

Financial Statements of

**HALTON CATHOLIC CHILDREN'S
EDUCATION FOUNDATION**

Year ended March 31, 2016



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INDEPENDENT AUDITORS' REPORT

To the Directors of the Halton Catholic Children's Education Foundation

We have audited the accompanying financial statements of the Halton Catholic Children's Education Foundation, which comprise the statement of financial position as at March 31, 2016, the statement of operations and changes in net assets and cash flows for the year then ended, and notes, comprising 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 public sector accounting standards, 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 our 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, we consider 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 not-for-profit organizations, Halton Catholic Children's Education Foundation derives revenue from fundraising events, 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 Halton Catholic Children's Education Foundation.

Therefore, we were not able to determine whether, as at March 31, 2016 and for the year then ended, any adjustments might be necessary to revenues and excess of expenses over revenues reported in the statement of operations and changes in net assets, excess of expenses over revenues reported in the statement of cash flows and current assets and net assets reported in the statement of financial position.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Halton Catholic Children's Education Foundation as at March 31, 2016, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

June 16, 2016

HALTON CATHOLIC CHILDREN'S EDUCATION FOUNDATION

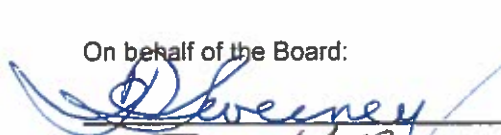
Statement of Financial Position

As at March 31, 2016 with comparative information for 2015

	2016	2015
Assets		
Current assets:		
Cash	\$ 30,013	\$ 58,894
Accounts receivable	5,325	2,416
Prepaid expenses	1,000	760
	<u>\$ 36,338</u>	<u>\$ 62,070</u>
Liabilities and Net Assets		
Current liabilities:		
Accrued liabilities	\$ 4,020	\$ 3,070
Deferred revenue	1,875	6,050
	<u>5,895</u>	<u>9,120</u>
Net assets	30,443	52,950
	<u>\$ 36,338</u>	<u>\$ 62,070</u>

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

HALTON CATHOLIC CHILDREN'S EDUCATION FOUNDATION

Statement of Operations and Changes in Net Assets

Year ended March 31, 2016 with comparative information for 2015

	2016	2015
Revenues:		
Bishop's Dinner	\$ 41,144	\$ 34,265
Golf Classic	29,050	17,475
Other contributions	37,048	14,865
Interest income	562	804
	<u>107,804</u>	<u>67,409</u>
Expenses:		
Salaries and benefits	53,916	27,199
Bishop's Dinner	18,871	13,542
Golf Classic	12,956	8,269
Insurance	837	3,321
Audit	3,228	3,091
Legal fees	-	2,122
Bank charges	1,095	1,553
Software	1,484	1,484
Printing	379	598
Membership fees	300	300
Other	901	141
	<u>93,967</u>	<u>61,620</u>
Excess of revenues over expenses before the undernoted	13,837	5,789
Disbursements to schools (note 2)	36,344	17,839
Excess of expenses over revenues	<u>(22,507)</u>	<u>(12,050)</u>
Net assets, beginning of year	52,950	65,000
Net assets, end of year	<u>\$ 30,443</u>	<u>\$ 52,950</u>

See accompanying notes to financial statements.

HALTON CATHOLIC CHILDREN'S EDUCATION FOUNDATION

Statement of Cash Flows

Year ended March 31, 2016 with comparative information for 2015

	2016	2015
Cash provided by:		
Excess of expenses over revenues	\$ (22,507)	\$ (12,050)
Change in non-cash operating working capital:		
Accounts receivable	(2,909)	(544)
Accrued liabilities	950	20
Prepaid expenses	(240)	(760)
Deferred revenue	(4,175)	6,050
Decrease in cash position	(28,881)	(7,284)
Cash, beginning of year	58,894	66,178
Cash, end of year	\$ 30,013	\$ 58,894

See accompanying notes to financial statements.

HALTON CATHOLIC CHILDREN'S EDUCATION FOUNDATION

Notes to Financial Statements

Year ended March 31, 2016

The Halton Catholic Children's Education Foundation (the "Foundation") is a public charitable organization incorporated on September 10, 1998 without share capital under the laws of Ontario. The Foundation was not active for a number of years and recommenced active operations during the year ended March 31, 2012. Its principal activities include the establishment and administration of funds to be applied to activities and projects that improve the quality of services provided to the students of the Halton Catholic District School Board and impact positively on its image within the Halton Region. The Foundation is registered as a public foundation under the Income Tax Act.

1. Significant accounting policies:

These financial statements are prepared by management in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations. The Foundation's significant accounting policies are as follows:

The Foundation's significant accounting policies are as follows:

(a) Revenue recognition:

The Foundation follows the deferral method of accounting for contributions which include donations and government grants.

Contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized in revenue in the year in which the related expenses are incurred.

Interest income is recorded as earned.

(b) Expenses:

Expenses are recorded on accrual basis.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

HALTON CATHOLIC CHILDREN'S EDUCATION FOUNDATION

Notes to Financial Statements

Year ended March 31, 2016

2. Related party transactions:

The Halton Catholic District School Board (the "HCDSB") and its students are the recipients of the funds raised by the Foundation. The Foundation provided various schools within the HCDSB with \$36,344 (2015 - \$17,839) in the current year.

3. Financial risks and concentration of credit risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Foundation is exposed to credit risk with respect to the accounts receivable, cash and long-term investments.

The Foundation assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Foundation at March 31, 2016 is the carrying value of these assets.