Financial Statements of

HALTON CATHOLIC CHILDREN'S EDUCATION FOUNDATION

Year ended March 31, 2019

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of Halton Catholic Children's Education Foundation (the Entity), which comprise:

- the statement of financial position as at March 31, 2019
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies
  (Hereinafter referred to as the "financial statements").

In our opinion, except for the effects of the matter described in the "***Basis for Qualified Opinion***" section of our auditors' report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2019, and its results of operations, its changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualifed Opinion

In common with many not-for-profit organizations, the Entity derives revenue from 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 Entity.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the fundraising revenues and excess of revenues over expenses reported in the statements of operations for the years ended March 31, 2019 and March 31, 2018
- the excess of revenues over expenses reported in the statements of cash flows for the years ended March 31, 2019 and March 31, 2018.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' 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 auditors' 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.

- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
June 19, 2019

HALTON CATHOLIC CHILDREN'S EDUCATION FOUNDATION

Statement of Financial Position

As at March 31, 2019 with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash	$ 48,386	$ 18,316
Accounts receivable	10,019	9,520
Prepaid expenses	1,500	500
	$ 59,905	$ 28,336
Liabilities and Net Assets		
Current liabilities:		
Accrued liabilities (note 3)	$ 6,949	$ 5,636
Deferred revenue (note 4)	9,548	5,511
	16,497	11,147
Net assets	43,408	17,189
	$ 59,905	$ 28,336

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, 2019 with comparative information for 2018

	2019	2018
Revenues:		
Bishop's Dinner	$ 45,255	$ 47,019
Golf Classic	30,005	35,350
Other contributions	77,674	68,771
Refugee Mental Health	-	12,464
24 Hour Fast	9,121	4,590
Burlington Student Guardian	438	300
Charity of Hope	5,000	-
Interest income	991	444
	168,484	168,938
Expenses:		
Salaries and benefits	65,064	64,996
Bishop's Dinner	24,370	22,546
Golf Classic	13,102	14,397
Audit	4,154	3,118
Insurance	2,133	2,079
Software	2,108	2,497
Printing	1,850	2,666
Bank charges	1,689	1,487
24 Hour Fast	499	390
Membership fees	325	325
Other	807	1,414
	116,101	115,915
Excess of revenues over expenses before the undernoted	52,383	53,023
Disbursements to schools from:		
General	20,726	39,135
Refugee Mental Health	-	12,464
Burlington Student Guardian	438	300
Charity of Hope	5,000	-
Total disbursements to schools (note 2)	26,164	51,899
Excess of revenues over expenses	26,219	1,124
Net assets, beginning of year	17,189	16,065
Net assets, end of year	$ 43,408	$ 17,189

See accompanying notes to financial statements.

HALTON CATHOLIC CHILDREN'S EDUCATION FOUNDATION

Statement of Cash Flows

Year ended March 31, 2019 with comparative information for 2018

	2019	2018
Cash provided by:		
Excess of revenues over expenses	$ 26,219	$ 1,124
Change in non-cash operating working capital:		
Accounts receivable	(499)	(1,401)
Accrued liabilities	1,313	-
Prepaid expenses	(1,000)	500
Deferred revenue	4,037	(14,064)
Increase (decrease) increase in cash position	30,070	(13,841)
Cash, beginning of year	18,316	32,157
Cash, end of year	$ 48,386	$ 18,316

See accompanying notes to financial statements.

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:

(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.

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 $26,164 (2018 - $51,899) in the current year.

3. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $208 (2018 - $206), which includes amounts payable for payroll related taxes.

4. Deferred revenue:

Deferred revenue consists of the following amounts:

	Deferred Revenue – Student Guardian Program	Deferred Revenue – Refugee Mental Health	Deferred Revenue – Golf Classic	Deferred Revenue – Town of Halton Hills	Total 2019	Total 2018
Balance, beginning of year	$ 700	$ 1,086	$ 3,725	$ -	$ 5,511	$ 14,575
Add: Donations and funds raised	-	-	7,200	1,000	8,462	4,425
	700	1,086	10,925	1,000	13,973	19,000
Less: funds used for operations	(438)	-	(3,725)	-	(4,425)	(13,489)
Balance, end of year	262	1,086	7,200	1,000	9,548	5,511

5. 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 and cash.

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, 2019 is the carrying value of these assets.