

**Foundation For  
Enriching Education - Perth Huron**

**Financial Statements**  
For the year ended August 31, 2021

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For the year ended August 31, 2021

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## Independent Auditors' Report

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

### Qualified Opinion

We have audited the financial statements of the Foundation for Enriching Education - Perth Huron (the Foundation), which comprise the statement of financial position as at August 31, 2021, 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 Foundation as at August 31, 2021, and the results of its operations and 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 in the form of cash from donations and fundraising, the completeness of which is not susceptible of 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 donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended August 31, 2021 and 2020, current assets as at August 31, 2021 and 2020, and net assets as at September 1 and August 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended August 31, 2020 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 audit 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 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.

Chartered Professional Accountants, Licensed Public Accountants

Stratford, Ontario  
October 7, 2021

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

**August 31** **2021** 2020

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### Assets

#### Current

Cash (Note 2)	\$	78,375	\$	75,680
HST recoverable		6,546		11,596
Short-term investments (Note 3)		154,391		179,066
Accounts receivable		575		407
Inventory		4,615		3,474
Prepaid expenses		7,533		7,480
		\$ 252,035		\$ 277,703

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### Liabilities and Fund Balances

#### Current

Accounts payable and accruals	\$	17,472	\$	18,464
Deferred revenue (Note 4)		19,960		22,335
		37,432		40,799

#### Long-term

Deferred revenue (Note 4)		103,073		115,627
		140,505		156,426

#### Fund Balances

Working fund		79,965		89,712
Special projects		31,565		31,565
Operating fund		-		-
		111,530		121,277
		\$ 252,035		\$ 277,703

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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 2021</b>	Total 2020
Balance, beginning of year	\$ 89,712	\$ 31,565	\$ -	\$ 121,277	\$ 133,553
Results of operations for the year	-	-	(9,747)	<b>(9,747)</b>	(12,276)
Interfund transfers	(9,747)	-	9,747	-	-
<b>Balance, end of year</b>	<b>\$ 79,965</b>	<b>\$ 31,565</b>	<b>\$ -</b>	<b>\$ 111,530</b>	<b>\$ 121,277</b>

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

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

<b>For the year ended August 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Contributions		
Designated for specific school programs	\$ 122,825	\$ 100,700
Designated for specific programs	20,940	83,555
General	22,252	1,878
Avon Maitland District School Board - operations	35,000	96,872
Fundraising (net) (Note 5)	11,802	41,791
Interest and other	851	3,740
	<u>213,670</u>	<u>328,536</u>
<b>Expenses</b>		
Programs		
Artitudes	11,342	1,650
Baby Literacy	6,200	4,776
Caring Fund	6,134	2,100
Eat'n Learn	-	30,936
Global Literacy	-	24,430
In-school Mentoring	1,500	4,000
Pathways to Success	-	1,871
Sci-Tech Encounters/Science Fairs Fund	-	3,012
Student Success	-	500
Young Women in Skilled Trades	-	16,985
Designated donations paid to schools	122,825	100,700
Employment contract reimbursements	55,250	107,691
Insurance	5,491	4,901
Legal and audit	7,210	14,298
Office supplies and promotional materials	4,590	18,136
Travel, conferences and training	2,875	4,826
	<u>223,417</u>	<u>340,812</u>
<b>Net Income</b>	<b>(9,747)</b>	<b>(12,276)</b>

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



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

<b>For the year ended August 31</b>	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
Net income for the year	\$ (9,747)	\$ (12,276)
Adjustments for:		
Changes in non-cash working capital balances		
Accounts receivable	(168)	(213)
HST receivable	5,050	2,491
Inventory	(1,141)	4,676
Prepaid expenses	(53)	(1,742)
Accounts payable and accruals	(992)	1,316
Deferred revenue	(14,929)	5,836
	<u>(21,980)</u>	<u>88</u>
<b>Increase (decrease) in cash and cash equivalents during the year</b>	<b>(21,980)</b>	<b>88</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>254,746</b>	<b>254,658</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 232,766</b>	<b>\$ 254,746</b>
<b>Represented by</b>		
Cash	\$ 78,375	\$ 75,680
Short-term investments	154,391	179,066
	<u>\$ 232,766</u>	<u>\$ 254,746</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, 2021

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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.

**Capital Assets** Capital assets (office equipment) are expensed as acquired. No material capital expenditures were made during the year.

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# Foundation For Enriching Education - Perth Huron

## Notes to Financial Statements

**August 31, 2021**

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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. Cash - Restriction of Use

The Foundation's Nevada bank account can only be used to fund the in-school mentoring and artist-in-the-classroom programs. The balance in this account at August 31 was \$61,657 (2020 \$64,685).

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## 3. Short-term Investments

	<u>2021</u>	<u>2020</u>
Mutual funds - market value	<u>\$ 154,391</u>	<u>\$ 179,066</u>
Cost	<u>\$ 154,391</u>	<u>\$ 179,066</u>

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

**August 31, 2021**

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### 4. Deferred Revenue

	2021	2020
Current:		
Art/ life music	\$ 1,255	\$ 1,255
Concussion Testing	1,283	1,283
COVID Family Support	447	2,947
GBCF Tutoring	15,000	15,000
Global Literacy	1,247	1,122
Student Success	728	728
	\$ 19,960	\$ 22,335
Long-term:		
Affinity Fund	\$ 5,022	\$ 5,022
Baby Literacy	9,540	13,861
Career Fund	12,583	12,583
Caring Fund	33,073	33,201
Eat & Learn	5,149	4,649
Helen Roszell Fund	7,246	7,246
Inspiring Science	3,711	3,711
Science Fair	9,393	9,393
Transportation Fund	5,961	5,961
World Festival of Children's Theatre	11,395	20,000
	\$ 103,073	\$ 115,627

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### 5. Fundraising

	Total Revenue	Total Expenses	Fundraising 2021	Fundraising 2020
Dinner cabaret auction	\$ -	\$ -	\$ -	\$ 29,011
School show	-	-	-	(1,003)
Nevada tickets	20,905	9,103	11,802	13,783
	\$ 20,905	\$ 9,103	\$ 11,802	\$ 41,791

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

**August 31, 2021**

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### 6. Gifts-in-Kind

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

	<u>2021</u>	<u>2020</u>
Goods donated for fundraisers	\$ -	\$ 8,593
Materials, books and supplies	140	695
Vehicles	23,865	39,360
Computer, AV and other equipment	10,070	26,167
Other	500	10,242
	<u>\$ 34,575</u>	<u>\$ 85,057</u>

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### 7. Avon Maitland District School Board

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

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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. Uncertainty due to COVID-19

During the 2021 fiscal year, COVID-19 impacted Canada and the global economy. This has resulted in worldwide emergency measures to combat the spread of the virus. As part of these measures, management has postponed and cancelled some fundraising and program events. Management is actively monitoring the affect on its financial condition. At this time, the full potential impact of COVID-19 on the Foundation's financial condition, liquidity, and future results of operations is not known.

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