Lifted Literacy and Leadership (formerly Stephen Leacock Foundation for Children)

Financial Statements

December 31, 2024

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Index

April 22, 2025

Independent Auditor's Report

To the Members of Lifted Literacy and Leadership (formerly Stephen Leacock Foundation for Children)

Opinion

We have audited the financial statements of Lifted Literacy and Leadership (formerly Stephen Leacock Foundation for Children), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and 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, the accompanying financial statements present fairly, in all material respects, the financial position of Lifted Literacy and Leadership as at December 31, 2024, 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 Opinion

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 Lifted Literacy and Leadership in accordance with the ethical requirements that are relevant to our audit of 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 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 Lifted Literacy and Leadership'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 Lifted Literacy and Leadership or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Lifted Literacy and Leadership's financial reporting process.

Roger Chaplin CPA, CA LPA MA (Oxon) Gail Bergman CPA, CA LPA B Comm

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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 the 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 internal control of Lifted Literacy and Leadership.

- 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 ability of Lifted Literacy and Leadership 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 Lifted Literacy and Leadership 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.

Chaplin + Co. LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario

Chaplin &co

	Notes	December 31 2024	2023
Assets			
Current			
Cash and cash equivalents		$ 1,472,662	$ 1,335,821
Marketable securities	2	10,137	12,848
Accounts receivable		33,432	12,956
Sales tax recoverable		18,070	22,605
Prepaid expenses		238	2,858
		$ 1,534,539	$ 1,387,088
Liabilities			
Current			
Accounts payable and accrued liabilities		$ 24,885	$ 18,602
Deferred contributions	4	935,136	907,065
		960,021	925,667
Net assets			
Unrestricted		574,518	461,421
		$ 1,534,539	$ 1,387,088

See accompanying notes

Approved on behalf of the Board of Lifted Literacy and Leadership:

Danielle Cerisano

Danielle Cerisano, Board Chair

Renaldo Ferreira

Renaldo Ferreira, Treasurer

	Notes	Year ended December 31 2024	2023
Revenue			
Donations		$ 1,160,057	$ 807,434
Fundraising events and sponsorship		455,851	315,896
Federal government funding		20,158	20,048
Investment income and other		44,144	8,277
		1,680,210	1,151,655
Deduct direct fundraising activities and special events expenses		(209,529)	(198,794)
Net revenue		1,470,681	952,861
Expenses			
Program support funding	5	1,155,112	980,532
Office and general	5	202,472	187,148
		1,357,584	1,167,680
Excess of revenue over expenses (expenses over revenue) for the year		113,097	(214,819)
Net assets, beginning of year		461,421	676,240
Net assets, end of year		$ 574,518	$ 461,421

See accompanying notes

	Year ended December 31 2024	2023
Net cash provided by (used in)		
Operations		
Excess of revenue over expenses (expenses over revenue) for the year	$ 113,097	$ (214,819)
Item not affecting cash:		
Unrealized and realized gain on investments	248	(48)
Changes in non-cash working capital items		
Accounts receivable	(20,476)	5,716
HST rebate recoverable	4,535	(10,055)
Prepaid expenses	2,620	(2,858)
Accounts payable and accrued liabilities	6,283	(4,043)
Deferred contributions	28,071	739,050
	134,378	512,943
Investing		
Purchase of marketable securities	(10,472)	(13,137)
Proceeds of sale of marketable securities	12,935	2,999
	2,463	(10,138)
Change in cash during the year	136,841	502,805
Cash, beginning of year	1,335,821	833,016
Cash, end of year	$ 1,472,662	$ 1,335,821

Cash and cash equivalents is represented by:

	2024	2023
Cash	$ 1,069,718	$ 109,664
Guaranteed Investment Certificate	-	400,000
Money market mutual funds	402,944	826,157
	$ 1,472,662	$ 1,335,821

See accompanying notes

Lifted Literacy and Leadership (LiftED) is incorporated without share capital in the Province of Ontario. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

LiftED was established in Toronto in 1992 as Stephen Leacock Foundation for Children and the organization's name was changed to Lifted Literacy and Leadership on October 8, 2024.

LiftED's vision and mission are to foster a world where all youth are empowered to reach their full potential and address inequity through the development of critical and creative thinking skills necessary to become confident leaders in both the present and future.

1. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Foreign exchange

The monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange at the balance sheet date. Revenues and expenses are translated at the average exchange rate prevailing during the year. Exchange gains or losses are included in the statement of operations.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with a maturity of within a year from the date of purchase and money market mutual funds.

Capital assets

Capital assets are expensed as acquired. During the year, such expenditures of $6,185 were expenses (2023 - $nil).

Revenue recognition

LiftED follows the deferral method of revenue recognition for contributions.

Externally restricted contributions, including grants and restricted donations, related to current expenses are recognized as revenue in the current year. Externally restricted contributions received in the year for expenses to be incurred in the following year are recorded as deferred contributions.

Unrestricted contributions, including donations and amounts received from fundraising, are recorded when received.

Fundraising events and sponsorship revenue is recognized in the period in which the event is held.

Federal government funding as revenue it the amount to be received be reasonably estimated and collection reasonably assured is recognized.

Investment income comprises interest from cash and money market mutual funds. Interest income is recognized as revenue when earned.

1. Significant accounting policies (continued)

Measurement of financial instruments
LiftED initially measures its financial assets and liabilities as fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. LiftED subsequently measures all its financial assets and liabilities at amortized cost, except for marketable securities that are quoted in an active market. Changes in fair value are recognized in net income. Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities. Financial assets measured at fair market value include marketable securities.

Financial assets measured at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indication of impairment LiftED determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset, and recognizes an impairment loss if the carrying value of the asset is greater than the higher of present value of the expected future cash flows, the amount that can be realized by selling the asset or the amount LiftED expects to realize by exercising its right to any collateral.

If events and circumstances reverse in a future period, an impairment loss will reversed to the extent of the improvement not exceeding the initial carrying value.

Allocation of expenses
Personnel expenses are allocated to various activities based on the proportional hours spent on each.

Contributed goods and services
Donated goods and services are not recorded in the accounts of LiftED, except when fair value of such goods can reasonably be estimated and when the goods and services are normally purchased by LiftED and would be paid for if not donated.

Volunteers contribute significant amounts of time to assist LiftED in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

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, 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 these and other estimates, the impact of which would be recorded in future affected periods.

2. Marketable securities
Marketable securities consist of:

	2024	2023
Canadian equities	$ 5,071	$ 9,911
US equities	5,066	2,937
	$ 10,137	$ 12,848

3. Donations in-kind

Included in contributions is an amount of $75,293 (2023 - $42,797) for donations in-kind consisting of donated items for the Debate, marketable securities and website services.

4. Deferred contributions

Deferred contributions consist of:

	2024	2023
ABC Life Literacy	$ -	$ 2,500
Anonymous - 2024	-	410,400
Anonymous - 2025	399,660	399,660
Anonymous - 2026	430,476	-
Arthur and Audrey Cutten Foundation	-	5,000
Catherine and Maxwell Meighen Foundation	-	20,000
CIBC	25,000	-
CN	5,000	-
George H. Stedman Estate Foundation	-	5,000
Hodgson Foundation	20,000	-
Lewitt Family Foundation	20,000	-
Maurice Price Foundation	-	9,505
McColl Early Foundation	-	10,000
Nicola Wealth	-	30,000
R.H. Howard Webster	5,000	-
SM Blair	-	5,000
South Africa Scholarship Donations	-	4,000
TD Bank	25,000	-
The Actuarial Foundation of Canada	5,000	5,000
The Jackman Family Foundation	-	1,000
	$ 935,136	$ 907,065

Continuity of deferred revenue for the year is as follows:

	2024	2023
Deferred revenue, beginning of year	$ 907,065	$ 168,015
Donations received	423,765	995,565
Less donations revenue recognized	(395,694)	(256,515)
Deferred revenue, end of year	$ 935,136	$ 907,065

5. Allocation of personnel costs

During the year, personnel costs were allocated to the following activities:

	2024	2023
Program support funding	$ 472,960	$ 375,928
Office and general	72,673	82,069
Fundraising activities and special events	48,963	116,784
	$ 594,596	$ 574,781

6. Financial instruments

LiftED is exposed to various risks through its financial instruments. The following analysis provides a measure of LiftED's risk exposure at December 31, 2024.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to meet its obligations. LiftED's credit risk is mainly related to accounts receivable. Actual exposure to credit losses has been minimal in prior years.

Liquidity risk

Liquidity risk is the risk that LiftED will encounter difficulty in meeting obligations associated with its financial liabilities. LiftED is exposed to liquidity risk arising primarily from its accounts payable and accrued liabilities. LiftED expects to meet obligations as they come due by generating sufficient cash flow from operations.

Market price risk

Market price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to individual financial issuer, or factors affecting all similar financial instruments traded in the market. LiftED is exposed to market price risk on its marketable securities quoted in an active market since changes in market prices could result in changes in the fair value.

Currency risks

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. LiftED is exposed to foreign currency fluctuations related to financial commitments (in South African Rand) made to programs it supports in South Africa. LiftED does not hedge any financial instruments to mitigate foreign currency risk. As at December 31, 2024, cash and cash equivalents totalling $430,476 (2023 - $nil) are denominated in US dollars and converted into Canadian dollars. LiftED's exposure to currency risk changed from that of the prior year as result of the cash and cash equivalents denominated in US dollars.