

**SASKATOON PUBLIC SCHOOLS
FOUNDATION CORP.**

FINANCIAL STATEMENTS

August 31, 2023



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Independent Auditor's Report

To the Trustees of the Board of
Education of the Saskatoon School Division No. 13 of Saskatchewan

Qualified Opinion

We have audited the financial statements of Saskatoon Public Schools Foundation Corp. (the "Foundation"), which comprise the statement of financial position as at August 31, 2023, and the statements of operations, remeasurement gains and losses, 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 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 Foundation as at August 31, 2023, and the results of its operations, its remeasurement gains and losses, changes in its net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from donations and special events, 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 Foundation and we were not able to determine whether any adjustments might be necessary to donations and special events revenue, the excess of revenues over expenses, and cash flows from operations for the years ended August 31, 2023 and 2022, and 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 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 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 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 public sector accounting standards for government 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 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
December 8, 2023

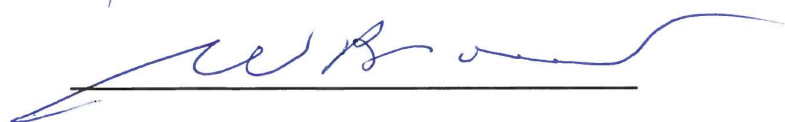
SASKATOON PUBLIC SCHOOLS FOUNDATION CORP.
STATEMENT OF FINANCIAL POSITION
as at August 31, 2023

	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,146,653	\$ 1,096,564
Accounts receivable (note 6)	13,170	114,524
Prepaid expenses	-	10,269
Portfolio investments (note 3)	<u>5,800,160</u>	<u>7,396,220</u>
	6,959,983	8,617,577
TANGIBLE CAPITAL ASSETS (note 4)	<u>94,386</u>	<u>100,285</u>
	\$ 7,054,369	\$ 8,717,862
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 6)	\$ 96,766	\$ 133,054
Deferred revenue (note 5)	<u>5,420,888</u>	<u>7,582,627</u>
	<u>5,517,654</u>	<u>7,715,681</u>
NET ASSETS		
Unrestricted	1,658,782	1,859,382
Internally restricted (note 2)	30,000	30,000
Accumulated remeasurement losses	<u>(152,067)</u>	<u>(887,201)</u>
	<u>1,536,715</u>	<u>1,002,181</u>
	\$ 7,054,369	\$ 8,717,862

See accompanying notes to the financial statements.

APPROVED BY THE BOARD:





SASKATOON PUBLIC SCHOOLS FOUNDATION CORP.
STATEMENT OF OPERATIONS
year ended August 31, 2023

	2023	2022
REVENUES		
Donations and grants	\$ 4,086,140	\$ 4,020,432
Investment and interest income	406,699	207,585
Grants from Saskatoon Public School Division (note 6)	226,872	214,355
Special events	268,142	41,781
Other income	24,132	21,146
Realized (loss) gain on portfolio investments	<u>(628,913)</u>	<u>263,460</u>
	<u>4,383,072</u>	<u>4,768,759</u>
EXPENSES		
Grants to Saskatoon Public School Division (note 6)	3,821,172	3,710,799
Salaries and benefits	330,128	318,082
Grants, programs and initiatives	140,183	116,588
Professional fees and contract services	135,620	150,160
Special events	69,551	20,180
Advertising and communications	65,354	61,198
General and administration	15,765	25,482
Amortization	<u>5,899</u>	<u>5,899</u>
	<u>4,583,672</u>	<u>4,408,388</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	<u>\$ (200,600)</u>	<u>\$ 360,371</u>

See accompanying notes to the financial statements.

SASKATOON PUBLIC SCHOOLS FOUNDATION CORP.
STATEMENT OF CHANGES IN NET ASSETS
year ended August 31, 2023

	Unrestricted	Internally restricted	2023	2022
BALANCE, BEGINNING OF YEAR	\$ 1,859,382	30,000	1,889,382	\$ 1,529,011
(Deficiency) excess of revenues over expenses	<u>(200,600)</u>	<u>-</u>	<u>(200,600)</u>	<u>360,371</u>
BALANCE, END OF YEAR	<u>\$ 1,658,782</u>	<u>30,000</u>	<u>1,688,782</u>	<u>\$ 1,889,382</u>

See accompanying notes to the financial statements.

SASKATOON PUBLIC SCHOOLS FOUNDATION CORP.
STATEMENT OF REMEASUREMENT GAINS AND LOSSES
year ended August 31, 2023

	2023	2022
ACCUMULATED REMEASUREMENT (LOSSES) GAINS, BEGINNING OF YEAR	\$ (887,201)	\$ 263,460
Unrealized gains (losses) attributable to portfolio investments	106,221	(887,201)
Amounts reclassified to the statement of operations	<u>628,913</u>	<u>(263,460)</u>
NET REMEASUREMENT GAINS (LOSSES) FOR THE YEAR	<u>735,134</u>	<u>(1,150,661)</u>
ACCUMULATED REMEASUREMENT LOSSES, END OF YEAR	<u>\$ (152,067)</u>	<u>\$ (887,201)</u>

See accompanying notes to the financial statements.

SASKATOON PUBLIC SCHOOLS FOUNDATION CORP.
STATEMENT OF CASH FLOWS
year ended August 31, 2023

	2023	2022
OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenses	\$ (200,600)	\$ 360,371
Donations of investments	(31,878)	(32,413)
Realized loss (gain) on portfolio investments	628,913	(263,460)
Amortization	5,899	5,899
Changes in non-cash working capital		
Accounts receivable	101,354	(103,048)
Prepaid expenses	10,269	1,047
Accounts payable and accrued liabilities	(36,288)	28,250
Deferred revenue	(2,161,739)	(2,029,014)
	<u>(1,684,070)</u>	<u>(2,032,368)</u>
INVESTING ACTIVITIES		
Purchase of portfolio investments, net of reinvested income	(2,941,831)	(4,058,940)
Proceeds from disposal of portfolio investments	4,675,990	6,344,862
	<u>1,734,159</u>	<u>2,285,922</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	50,089	253,554
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,096,564</u>	<u>843,010</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,146,653</u>	<u>\$ 1,096,564</u>
CASH AND CASH EQUIVALENTS ARE COMPRISED OF:		
Cash	\$ 535,980	\$ 595,656
Cash equivalents	<u>610,673</u>	<u>500,908</u>
	<u>\$ 1,146,653</u>	<u>\$ 1,096,564</u>

See accompanying notes to the financial statements.

SASKATOON PUBLIC SCHOOLS FOUNDATION CORP.
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023

1. NATURE OF OPERATIONS

Saskatoon Public Schools Foundation Corp. (the “Foundation”) is dedicated to enhancing learning opportunities for the students at Saskatoon Public Schools and celebrating the vital role that public education plays in our society. Saskatoon Public Schools Foundation Corp. is incorporated under the Saskatchewan Non-Profit Corporations Act, 1995. Saskatoon Public School Division is the sole member of the Foundation.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards as established by the Public Sector Accounting Board and published by the Chartered Professional Accountants of Canada, including the standards for government not-for-profit organizations set forth at PSA Handbook sections PS 4200 to PS 4270.

The significant accounting policies used in the preparation of these financial statements are summarized below:

Revenue Recognition

The Foundation follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

The estimated value of contributed products and services is recognized in revenue and expenses at the estimated value of such products and services when the value can be reasonably measured and supported.

Deferred revenue represents revenue received that may only be used for specific purposes. Revenue is recognized in the fiscal year in which the resources are used for the purpose specified.

Cash and cash equivalents

Cash consists of balances with financial institutions which have an initial term to maturity of three months or less. Cash equivalents consist of short-term investment savings accounts and deposit notes.

Grants to Saskatoon Public School Division

Grants are reported when the Foundation is obligated through a Board motion to provide them.

SASKATOON PUBLIC SCHOOLS FOUNDATION CORP.
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

The Foundation has classified its financial instruments into one of the following categories: i) fair value, or ii) cost or amortized cost.

All financial instruments are measured at fair value upon initial recognition. The fair value of a financial instrument is the amount at which the financial instrument could be exchanged in an arm's length transaction between knowledgeable and willing parties under no compulsion to act. Financial instruments which are subsequently measured at cost or amortized cost consist of cash and cash equivalents, accounts receivable and accounts payable.

Investments consist of equities quoted in an active market that are measured at fair value. Sales and purchases of investments are recorded on the settlement date. Transaction costs are expensed. Unrealized gains and losses associated with financial instruments measured at fair value are recorded in the statement of remeasurement gains and losses.

Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations.

Tangible Capital Assets

Tangible capital assets are recorded at cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, design, construction, development, installation and betterment of the tangible capital asset.

The cost of depreciable tangible capital assets, net of any residual value, is amortized on a straight-line basis over the estimated useful lives as follows:

Leasehold improvements	20 years
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Related Party Transactions

Transactions with related parties are in the normal course of operations. Amounts resulting from these transactions, including amounts due to related parties, are outlined in note 6 and are recorded at exchange amounts charged by those organizations and are settled on normal trade terms.

Internally Restricted

Internally restricted net assets are funds that are set aside based on Board motion in the event of future emergencies or shortage of funds.

SASKATOON PUBLIC SCHOOLS FOUNDATION CORP.
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023

3. PORTFOLIO INVESTMENTS

The Foundation's investments are valued based on quoted prices in active markets for identical assets.

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Fair Market Value</u>	<u>Cost</u>	<u>Fair Market Value</u>
Equity investments in active market	\$ 5,952,308	\$ 5,800,160	\$ 8,019,961	\$ 7,396,220
	<u>\$ 5,952,308</u>	<u>\$ 5,800,160</u>	<u>\$ 8,019,961</u>	<u>\$ 7,396,220</u>

4. TANGIBLE CAPITAL ASSETS

	<u>2023</u>			<u>2022</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Leasehold improvements	\$ 117,982	\$ 23,596	\$ 94,386	\$ 100,285
	<u>\$ 117,982</u>	<u>\$ 23,596</u>	<u>\$ 94,386</u>	<u>\$ 100,285</u>

5. DEFERRED REVENUE

	Balance, beginning of year	Amount of funding received	Amount of funding recognized	Balance, end of year
As at August 31, 2023				
Literacy Campaign	\$7,330,239	\$1,584,585	\$(3,659,402)	\$5,255,422
Endowment	30,716	10,329	-	41,045
Cameco Centre of Excellence in Science and Mathematics	47,703	-	(1,207)	46,496
Cheer Crate	17,670	93,005	(98,668)	12,007
Eco-Science and Indigenous Learning Centre	10,659	1,120	(6,996)	4,783
Nutrition	-	245,000	(242,035)	2,965
Lightly Grilled	64,700	-	(64,700)	-
Other	80,940	69,175	(91,945)	58,170
	<u>\$7,582,627</u>	<u>\$2,003,214</u>	<u>\$(4,164,953)</u>	<u>\$5,420,888</u>

During the year, the amount of funding recognized in the statement of operations totals \$4,164,953 and is recognized within "Donations and grants" (\$4,076,202), "Special events" (\$64,700), and "Other income" (\$24,051).

SASKATOON PUBLIC SCHOOLS FOUNDATION CORP.
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023

5. DEFERRED REVENUE (continued)

As at August 31, 2022	Balance, beginning of year	Amount of funding received	Amount of funding recognized	Balance, end of year
Literacy Campaign	\$ 9,379,753	\$ 1,516,603	(3,566,117) \$	7,330,239
Lightly Grilled	-	64,700	-	64,700
Cameco Centre of Excellence in Science and Mathematics	53,482	-	(5,779)	47,703
Endowment	-	30,716	-	30,716
Cheer Crate	10,689	80,158	(73,177)	17,670
Eco-Science and Indigenous Learning Centre	18,643	1,072	(9,056)	10,659
Summer Reading Camp	28,976	-	(28,976)	-
Early Learner Tutor	22,638	-	(22,638)	-
Nutrien Enhanced Nutrition	6,509	173,250	(179,759)	-
Other	90,951	124,919	(134,930)	80,940
	<u>\$ 9,611,641</u>	<u>\$ 1,991,418</u>	<u>\$ (4,020,432)</u>	<u>\$ 7,582,627</u>

6. RELATED PARTY TRANSACTIONS

During the year, the Saskatoon Public Schools Division granted the Foundation \$223,488 (2022 - \$210,976) for salaries and benefits, and \$3,384 (2022 - \$3,559) for other expenses. The Foundation paid grants directly to the Saskatoon Public School Division and to individual schools within the Saskatoon Public School Division in the amount of \$3,821,172 (2022 - \$3,710,799).

Included in accounts receivable is \$nil (2022 - \$15,000) owing from the Saskatoon Public School Division.

Included in accounts payable and accrued liabilities is \$68,952 (2022 - \$99,278) owing to the Saskatoon Public School Division.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Foundation is exposed to various risks through its financial instruments.

Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. The Foundation's financial liabilities as at August 31, 2023 have contractual maturities of less than one year.

SASKATOON PUBLIC SCHOOLS FOUNDATION CORP.
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Interest rate risk

Cash, when received, is deposited into an interest-bearing account with interest earned based on prime rates on the balance in the account. The Foundation is exposed to interest rate risk arising from fluctuations in interest rates.

Credit risk

The Foundation's principal financial assets are cash and cash equivalents, accounts receivable and portfolio investments, which are subject to credit risk. The carrying amounts of financial assets on the statement of financial position represent the Foundation's maximum credit exposure at the statement of financial position date.

Fair value risk

The Foundation is exposed to fair value risk as the fair value of portfolio investments will fluctuate based on changes in market prices. The fair value of the Foundation's accounts payable and accrued liabilities approximates their carrying amounts due to the short-term period to maturity of the instruments.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to currency risk on portfolio investments denominated in foreign currencies, which are subject to exchange rate fluctuations.

8. TAX STATUS

The Foundation is a registered charity under the *Income Tax Act* and accordingly is exempt from income taxes under paragraph 149(1)(f) of the *Income Tax Act*. In order to maintain charitable status, the Foundation must fulfill certain annual expenditure requirements. At August 31, 2023 the Foundation believed it had fulfilled these annual expenditure requirements.