

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

**FINANCIAL STATEMENTS**

**For the year ended August 31, 2023**

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

**For the year ended August 31, 2023**

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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, 2023 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, 2023, 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, 2023 and 2022, 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 opinion on the financial statements for the year ended August 31, 2022 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.

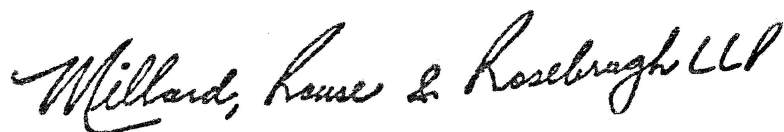
Those charged with governance are responsible for overseeing the Federation's financial reporting process.

### **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 22, 2024  
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>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash (Note 3)	22,643	15,322
Accounts receivable (Note 4)	4,779	9,731
Prepaid expenses	2,584	2,130
Short-term investments	29,805	40,000
	59,811	67,183
<b>Restricted Cash</b> (Note 5)	3,114	-
<b>Restricted Investments</b> (Note 5 & 6)	200,000	200,000
	262,925	267,183
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	7,082	9,202
Funds held in trust	3,114	-
Deferred revenue	1,100	320
	11,296	9,522
<b>NET ASSETS</b>		
A.L.M. Endowment Fund (Note 6)	200,000	200,000
Unrestricted net assets	51,629	57,661
	251,629	257,661
	262,925	267,183

*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>2023</b>	<b>2022</b>
<b>Balance - Beginning of Year</b>	57,661	65,698
<b>Excess (Deficiency) of Revenue over Expenses</b>	(6,032)	(8,037)
<b>Balance - End of Year</b>	51,629	57,661

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

## STATEMENT OF OPERATIONS

For the year ended August 31	2023	2022
<b>Revenues</b>		
Association membership fees	10,600	8,800
Canada summer jobs grant	-	13,208
Conference fees revenue	5,400	1,433
Donation revenue	80,890	100,394
Donation service fees	809	1,004
Interest income	6,367	4,590
Membership fees	27,560	21,780
Ministry of Education - annual	21,250	21,240
Miscellaneous income	453	12,528
Safe Return to Class grant	-	4,500
Equity Support Fund grant	10,000	40,000
	163,329	229,477
<b>Expenses</b>		
Bank charges and interest	199	34
Conference and annual meeting	9,545	17,866
Contribution to local associations	81,090	100,394
Council support payments	4,424	8,002
Equipment rental	1,016	1,268
Executive Committee	268	272
Insurance	13,152	11,357
Meetings	1,537	3,683
Memberships and licenses	1,075	1,075
Office and general	6,525	33,881
Professional fees	6,857	7,541
Recognition and awards	475	3,172
Rent	5,696	5,577
Wages and benefits	37,502	43,392
	169,361	237,514
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>(6,032)</b>	<b>(8,037)</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>2023</b>	<b>2022</b>
<b>Cash Flows From Operating Activities</b>		
Excess of expenses over revenues in the year	(6,032)	(8,037)
Charges (credits) to income not involving cash		
Accounts receivable	4,952	2,435
Prepaid expenses	(454)	2,118
Accounts payable and accrued liabilities and funds held in trust	994	(10,992)
Deferred revenue	780	320
	240	(14,156)
<b>Cash Flows From Investing Activities</b>		
Redemption of investment	10,195	-
<b>Net Increase in Cash and Bank</b>	10,435	(14,156)
<b>Opening Cash and Bank</b>	15,322	29,478
<b>Closing Cash and Bank</b>	25,757	15,322
<b>Represented by:</b>		
Cash	22,643	15,322
Restricted cash	3,114	-
	25,757	15,322

*See accompanying notes*



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

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

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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, 2023

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

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(e) **Financial Instruments**

The Federation initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Transaction costs related to financial assets that will be subsequently measured at fair value are recognized in the statement of operations in the year in which they are incurred.

The Federation subsequently measures its financial assets and liabilities at cost or amortized cost. Financial assets measured at cost include cash, investments and accounts receivable. Investments in equity instruments that are quoted in an active market are subsequently measured at fair value. Financial liabilities measured at amortized cost include the accounts payable and accrued liabilities.

For financial assets measured at cost or amortized cost, the Federation determines whether there are indicators of possible impairment. When there is an indication of impairment, and the Federation determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss shall be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

(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	2023	2022
Grants receivable	-	2,707
Interest receivable	2,514	2,046
HST rebate	2,265	4,978
Balance, end of the year	4,779	9,731

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended August 31, 2023**

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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 4.6% (2022 - 0.003% and 2%). These GICs mature between September 2023 and March 2027.

Restricted cash consists of \$3,114 (2022 - \$nil) 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.

**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. The estimated future minimum annual payment requirements are as follows:

2024 - 2,876

**8. RELATED PARTY TRANSACTION**

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During the year, the Federation purchased promotional items for the conference from a company whose owner is also a member of the board of directors. The transaction was in the normal course of operations and measured at the exchange amount similar to other non-related purchases.

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

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2023

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### 9. 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.