

THE ANGEL FOUNDATION FOR LEARNING

Toronto, ON

FINANCIAL STATEMENTS

August 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of The Angel Foundation for Learning:

Qualified Opinion

We have audited the financial statements of The Angel Foundation for Learning (the "Foundation"), which comprise the statement of financial position as at August 31, 2025, and the statement of operations, statement of changes in net assets and statement of 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 Foundation as at August 31, 2025, 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 Foundation derives revenue from donations and 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 donations and fundraising events revenue, excess of revenues over expenses, and cash flows related to operating activities for the years ended August 31, 2025 and 2024, current assets as at August 31, 2025 and 2024, and net assets as at September 1 and August 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended August 31, 2024 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 the 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.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS, LICENSED PUBLIC ACCOUNTANTS

Toronto, Ontario
December 17, 2025

THE ANGEL FOUNDATION FOR LEARNING

STATEMENT OF FINANCIAL POSITION

August 31, 2025

| | 2025 \$ | 2024 \$ |
|--|------------|------------|
| Assets | | |
| Current | | |
| Cash | 2,905,634 | 1,145,505 |
| Short-term investments (Note 2) | 5,062,079 | 5,147,700 |
| Accounts receivable | 446,966 | 36,570 |
| Prepaid expenses (Note 3) | 12,819 | 32,453 |
| | 8,427,498 | 6,362,228 |
| Liabilities | | |
| Current | | |
| Accounts payable and accrued liabilities | 20,993 | 19,999 |
| Deferred revenue (Note 4) | 5,104,543 | 3,155,850 |
| | 5,125,536 | 3,175,849 |
| Net Assets | | |
| Unrestricted fund | 1,942,784 | 1,956,405 |
| Restricted fund (Note 5) | 1,359,178 | 1,229,974 |
| | 3,301,962 | 3,186,379 |
| | 8,427,498 | 6,362,228 |

Approved by the Board:

Don Walker

Catherine Turner Gould

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

THE ANGEL FOUNDATION FOR LEARNING

STATEMENT OF CHANGES IN NET ASSETS

For the year ended August 31, 2025

| | Unrestricted Fund \$ | Restricted Fund \$ | Total 2025 \$ |
|--|----------------------------|--------------------------|---------------------|
| Balance, August 31, 2024 | 1,956,405 | 1,229,974 | 3,186,379 |
| Excess (deficiency) of revenues over expenses (Note 5) | (13,621) | 129,204 | 115,583 |
| Balance, August 31, 2025 | 1,942,784 | 1,359,178 | 3,301,962 |
| | Unrestricted Fund \$ | Restricted Fund \$ | Total 2024 \$ |
| Balance, August 31, 2023 | 1,792,967 | 1,197,056 | 2,990,023 |
| Excess of revenues over expenses (Note 5) | 163,438 | 32,918 | 196,356 |
| Balance, August 31, 2024 | 1,956,405 | 1,229,974 | 3,186,379 |

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

THE ANGEL FOUNDATION FOR LEARNING

STATEMENT OF OPERATIONS

For the year ended August 31, 2025

| | 2025 | 2024 |
|--|------------------|------------------|
| | \$ | \$ |
| Revenues | | |
| Grants (Note 4) | 8,590,450 | 7,053,829 |
| Donations | 692,825 | 1,121,013 |
| Fundraising events | 336,616 | 338,771 |
| Interest (Note 5) | 162,103 | 153,612 |
| | <u>9,781,994</u> | <u>8,667,225</u> |
| Expenses | | |
| Donations | 8,906,583 | 7,801,893 |
| Salaries and benefits | 531,419 | 500,189 |
| Office | 164,698 | 83,971 |
| Fundraising events | 106,286 | 112,038 |
| Professional fees | 3,000 | 15,000 |
| | <u>9,711,986</u> | <u>8,513,091</u> |
| Excess of revenues over expenses before other income | 70,008 | 154,134 |
| Other income | | |
| Unrealized gain on short-term investments (Note 5) | 45,575 | 42,222 |
| Excess of revenues over expenses | <u>115,583</u> | <u>196,356</u> |

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

THE ANGEL FOUNDATION FOR LEARNING

STATEMENT OF CASH FLOWS

For the year ended August 31, 2025

| | 2025 \$ | 2024 \$ |
|---|--------------------|--------------------|
| Cash flows related to operating activities | | |
| Excess of revenues over expenses | 115,583 | 196,356 |
| Adjustments for items which do not affect cash: | | |
| Unrealized gain on short-term investments | (45,575) | (42,222) |
| Accrued interest on short-term investments | <u>(845)</u> | <u>(52,523)</u> |
| | 69,163 | 101,611 |
| Changes in non-cash working capital: | | |
| Accounts receivable | (410,396) | 653,381 |
| Prepaid expenses | 19,634 | 84,250 |
| Accounts payable and accrued liabilities | 995 | (90,000) |
| Deferred revenue | <u>1,948,693</u> | <u>207,924</u> |
| | <u>1,628,089</u> | <u>957,166</u> |
| Cash flows related to investing activities | | |
| Proceeds from sale of short term investments | 3,750,838 | 2,057,942 |
| Purchase of short term investments | <u>(3,618,798)</u> | <u>(3,458,670)</u> |
| | <u>132,040</u> | <u>(1,400,728)</u> |
| Net increase (decrease) in cash | 1,760,129 | (443,562) |
| Cash, beginning | <u>1,145,505</u> | <u>1,589,067</u> |
| Cash, ending | 2,905,634 | 1,145,505 |

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

THE ANGEL FOUNDATION FOR LEARNING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2025

The Angel Foundation for Learning (the "Foundation") was incorporated under the laws of Ontario as a foundation without share capital in 1987 to act as a provider of funds for many desirable and enriching programs for students where schools lack sufficient funds.

The Foundation is a registered charity that is designated as a public foundation under the Income Tax Act (Canada) and as such is exempt from income taxes and able to issue donation receipts for income tax purposes.

1. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organization ("ASNPO") and include the following significant accounting policies:

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions. Under this method, donations subject to externally imposed stipulations that specify the purpose for which they are to be used and the related expenditures are reported in the Restricted Fund rather than in the Foundation's Unrestricted Fund. The Foundation maintains the following funds:

The Restricted Fund accounts for the resources with restrictions required by the donor with respect to the purpose of the funds or when the funds can be spent. The Unrestricted Fund accounts for the resources without any restrictions from donors with respect to the purpose of the funds or when the funds can be spent.

Revenue recognition

Donations are recorded using the restricted fund method of accounting for revenue when received. Donor restricted donations received are recognized as revenue in the Restricted Fund and unrestricted donations are recognized as revenue in the Unrestricted Fund.

Grants are recognized as revenue in the year in which the related expenses are incurred. Grants received related to expenses which have not yet been incurred are recognized as deferred revenue.

Revenue from fundraising events are recognized when the events have occurred.

Interest is recognized on a time proportion basis.

THE ANGEL FOUNDATION FOR LEARNING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2025

1. Significant accounting policies (continued)

Financial instruments

Arm's Length Transactions

Measurement of financial instruments

The Foundation measures its financial assets and financial liabilities at fair value at the acquisition date, except for financial assets and financial liabilities acquired in related party transactions.

The Foundation subsequently measures all of its financial assets and financial liabilities at amortized cost except for its short-term investments, which are subsequently measured at fair value. Changes in fair value are recognized in excess of revenues over expenses.

Related Party Transactions

Measurement of related party financial instruments

The Foundation measures all related party financial instruments recognized in these financial statements at either the cost of the related party financial instrument, or at the cost of the consideration exchanged for the related party financial instrument. Measurement is based on the nature of the financial instrument, and depends on whether the instrument has repayment terms. The Foundation has no related party financial instruments required to be measured at fair value.

When the instrument has repayment terms, the cost is determined using the undiscounted cash flows, excluding interest and dividend payments, and less any impairment losses previously recognized by the transferor.

When the related party financial instrument has no repayment terms, the cost of the instrument is determined using the consideration transferred or received.

Related party financial instruments initially measured at cost are subsequently measured using the cost method.

Transaction Costs

Transaction costs related to the acquisition or issuance of financial instruments subsequently measured at fair value and to instruments originated or exchanged in a related party transaction are recognized in excess of revenues over expenses when incurred. The carrying amounts of financial instruments not subsequently measured at fair value are adjusted by the amount of the transaction costs directly attributable to the acquisition or issuance of the instrument, and the adjustment is recognized in excess of revenues over expenses over the life of the instrument using the straight-line method.

THE ANGEL FOUNDATION FOR LEARNING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2025

1. Significant accounting policies (continued)

Financial instruments (continued)

Impairment

Financial assets measured at amortized cost and related party financial assets measured using the cost method are assessed for indications of impairment at the end of each reporting period. If impairment is identified, the amount of the write-down is recognized as an impairment loss in the statement of operations. Previously recognized impairment losses are reversed when the extent of the impairment decreases, provided that the adjusted carrying amount is no 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 the statement of operations.

Contributed materials and services

A number of volunteers contribute a significant amount of their time and services to the Foundation each year. Because of the difficulty in determining fair value, these contributed services are not recognized in the financial statements. The Foundation records the fair value of contributed materials at the time of receipt, where such fair value is determinable and the materials would otherwise have been purchased. The Foundation did not receive any such contributed materials in the years ended August 31, 2025 and 2024.

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 amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

2. Short-term investments

Short-term investments are comprised of the following:

| | 2025 | 2024 |
|---|------------------|------------------|
| | \$ | \$ |
| Guaranteed investment certificates and treasury bills | 4,318,763 | 4,463,721 |
| Marketable securities | 743,316 | 683,979 |
| | <u>5,062,079</u> | <u>5,147,700</u> |

THE ANGEL FOUNDATION FOR LEARNING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2025

3. Prepaid expenses

Prepaid expenses are comprised of the following:

| | 2025 | 2024 |
|---|---------------|---------------|
| | \$ | \$ |
| Prepaid gifts cards for Food for Kids Program | 1,690 | 20,567 |
| Other prepaid expenses | 11,129 | 11,886 |
| | <u>12,819</u> | <u>32,453</u> |

4. Deferred revenue

Deferred revenue consists of amounts that have been advanced by the provincial and municipal governments for various projects. These projects are managed and executed by the Foundation in partnership with other organizations and stakeholders in Canada, including the respective governments. Any part of these funds that have not been used belongs to the respective governments. As at August 31, 2025 the balance of these deferred revenues is as follows:

| | 2024 | Funds received during the year | Revenue recognized during the year | 2025 |
|--------------------------------|------------------|--------------------------------|------------------------------------|------------------|
| | \$ | \$ | \$ | \$ |
| Focus on Youth | 35,000 | - | - | 35,000 |
| Toronto Foundation for Success | 2,461,142 | 2,735,758 | (3,096,411) | 2,100,489 |
| Toronto Public Health | 659,708 | 7,803,385 | (5,494,039) | 2,969,054 |
| | <u>3,155,850</u> | <u>10,539,143</u> | <u>(8,590,450)</u> | <u>5,104,543</u> |

5. Restricted Fund

The restricted fund represents amounts that have been designated by a donor to fund specific future programs - awards and bursaries. The revenue and expenses relating to the restricted funds are detailed below:

| | 2025 | 2024 |
|---|----------------|-----------------|
| | \$ | \$ |
| Donation income | - | 20,407 |
| Interest income | 85,034 | - |
| Unrealized gain on short-term investments | 48,240 | 48,011 |
| Expenses | <u>(4,070)</u> | <u>(35,500)</u> |
| | <u>129,204</u> | <u>32,918</u> |

THE ANGEL FOUNDATION FOR LEARNING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2025

6. Financial instruments

Items that meet the definition of a financial instrument include cash, short-term investments, accounts receivable, and accounts payable and accrued liabilities.

Financial instrument transactions, such as purchasing and selling short-term investments, collecting receivables, and settling payables may result in exposure to significant financial risks and concentrations of risk.

The nature and extent of significant risks as at August 31, 2025 are described below. There have been no changes to the significant risks from the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. There is concentration of credit risk in respect of the accounts receivable as 72% of the balance is with one counterparty. The Foundation's cash is held at a financial institution that is a member of the Canada Deposit Insurance Corporation. There is a concentration of risk as 74% (2024 - 64%) of the cash balance is held in one bank account.

Market risk

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. Market risk includes other price risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. There is a concentration of other price risk as the Foundation's marketable securities are equity instruments comprised entirely of quoted securities listed in Canada.

7. Toronto Catholic District School Board (TCDSB)

TCDSB contributes management and accounting time, office space and administrative supplies to the Foundation, which are not recognized in the financial statements.