

**Foundation For  
Enriching Education - Perth Huron**

**Financial Statements**  
For the year ended August 31, 2017

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**Financial Statements**  
For the year ended August 31, 2017

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## Independent Auditors' Report

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### **To the Members of the Foundation For Enriching Education - Perth Huron**

We have audited the accompanying financial statements of Foundation for Enriching Education-Perth Huron, which comprise the statement of financial position as at August 31, 2017, the statements of operations, changes in net assets and cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for Qualified Opinion**

In common with many charitable organizations, the Foundation derives revenue in the form of cash from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to amounts recorded in the records of the Foundation, and we were not able to determine whether any adjustments might be necessary to donation revenue, net revenue, assets and fund balances.

**Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation for Enriching Education - Perth Huron as at August 31, 2017 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.

Chartered Professional Accountants, Licensed Public Accountants

Stratford, Ontario  
November 21, 2017

## Foundation For Enriching Education - Perth Huron Statement of Financial Position

**August 31** **2017** 2016

### Assets

#### Current

Cash	\$	61,473	\$	73,885
HST recoverable		13,235		13,440
Short-term investments (Note 2)		147,210		145,584
Accounts receivable		486		1,057
Inventory		630		1,785
Prepaid expenses		5,065		5,039
		5,065		5,039
	\$	228,099	\$	240,790

### Liabilities and Fund Balances

#### Current

Accounts payable and accruals	\$	6,398	\$	12,405
Deferred revenue (Note 3)		54,113		55,319
		60,511		67,724

#### Long-term

Deferred revenue (Note 3)		63,227		68,341
		123,738		136,065

#### Fund Balances

Working fund		69,796		40,275
Special projects		34,565		34,565
Operating fund		-		29,885
		104,361		104,725
	\$	228,099	\$	240,790

On behalf of the Board of Directors:

\_\_\_\_\_ President

\_\_\_\_\_ Treasurer

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## Foundation For Enriching Education - Perth Huron Statement of Changes in Net Assets

<b>For the year ended August 31</b>	Working Fund	Special Projects	Operating Fund	<b>Total 2017</b>	Total 2016
Balance, beginning of year	\$ 40,275	\$ 34,565	\$ 29,885	<b>\$ 104,725</b>	\$ 74,840
Results of operations for the year	-	-	(364)	<b>(364)</b>	29,885
Interfund transfers	29,521	-	(29,521)	-	-
Balance, end of year	<b>\$ 69,796</b>	<b>\$ 34,565</b>	<b>\$ -</b>	<b>\$ 104,361</b>	<b>\$ 104,725</b>

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

## Foundation For Enriching Education - Perth Huron Statement of Operations

**For the year ended August 31** **2017** **2016**

### Revenue

Contributions		
Designated for specific school programs	\$ 234,391	\$ 388,048
Designated for specific programs	107,318	173,267
General	5,730	6,227
Avon Maitland District School Board - operations	99,418	97,468
Fundraising (net) (Note 4)	43,879	68,615
Interest and other	2,872	2,238
	<b>493,608</b>	<b>735,863</b>

### Expenses

Programs		
Affinity Fund	200	-
Artitudes	24,039	35,823
Baby Literacy	6,947	145
Britta's Big Idea	250	228
Boyd Devereaux Fund	2,000	1,525
Canadian Reading	3,030	2,670
Career Funds	-	1,047
Celebrating Human Diversity	3,704	-
Concussion Testing	14,717	-
Eat'n Learn	15,658	-
Estate of Helen Roszell bequest	1,995	600
Global Literacy	22,052	13,995
Hero Project	-	1,025
iCase	-	10,000
In-school Mentoring (Journeys)	4,000	2,500
Inspiring Science Fund	-	414
North Perth Community	1,556	-
Pathways to Success	3,723	2,145
Sci-Tech Encounters/Science Fairs Fund	24,583	22,173
Small Project Fund	1,500	1,790
SocDocs	197	502
Student Success	165	-
Transportation	-	1,965
World Festival of Children's Theatre	-	96,970
Young Women in Skilled Trades	11,336	9,013
Designated donations paid to schools	234,391	388,048
Employment contract reimbursements	102,088	98,105
Insurance	5,086	5,084
Legal and audit	6,236	6,229
Office supplies and promotional materials	3,455	2,029
Travel, conferences and training	1,064	1,953
	<b>493,972</b>	<b>705,978</b>

**Results of operations for the year** **\$ (364)** **\$ 29,885**

## Foundation For Enriching Education - Perth Huron Statement of Cash Flows

<b>For the year ended August 31</b>	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>		
Results of operations for the year	\$ (364)	\$ 29,885
Adjustments for:		
Changes in non-cash working capital balances		
Accounts receivable	571	(309)
HST receivable	205	654
Inventory	1,155	-
Prepaid expenses	(26)	699
Accounts payable and accruals	(6,007)	(66,339)
Deferred revenue	(6,320)	23,185
	<u>(10,786)</u>	<u>(12,225)</u>
<b>Decrease in cash and cash equivalents during the year</b>	<b>(10,786)</b>	<b>(12,225)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>219,469</b>	<b>231,694</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 208,683</b>	<b>\$ 219,469</b>
<b>Represented by</b>		
Cash	\$ 61,473	\$ 73,885
Short-term investments	147,210	145,584
	<u>\$ 208,683</u>	<u>\$ 219,469</u>

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

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# Foundation For Enriching Education - Perth Huron

## Notes to Financial Statements

August 31, 2017

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### 1. Significant Accounting Policies

**Purpose of the Organization** The Foundation for Enriching Education - Perth Huron ("the Foundation") is a tax-exempt registered charity, incorporated without share capital as a not-for-profit entity under the laws of Ontario. Its purpose is to provide education enrichment programs within the public school system.

**Basis of Accounting** These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

**Fund Accounting** For financial reporting purposes, the Foundation employs the following three funds:

#### **Operating Fund**

This fund accounts for revenues and expenses related to program delivery and administrative activities.

#### **Working Fund**

This fund was established to ensure that adequate levels of working capital are maintained throughout each year. Other than covering operating deficits, expenditures or transfers from this fund require Board approval.

#### **Special Projects Fund**

This fund was established to help fund special projects of the Foundation as they arise and are approved by the Board.

**Financial Instruments** The Foundation recognizes and measures financial assets and financial liabilities on the balance sheet when it becomes a party to the contractual provisions of a financial instrument. All financial instruments are measured at fair value on initial recognition. In subsequent periods, equity investments traded on an open market are reported at fair value. The Foundation has elected to report all other investments in the same manner. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

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# Foundation For Enriching Education - Perth Huron

## Notes to Financial Statements

**August 31, 2017**

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### Revenue Recognition

The Foundation follows the deferral method of recognition with respect to contribution revenue. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Until that time, they are reported as deferred revenue on the statement of financial position. Unrestricted contributions of cash or negotiable instruments are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions of property, materials and services received in kind are measured at fair value and are recognized as they are received only if they would otherwise be purchased. Fundraising revenue is recognized as the related events or activities take place.

### Use of Estimates

The preparation of financial statements in accordance 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. Actual results could differ from management's best estimates as additional information becomes available in the future.

### Cash and Cash Equivalents

"Cash equivalents" include short-term investments, other than equities, having maturity dates of 90 days or less.

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## 2. Short-term Investments

	<u>2017</u>	<u>2016</u>
Mutual funds and shares - market value	<u>\$ 147,210</u>	<u>\$ 145,584</u>
Cost	<u>\$ 146,437</u>	<u>\$ 145,292</u>

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## Foundation For Enriching Education - Perth Huron Notes to Financial Statements

**August 31, 2017**

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### 3. Deferred Revenue

	2017	2016
Current:		
Art/ life music	\$ 1,255	\$ -
Boyd Devereaux Fund	1,201	1,269
Britta's Big Idea	1,022	1,272
Career Fund	1,958	1,958
Concussion Testing	1,283	8,000
EatFIT	5,050	-
Gala	4,250	1,750
Global Literacy	10,429	13,105
MSCU Peer Tutoring	2,850	2,850
Pathways Planning Workshop	-	400
Science Fair	9,000	9,000
Student Success	1,128	1,128
Transportation Fund	8,035	8,035
World Festival of Children's Theatre	100	-
Young Women in Skilled Trades	6,552	6,552
	<b>\$ 54,113</b>	<b>\$ 55,319</b>
Long-term:		
Affinity Fund	\$ 6,412	\$ 6,612
Baby Literacy	5,323	5,520
Eat & Learn	6,277	7,810
Estate of Helen Roszell bequest	5,786	5,764
Pathways to Success	24,928	24,404
Inspiring Science	5,411	5,261
Science Fair	9,090	12,720
Tech 21/Intermediate Science	-	250
	<b>\$ 63,227</b>	<b>\$ 68,341</b>

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## Foundation For Enriching Education - Perth Huron Notes to Financial Statements

**August 31, 2017**

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### 4. Fundraising

	Total Revenue	Total Expenses	Fundraising 2017	Fundraising 2016
Dinner cabaret auction	\$ 38,191	\$ 8,288	\$ 29,903	\$ 33,507
Art cards	740	1,155	(415)	176
School show	-	852	(852)	21,847
Nevada tickets	29,945	14,702	15,243	13,085
Net fundraising	\$ 68,876	\$ 24,997	\$ 43,879	\$ 68,615

### 5. Gifts-in-Kind

Gifts-in-kind, which were received during the year but not recognized in the financial statements, were as follows:

	2017	2016
Goods donated for fundraisers	\$ 14,474	\$ 12,441
Materials, books and supplies	2,666	5,379
Vehicles	42,175	53,250
Computer, AV and other equipment	7,437	5,097
Wood and steel	-	2,008
Other	2,585	5,526
	\$ 69,337	\$ 83,701

### 6. Avon Maitland District School Board

The Foundation's board of directors, which has a maximum membership of 12, includes one trustee and one senior employee of the Avon Maitland District School Board.

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## Foundation For Enriching Education - Perth Huron Notes to Financial Statements

**August 31, 2017**

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### **7. Allocation of Expenses**

Employment contract reimbursement expenses reported in the statement of operations of \$102,088 (2016 - \$98,105) are reported after the allocation of \$3,000 (2016 - \$7,500) to the Young Women in Skilled Trades and Science Fair programs representing the specific contractor's cost to implement the specific projects included within the program.

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### **8. Financial Instrument Risk**

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest rate, currency or credit risks arising from its financial instruments.

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### **9. Comparative Information**

Certain comparative figures have been reclassified to reflect current year presentation.

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