

**THE ONTARIO FEDERATION OF  
HOME AND SCHOOL ASSOCIATIONS, INC.**

**FINANCIAL STATEMENTS**

**For the year ended August 31, 2022**

**THE ONTARIO FEDERATION OF  
HOME AND SCHOOL ASSOCIATIONS, INC.**

**For the year ended August 31, 2022**

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## INDEPENDENT AUDITORS' REPORT

To the Directors of  
**The Ontario Federation of Home and School Associations, Inc.**

### Qualified Opinion

We have audited the accompanying financial statements of The Ontario Federation of Home and School Associations, Inc. ("the Federation"), which comprise the statement of financial position as at August 31, 2022 and the statements of operations, 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.

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 Federation as at August 31, 2022, 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 Federation derives revenue from the general public in the form of donations, 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 Federation. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, and cash flows from operations for the years ended August 31, 2022 and 2021, current assets as at August 31, 2022 and 2021, and net assets as at September 1 and August 31 for both the 2022 and 2021 years. Our opinion on the financial statements for the year ended August 31, 2021 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 *Auditors' Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Federation 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 Federation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Federation or to cease operations, or has no realistic alternative but to do so.

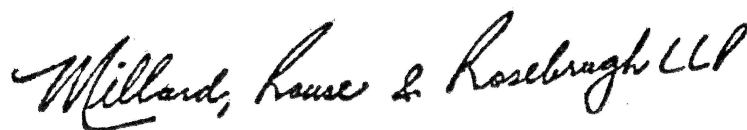
Those charged with governance are responsible for overseeing the Federation's financial reporting process.

### **Auditors' 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 auditors' 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 Federation'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 Federation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Federation 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.



February 9, 2023  
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

# THE ONTARIO FEDERATION OF HOME AND SCHOOL ASSOCIATIONS, INC.

## STATEMENT OF FINANCIAL POSITION

<b>As at August 31</b>	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash (Note 3)	15,322	19,346
Accounts receivable (Note 4)	9,731	12,166
Prepaid expenses	2,130	4,248
Short-term investments	40,000	40,000
	67,183	75,760
<b>Restricted Cash</b> (Note 5)	-	10,132
<b>Restricted Investments</b> (Note 5)	200,000	200,000
	267,183	285,892
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	9,202	10,062
Funds held in trust	-	10,132
Deferred revenue	320	-
	9,522	20,194
<b>NET ASSETS</b>		
A.L.M. Endowment Fund (Note 6)	200,000	200,000
Unrestricted net assets	57,661	65,698
	257,661	265,698
	267,183	285,892

See accompanying notes

**THE ONTARIO FEDERATION OF HOME AND SCHOOL ASSOCIATIONS, INC.**

**STATEMENT OF CHANGES IN NET ASSETS**

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<b>For the year ended August 31</b>	<b>2022</b>	<b>2021</b>
<b>Balance - Beginning of Year</b>	65,698	77,025
<b>Excess (Deficiency) of Revenue over Expenses</b>	(8,037)	(11,327)
<b>Balance - End of Year</b>	57,661	65,698

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*See accompanying notes*

# THE ONTARIO FEDERATION OF HOME AND SCHOOL ASSOCIATIONS, INC.

## STATEMENT OF OPERATIONS

For the year ended August 31	2022	2021
<b>Revenues</b>		
Association membership fees	8,800	8,200
Canada summer jobs grant	13,208	4,602
Conference fees revenue	1,433	(520)
Donation revenue	100,394	45,602
Donation service fees	1,004	456
Interest income	4,590	2,339
Membership fees	21,780	26,179
Ministry of Education - annual	21,240	21,240
Miscellaneous income	12,528	80
Safe Return to Class grant	4,500	10,500
Equity Support Fund grant	40,000	-
	229,477	118,678
<b>Expenses</b>		
Bank charges and interest	34	22
Conference and annual meeting	17,866	9,268
Contribution to local associations	100,394	45,602
Council support payments	8,002	1,295
Equipment rental	1,268	1,353
Executive Committee	272	438
Insurance	11,357	13,703
Meetings	3,683	1,740
Memberships and licenses	1,075	-
Office and general	33,881	17,409
Professional fees	7,541	6,433
Recognition and awards	3,172	160
Rent	5,577	4,383
Wages and benefits	43,392	28,199
	237,514	130,005
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>(8,037)</b>	<b>(11,327)</b>

See accompanying notes

# THE ONTARIO FEDERATION OF HOME AND SCHOOL ASSOCIATIONS, INC.

## STATEMENT OF CASH FLOWS

<b>For the year ended August 31</b>	<b>2022</b>	<b>2021</b>
<b>Cash Flows From Operating Activities</b>		
Excess of expenses over revenues in the year	(8,037)	(11,327)
Charges (credits) to income not involving cash		
Accounts receivable	2,435	8,408
Prepaid expenses	2,118	(1,685)
Accounts payable and accrued liabilities and funds held in trust	(10,992)	(15,971)
Deferred revenue	320	(3,804)
	(14,156)	(24,379)
<b>Cash Flows From Investing Activities</b>		
Purchase of investment	-	(10,000)
<b>Net Decrease in Cash and Bank</b>	<b>(14,156)</b>	<b>(34,379)</b>
<b>Opening Cash and Bank</b>	<b>29,478</b>	<b>63,857</b>
<b>Closing Cash and Bank</b>	<b>15,322</b>	<b>29,478</b>
<b>Represented by:</b>		
Cash	15,322	19,346
Restricted cash	-	10,132
	15,322	29,478

*See accompanying notes*



# THE ONTARIO FEDERATION OF HOME AND SCHOOL ASSOCIATIONS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2022

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### 1. STATUS AND NATURE OF ACTIVITIES

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The Ontario Federation of Home and School Associations ("the Federation") acts as a direct link between the home and the school, actively promoting Home and School objectives, along with the educational, social, and environmental well-being of children and youth. It is involved in researching, studying, evaluating, formulating and promoting proposals for the care and protection of children. The Federation brings together parents and educators concerned with the needs of children and youth in Ontario.

The Federation was incorporated without share capital under the laws of Ontario. It is a registered charity under the Income Tax Act, as such, is exempt from income tax and may issue income tax receipts to donors.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant policies:

**(a) Use of Estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from management's best estimates as additional information becomes available in the future.

**(b) Revenue Recognition**

The Federation follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Net investment income earned on Endowment assets are recognized as earned in the statement of operations. Endowment contributions are recognized as direct increases in net assets in the year in which they are received.

Membership fee revenue represents annual membership fees paid by the Federation's members. The Federation recognizes the portion of the membership fees earned during the fiscal year. Any amounts received in advance of the expiry of the membership period is treated as deferred revenue.

**(c) Contributed Services**

Volunteers contribute many hours per year to assist the Federation in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**(d) Government Assistance**

Government assistance towards current expenses, including salaries and rent, is recognized as a reduction of the corresponding expenses at the time they are incurred, provided there is reasonable assurance that the Federation has complied and will continue to comply with all the conditions of the government assistance.

# THE ONTARIO FEDERATION OF HOME AND SCHOOL ASSOCIATIONS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2022

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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(e) **Financial Instruments**

All financial instruments are initially recorded on the statement of financial position at fair value. In subsequent periods, investments in equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are measured at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

(f) **Income Taxes**

The Federation operates as a not-for-profit organization and consequently, no provision for income taxes has been made.

(g) **Capital Assets**

Capital assets are recorded as expenses in the year they are acquired. Capital assets charged to the statement of operations in the year were \$nil.

### 3. CASH

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The Federation's bank accounts are held at one chartered bank and earn no interest on these accounts.

4. ACCOUNTS RECEIVABLE	2022	2021
Grants receivable	2,707	7,155
Interest receivable	2,046	2,903
HST rebate	4,978	2,108
Balance, end of the year	9,731	12,166

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### 5. RESTRICTED INVESTMENTS

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Restricted investments consist of various guaranteed investments certificates (GICs) with minimum guaranteed interest rates ranging between 0.003% and 2% (2021 - 0.08% and 1.5%). These GICs mature between November 2022 and March 2027.

Restricted cash consists of \$nil (2021 - \$10,132) in funds held in trust for local school associations that have dissolved and are required by organization bylaws to send any remaining cash to the Federation. Monies held in trust by the Federation will be forwarded to the revived association.

**THE ONTARIO FEDERATION OF HOME AND SCHOOL ASSOCIATIONS, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended August 31, 2022**

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**6. THE ADELAIDE LOUISE MCLAUGHLIN ENDOWMENT FUND**

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The Adelaide Louise McLaughlin Endowment Fund was established on September 30, 1967 as a result of a gift received by Col. R. S. McLaughlin in memory of his wife who served as President of the Federation from 1930 to 1936. The \$200,000 gift is to be held permanently by the Federation for the purpose of gaining and producing income to be used in promoting its objectives. The Federation can only use the interest earned on the funds for general expenditure.

**7. COMMITMENTS**

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The Federation has commitments under operating lease agreements for the rental of its premises and photocopier. The estimated future minimum annual payment requirements are as follows:

2023 - 3,315

**8. FINANCIAL INSTRUMENTS**

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The significant financial risks to which the Federation is exposed are liquidity risk and interest rate risk.

**Liquidity Risk**

Liquidity risk is the risk that the Federation will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Federation will not have sufficient funds to settle a transaction on the due date; will be forced to settle or recover a financial asset. The Federation is exposed to this risk mainly in respect to accounts payable and accrued liabilities.

The Federation's approach to managing liquidity is to ensure, as fast as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Federation is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed rate instruments subject the Federation to a fair value risk while the floating rate instruments subject the Federation to a cash flow risk.

A portion of the Federation's investments bear interest at floating rates. Fluctuations in these rates will impact the investment income received in the future.

The Federation mitigates interest rate risk on investments by diversifying the durations of the fixed-income investments that are held at a given time.

# THE ONTARIO FEDERATION OF HOME AND SCHOOL ASSOCIATIONS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2022

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### 9. COVID-19 PANDEMIC

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In March 2020, the World Health Organization declared COVID-19 to be a global pandemic. It is possible that donations, grants and membership revenue might be impacted negatively in the future. The Federation is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation.

During the year, the Federation received \$1,259 (2021 - \$5,322) in government assistance in the form of the Canadian Emergency Wage Subsidy (CEWS). In order to receive the wage subsidy, the Federation had to meet certain terms and conditions and in particular had to have experienced an eligible reduction in revenue. The wage subsidy was deducted from the wages presented in the statement of operations.

As of issuance of these financial statements, the full impact of the pandemic to the Federation's financial position is not known.