Financial statements of
Thames Valley Education Foundation

August 31, 2023

Deloitte.

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Independent Auditor's Report

To the Board of Directors of
Thames Valley Education Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Thames Valley Education Foundation (the "Foundation"), which comprise the statement of financial position as at August 31, 2023, and the statements of operations and changes in fund balance, remeasurement gains Sand losses, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at August 31, 2023, and the results of its operations, changes in its fund balances, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

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 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 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 PSAS, 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 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 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
January 24, 2024

Thames Valley Education Foundation
Statement of financial position
As at August 31, 2023

	Notes	2023 $	2022 $
Assets			
Current assets			
Cash		**1,080,782**	1,110,167
Accounts receivable		**18,033**	7,856
		1,098,815	1,118,023
Investments	3	**7,987,382**	7,880,285
		9,086,197	8,998,308
Liabilities			
Current liabilities			
Accounts payable	10	**211,206**	65,402
Awards payable		**339,661**	392,832
Deferred revenue		**6,780**	74,478
		557,647	532,712
Long-term awards payable	4	**9,000**	104,038
		566,647	636,750
Fund balances			
Endowment fund	5 and 8	**3,851,937**	3,846,937
Externally restricted fund	6 and 8	**3,693,376**	3,805,826
Internally restricted fund	7	**927,278**	932,274
Accumulated remeasurement gains (losses)		**46,959**	(223,479)
		8,519,550	8,361,558
		9,086,197	8,998,308

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

Approved by the Board

_______________________, Director RICK DOERR

_______________________, Director DAVID FOSTER

Thames Valley Education Foundation
Statement of operations and changes in fund balance
Year ended August 31, 2023

	Total 2023 $	2022 $	Endowment fund 2023 $	2022 $	Externally restricted fund 2023 $	2022 $	Internally restricted fund 2023 $	2022 $
Revenue								
Donations	**884,762**	591,627	**—**	—	**884,762**	591,527	**—**	100
Investment income	**266,307**	423,030	**—**	—	**238,702**	380,443	**27,605**	42,587
Realized (loss) gain on investments	**(27,289)**	319,629	**—**	—	**(25,957)**	290,090	**(1,332)**	29,539
Other income	**190,533**	179,299	**—**	—	**185,619**	171,825	**4,914**	7,474
Administration	**65,180**	66,355	**—**	—	**—**	—	**65,180**	66,355
	1,379,493	1,579,940	**—**	—	**1,283,126**	1,433,885	**96,367**	146,055
Expenses								
Awards	**623,148**	701,619	**—**	—	**623,148**	701,619	**—**	—
Grants	**474,760**	327,779	**—**	—	**474,760**	327,779	**—**	—
Administration	**253,912**	247,312	**—**	—	**187,907**	186,826	**66,005**	60,486
Transfers to Thames Valley District School Board	**140,119**	10,685	**—**	—	**140,119**	10,685	**—**	—
	1,491,939	1,287,395	**—**	—	**1,425,934**	1,226,909	**66,005**	60,486
Net revenue	**(112,446)**	292,545	**—**	—	**(142,808)**	206,976	**30,362**	85,569
Net transfers to (from) other funds	**—**	—	**5,000**	—	**30,358**	30,626	**(35,358)**	(30,626)
(Deficit) surplus from net revenue and transfers	**(112,446)**	292,545	**5,000**	—	**(112,450)**	237,602	**(4,996)**	54,943
Fund balance, beginning of year	**8,585,037**	8,292,492	**3,846,937**	3,846,937	**3,805,826**	3,568,224	**932,274**	877,331
Fund balance, end of year	**8,472,591**	8,585,037	**3,851,937**	3,846,937	**3,693,376**	3,805,826	**927,278**	932,274

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

Thames Valley Education Foundation
Statement of remeasurement gains and losses
Year ended August 31, 2023

	2023	2022
	$	$
Accumulated remeasurement (losses) gains, beginning of year	**(223,479)**	1,050,853
Unrealized gains (losses) attributable to portfolio investments	**243,149**	(954,703)
Realized gains (losses) attributable to portfolio investments	**27,289**	(319,629)
Accumulated remeasurement gains (losses), end of year	**46,959**	(223,479)

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

Thames Valley Education Foundation
Statement of cash flows
Year ended August 31, 2023

	2023 $	2022 $
Operating activities		
(Deficit) surplus from net revenue and transfers		
Externally restricted fund	**(112,450)**	237,602
Internally restricted fund	**(4,996)**	54,943
Endowment fund	**5,000**	—
Changes in non-cash working capital components		
Accounts receivable	**(10,177)**	4,935
Accounts payable	**145,804**	(29,374)
Awards payable	**(53,171)**	66,569
Deferred revenue	**(67,698)**	—
	(97,688)	334,675
Investing activities		
Repayment of long-term awards payable	**(95,038)**	(12,495)
Proceeds of sale of investments	**443,335**	197,584
Purchase of investments	**(279,994)**	(585,223)
	68,303	(400,134)
Net change in cash	**(29,385)**	(65,459)
Cash, beginning of year	**1,110,167**	1,175,626
Cash, end of year	**1,080,782**	1,110,167

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

1. Vision and mission

The Thames Valley Education Foundation (the "Foundation") is a registered charitable organization. The mission of the Foundation is to provide enhanced learning opportunities for Thames Valley District School Board students by fostering support from all sectors of society.

2. Significant accounting policies

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations including the 4200 series of standards as issued by the Public Sector Accounting Board and include the following significant accounting policies:

Basis of accounting

Revenue and expenditures are recorded on the accrual basis.

Fund accounting

In order to ensure observance of limitations both internal and external placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained using fund accounting. Under these principles, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified.

(a) Endowment fund

The endowment fund captures endowment contributions. Investment income related to these endowments is recognized in the endowment fund or the restricted fund depending upon the nature of the contributor's requests.

(b) Externally restricted fund

The externally restricted fund captures contributions, revenues and expenditures related to program delivery and scholarship awards.

(c) Internally restricted fund

The internally restricted fund captures contributions, revenues and expenditures used for administrative and operational costs of the Foundation.

2. Significant accounting policies (continued)

Revenue recognition

Contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Other income and investment income is recognized as revenue is earned.

Volunteer services

Some of the work of the Foundation is dependent upon voluntary services. Because of the difficulty in determining the fair value of such services, volunteer services are not recognized in these statements.

Income taxes

The Foundation is registered as a charity under the Income Tax Act, and as such there is no provision for income taxes.

Financial instruments

Under PS 3450, all financial instruments, are included on the Statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Foundation's accounting policy choices. All financial instruments reported on the Statement of financial position of the Foundation are classified as follows:

Financial instrument	Classification
Cash	Fair value
Accounts receivable	Amortized cost
Investments	Fair value
Accounts payable	Amortized cost
Awards payable	Amortized cost
Long-term awards payable	Amortized cost

Financial instruments measured at fair value are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value are recognized in the Statement of remeasurement gains and losses until they are realized, when they are transferred to the Statement of operations. Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses, and recognized into the Statement of operations. On sale or disposal, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the Statement of operations.

Financial instruments measured at amortized cost are initially recognized at cost, and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect or recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the Statement of operations.

2. Significant accounting policies (continued)

Fair value hierarchy

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Adoption of new accounting standards

The Foundation adopted PS 3280 Asset Retirement Obligations beginning September 1, 2022 prospectively.

PS 3280 Asset Retirement Obligations (ARO) establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use.

The adoption of this standard has no significant impact on the financial statements of the Foundation.

3. Investments

The Foundation's investments consist of the following investments:

	2023 Cost	**2023 Market value**	2022 Cost	2022 Market value
	$	**$**	$	$
Mutual funds	**7,534,461**	**7,485,169**	7,682,025	7,383,585
Real estate funds	**405,962**	**502,213**	421,739	496,700
	7,940,423	**7,987,382**	8,103,764	7,880,285

Included in the above are accumulated unrealized gains of $46,959 ($223,479 unrealized losses in 2022).

4. Long-term awards payable

Long-term awards payable reported on the statement of financial position are due as follows:

	$
2024	6,000
2025	3,000
	9,000

These amounts represent awards payable to students to fund education at post-secondary institutions.

5. Endowment fund

Endowments represent funds received for which the principal amount donated is maintained and the income earned must be used to support future projects and programs for the benefit of students by Thames Valley District School Board as directed by the donor.

	2023	2022
	$	$
Assets		
Investments	**3,851,937**	3,846,937
Fund balance	**3,851,937**	3,846,937

6. Externally restricted fund

The externally restricted fund includes funds received which must be used for particular purposes by Thames Valley District School Board as directed by the donor.

	2023	2022
	$	$
Assets		
Current assets		
Cash	**972,367**	987,222
Accounts receivable	**14,261**	5,785
	986,628	993,007
Investments	**3,270,538**	3,206,873
	4,257,166	4,199,880
Liabilities		
Current liabilities		
Accounts and awards payable	**508,858**	419,037
Deferred revenue	**6,780**	74,478
Long-term awards payable	**9,000**	104,038
	524,638	597,553
Fund balance	**3,693,376**	3,805,826
Accumulated remeasurement gains (losses)	**39,152**	(203,499)
	4,257,166	4,199,880

7. Inter-fund transfers and internally restricted net assets

Thames Valley Education Foundation's board of directors has internally restricted $927,278 ($932,274 in 2022) to be used for Board approved expenses. Administrative fees of $65,180 ($66,355 in 2022) were charged to the externally restricted fund and corresponding assets were transferred to the internally restricted fund and recorded as administration revenue to cover these costs. These internally restricted amounts are not available for unrestricted purposes without approval of the board of directors. At year end, the accumulated remeasurement gains for the internally restricted fund are $7,807 ($19,890 losses in 2022).

8. Externally restricted net assets

Major categories of externally imposed restrictions on net assets are as follows:

	2023	2022
	$	$
Restricted for particular purposes at Thames Valley District School Board	**3,693,376**	3,805,826
Endowments, the income from which must be used to support future projects and programs for the benefit of students at Thames Valley District School Board	**3,851,937**	3,846,937
	7,545,313	7,652,763

9. Financial instruments

Interest rate risk

Interest rate risk refers to the effect on the fair value of the Foundation's assets due to fluctuations in interest rates. The fair value of the Foundation's assets is affected by short term changes in interest rates. At August 31, 2023, a 1% increase or decrease in interest rates, with all other variables held constant, would have increased or decreased investments by 1.3% or $107,684 (2.7% or $212,415 in 2022).

Market risk

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual investment or its issuer or by factors affecting all securities traded in the market. The Foundation's policy is to invest in a diversified portfolio of investments to mitigate the impact of market risk.
At August 31, 2023, a 10% increase or decrease in the underlying market price of the Foundation's investment held at August 31, 2023, with all other variables held constant, would have increased or decreased investments by 5.6% or $450,011 (5.4% or $425,791 in 2022).

Fair value

The fair values of cash, accounts receivable, accounts payable, awards payable and deferred revenue approximates their carrying values due to their short-term maturity.

The fair value of investments included in Note 3 is based on quoted market prices.

All financial instruments are classified as level 1. There are no level 3 financial instruments held by the Foundation at August 31, 2023.

10. Related party transactions

The Thames Valley Education Foundation is considered a reporting entity of the Thames Valley District School Board. As such, the financial activity of the Foundation forms part of the consolidated financial statements of the Thames Valley District School Board.

In 2023, $140,119 ($10,685 in 2022) was transferred to the Thames Valley District School Board from the externally restricted fund. This transfer relates to specific donations received by TVEF to fund programs at the Thames Valley District School Board. At year end, the Foundation has a balance owing to the Thames Valley District School Board of $164,703 ($11,215 in 2022) related to these transfers.

The Thames Valley District School Board has billed the Foundation for administration expenses incurred to support the Foundation. The expenses totaled $41,447 for 2023 ($38,650 in 2022) and this amount is included in accounts payable.