

Financial statements

Waterloo Education Foundation Inc.

July 31, 2024

Contents

	Page
Independent auditor's report	1 - 2
Statement of financial position	3
Statement of operations and changes in fund balances	4
Statement of cash flows	5
Notes to the financial statements	6 - 7

Independent auditor's report

Doane Grant Thornton LLP
Suite 501
201 City Centre Drive
Mississauga, ON
L5B 2T4
T +1 416 366 0100
F +1 905 804 0509

To the Directors of
Waterloo Education Foundation Inc.

Qualified Opinion

We have audited the financial statements of Waterloo Education Foundation Inc. ("the Foundation"), which comprise the statement of financial position as at July 31, 2024, and the statements of operations and 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, 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 Waterloo Education Foundation Inc. as at July 31, 2024, and its results of 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 Foundation derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended July 31, 2024 and 2023, current assets as at July 31, 2024 and 2023, and net assets as at August 1 and July 31 for both the 2024 and 2023 years. The audit opinion on the financial statements for the year ended July 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

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 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 qualified opinion.

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

Management is responsible for the preparation and fair presentation of these 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.

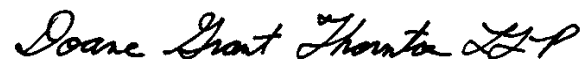
Auditor's Responsibilities for the Audit of the Financial Statements

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, 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 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 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 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.



Mississauga, Canada
December 4, 2024

Chartered Professional Accountants
Licensed Public Accountants

Waterloo Education Foundation Inc.

Statement of Financial Position

July 31

2024

2023

Assets

Current

Cash	\$ 2,087,607	\$ 1,874,531
Short-term investments (Note 3)	-	24,484
Accounts receivable	<u>9,340</u>	<u>12,117</u>
	\$ <u>2,096,947</u>	\$ <u>1,911,132</u>

Liabilities


Current

Accounts payable and accrued liabilities	\$ <u>57,397</u>	\$ <u>11,738</u>
--	------------------	------------------

Fund balances

General - unrestricted	248,346	156,336
Externally restricted	<u>1,791,204</u>	<u>1,743,058</u>
	<u>2,039,550</u>	<u>1,899,394</u>
	\$ <u>2,096,947</u>	\$ <u>1,911,132</u>

Approved by the Board of Directors



Director

Scott Miller, December 17, 2024

See accompanying notes to the financial statements.

Waterloo Education Foundation Inc.

Statement of Operations and Changes in Fund Balances

Year ended July 31, 2024

	2024			2023		
	General Fund	Externally Restricted Funds	Total	General Fund	Externally Restricted Funds	Total
Revenue						
Donations	\$ 64,193	\$ 404,345	\$ 468,538	\$ 43,755	\$ 251,786	\$ 295,541
In kind donations	-	93,670	93,670	-	12,239	12,239
Interest	103,578	991	104,569	51,891	591	52,482
	<u>167,771</u>	<u>499,006</u>	<u>666,777</u>	<u>95,646</u>	<u>264,616</u>	<u>360,262</u>
Expenses						
Fundraising and administration	75,761	-	75,761	69,729	-	69,729
Gifts-in-kind to schools	-	93,670	93,670	-	12,239	12,339
Restricted accounts	-	357,190	369,010	-	355,165	355,165
	<u>65,761</u>	<u>450,860</u>	<u>526,621</u>	<u>69,729</u>	<u>367,404</u>	<u>437,133</u>
Excess of revenue over expenses (expenses over revenue)	92,010	48,146	140,156	25,917	(102,788)	(76,871)
Fund balances – beginning of year	<u>156,336</u>	<u>1,743,058</u>	<u>1,899,394</u>	<u>130,419</u>	<u>1,845,846</u>	<u>1,976,265</u>
Fund balances, end of year	\$ <u>248,346</u>	\$ <u>1,791,204</u>	\$ <u>2,039,550</u>	\$ <u>156,336</u>	\$ <u>1,743,058</u>	\$ <u>1,899,394</u>

See accompanying notes to the financial statements.

Waterloo Education Foundation Inc. Statement of Cash Flows

Year ended July 31	2024	2023
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 140,156	\$ (76,871)
Net change in non-cash working capital		
Accounts receivable	2,777	(5,334)
Accounts payable and accrued liabilities	<u>45,659</u>	<u>(11,614)</u>
	<u>188,592</u>	<u>(93,819)</u>
Investing activities		
Net proceeds on disposition of short-term investments	<u>24,484</u>	<u>1,350,958</u>
Increase in cash during the year	213,076	1,257,139
Cash – beginning of year	<u>1,874,531</u>	<u>617,392</u>
Cash – end of year	<u>\$ 2,087,607</u>	<u>\$ 1,874,531</u>

See accompanying notes to the financial statements.

Waterloo Education Foundation Inc.

Notes to the Financial Statements

July 31, 2024

1. Nature of operations

The Waterloo Education Foundation Inc. (the Foundation) is dedicated to enhancing the quality of public education in the Regional Municipality of Waterloo. The Foundation was incorporated without share capital under the laws of the Province of Ontario as a not-for-profit organization and is a registered charity under the Income Tax Act (Canada). As a result of its registered charity status, the Foundation is exempt from income tax and is able to issue donation receipts for income tax purposes.

2. Summary of significant accounting policies

Basis of presentation

The Foundation prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

The Foundation uses the restricted fund method of accounting for contributions.

The general fund accounts for the Foundation's administrative activities. This fund represents unrestricted resources.

The restricted fund accounts for donations restricted for specific purposes by the donor.

Revenue recognition

Externally restricted contributions are recognized as revenue of the Externally Restricted Funds in the year received.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Gifts in kind are recorded as revenue and expense of the Foundation at appraised value. Interest income is recognized on the accrual basis.

Financial instruments

The Foundation initially measures its financial assets and liabilities at fair value and subsequently measures all of its financial assets and financial liabilities at amortized cost.

Use of estimates

The preparation of the financial statements, in conformity with ASNPO, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Waterloo Education Foundation Inc.

Notes to the Financial Statements

July 31, 2024

3. Short-term investments

As at July 31, 2024, the Foundation does not hold short-term investments. In 2023, short-term investments included guaranteed investment certificates held with the Education Credit Union, maturing March and June 2024 and bearing interest at a rate of 0.85% to 1.85% per annum.

4. Risk management

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The Foundation's main financial instrument exposure, which remains unchanged from the prior year, is detailed below.

Credit and market risk

Credit risk arises from the potential that accounts receivable are not paid. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Short-term investments consist of guaranteed investment certificates held with a reputable credit union and such does not have significant exposure to market or credit risk.

Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Foundation's cash flows, financial position and income. The Foundation manages the interest rate price risk exposure by holding investments with varying terms to maturity.