to be used to provide scholarships and student awards as well as educational programs, facilities, as directed by their related agreements.
- (b) The Endowment Fund has restrictions placed by the donors on the maintenance of 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 and cash equivalents	Fair value
Investments	Fair value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

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 cash equivalents and investments which are measured at fair value. Changes in fair value are recorded in the Statement of operations and changes in net assets.

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 and changes in net assets.

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 contributions in the Statement of operations and changes in net assets when earned. The change in unrealized gains and losses from investments during the year is recorded in the Statement of operations and changes in net assets.

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, 2021

1. Significant accounting policies (continued)*Revenue recognition (continued)*

Investment income earned on externally restricted expendable funds is a resource that must be spent on scholarship and student awards as well as educational programs and facilities needs as defined by the donor and 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.

2. Investment income and other contributions

Investment income and other contributions reported in the Restricted (donations/scholarship) Fund of \$188,746 (\$308,833 in 2020) includes interest earned and other investment income received for Endowment Funds totaling \$63,069 (\$96,768 in 2020). The breakdown of investment income and other contributions is as follows:

	2021	2020
	\$	\$
Interest income earned on		
Endowment Fund	62,756	96,768
Restricted (donations/scholarship) Fund	123,237	181,826
	185,993	278,594
Other contributions received for		
Endowment Fund	313	—
Restricted (donation/scholarship) Fund	2,440	30,239
	2,753	30,239
	188,746	308,833

Toronto District School Board Trust Funds**Notes to the financial statements**

August 31, 2021

3. Expenses

Expenses reported in the Restricted (donations/scholarship) Fund of \$554,307 (\$458,647 in 2020) include expenses related to income earned on Endowment Funds of \$79,764 (\$64,566 in 2020) as follows:

	2021	2020
	\$	\$
Scholarship and awards	79,514	64,407
Endowment Fund	441,239	369,136
Restricted (donations/scholarship) Fund	520,753	433,543
 Educational programs/facilities	 250	 159
Endowment Fund	33,304	24,945
Restricted (donation/scholarship) Fund	33,554	25,104
	554,307	458,647

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 were 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.

The Trust Funds limit their exposure to these risks by investing in GICs that are cashable within a short-term horizon and issued by companies that have strong performance are stable. As at August 31, 2021, the Trust Funds no longer hold any GICs (see note 7) and as such are not exposed to any interest rate risk.

5. Accounts receivable

Included in Accounts Receivable is an amount of \$2 (\$2 in 2020) representing amounts due from the government, accrued interest of \$10,860 (\$70,833 in 2020), and donations receivable of \$250 (nil in 2020).

6. Due to Toronto District School Board

The balance Due to Toronto District School Board ("TDSB") of \$1,332 (\$4,395 in 2020) represents the administration fee on the GH Wood trust fund.

7. Cash and cash equivalents

Included in cash and cash equivalents as at August 31, 2020 was a cashable GIC of \$10,000,000 which matured on March 31, 2021.