



Financial Statements

Education Foundation of Niagara

August 31, 2018

# Contents

	<b>Page</b>
Independent Auditor's Report	1 - 2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 11
Schedule of Events	12

# Independent Auditor's Report

---

**Grant Thornton LLP**  
80 King Street  
Suite 200  
St. Catharines, ON  
L2R 7G1

T +1 905 682 8363  
F +1 905 682 2191  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the Directors of  
Education Foundation of Niagara

We have audited the accompanying financial statements of Education Foundation of Niagara, which comprise the statement of financial position as at August 31, 2018, and the statements of operations, changes in net assets, and cash flows for the year then ended, and 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.

## **Auditor's 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 auditor's 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 Foundation'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 Foundation'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.

# Independent Auditor's Report (continued)

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 non-profit organizations, Education Foundation of Niagara derives a material amount of revenue from donations and fundraising activities the completeness of which are not susceptible of satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Education Foundation of Niagara. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenditures and cash flows from operations for the year ended August 31, 2018 and 2017, assets as at August 31, 2018 and 2017 and net assets as at September 1, 2016, August 31, 2017 and 2018. Our audit opinion on the financial statements for the period ended August 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

## **Qualified opinion**

In our opinion, except for the 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 Education Foundation of Niagara as at August 31, 2018 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.

The logo for Grant Thornton LLP is written in a cursive, handwritten-style font.

St. Catharines, Canada  
November 20, 2018

Chartered Professional Accountants  
Licensed Public Accountants

## Education Foundation of Niagara Statement of Operations

Year ended August 31	2018	2017
<b>Revenues</b>		
Donations and grants	\$ 287,757	\$ 231,693
Events (Schedule 1)	96,680	89,386
DSBN grant	70,000	70,000
Student financial need fund	62,680	63,191
Interest income	3,143	1,977
	<u>520,260</u>	<u>456,247</u>
<b>Expenditures</b>		
Salaries and related benefits	151,898	140,075
Events (Schedule 1)	36,694	31,436
Advertising and promotion	2,834	1,485
Office and general	12,217	9,523
Professional fees	9,158	7,050
Student financial need fund campaign	-	897
Insurance	3,095	2,922
	<u>215,896</u>	<u>193,388</u>
Excess of revenues over expenditures before program expenses	<u>304,364</u>	<u>262,859</u>
<b>Program expenses</b>		
Program grants (Note 4)	132,720	135,742
Student financial need fund	60,215	51,705
Crowdfunding	8,169	-
Student awards	81,085	53,646
	<u>282,189</u>	<u>241,093</u>
Excess of revenues over expenditures	<u>\$ 22,175</u>	<u>\$ 21,766</u>

See accompanying notes and schedule to the financial statements.

## Education Foundation of Niagara Statement of Changes in Net Assets

Year ended August 31

	Edward Mirynech Endowment Fund	Niagara Community Foundation Endowment Funds (Note 4)	Student Financial Need Fund	Operating Reserve Fund	Unrestricted Net Assets (Deficiency)	Total 2018	Total 2017
Balance, beginning of year	\$ 83,835	\$ 463,836	\$ 55,108	\$ 46,000	\$ (15,786)	\$ 632,993	\$ 601,045
Excess of revenues over expenditures	-	-	2,465	-	19,710	22,175	21,766
Interfund transfers	-	35,800	-	-	(35,800)	-	-
Endowment contributions	-	-	-	-	-	-	5,833
Endowment investment income	4,949	(4,241)	-	-	-	708	7,349
Endowment disbursements	<u>(3,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,000)</u>	<u>(3,000)</u>
Balance, end of year	<u>\$ 85,784</u>	<u>\$ 495,395</u>	<u>\$ 57,573</u>	<u>\$ 46,000</u>	<u>\$ (31,876)</u>	<u>\$ 652,876</u>	<u>\$ 632,993</u>

See accompanying notes and schedule to the financial statements.

# Education Foundation of Niagara Statement of Financial Position

August 31

2018

2017

## Assets

### Current

Cash	\$ 132,282	\$ 118,395
Accounts receivable	52,499	42,620
Prepaid expenses	100	100
HST receivable	<u>13,605</u>	<u>7,275</u>
	<u>198,486</u>	<u>168,390</u>

### Restricted investments for endowment funds

Edward Mirynech endowment fund	85,784	83,835
Beneficial interest in assets held by the Niagara Community Foundation	<u>495,395</u>	<u>463,836</u>
	<u>581,179</u>	<u>547,671</u>
	<u>\$ 779,665</u>	<u>\$ 716,061</u>

## Liabilities

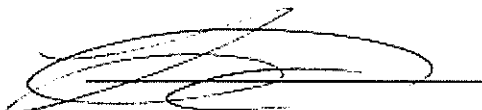
### Current

Accounts payable and accrued liabilities	\$ 9,740	\$ 7,539
Deferred contributions (Note 5)	<u>117,049</u>	<u>75,529</u>
	<u>126,789</u>	<u>83,068</u>

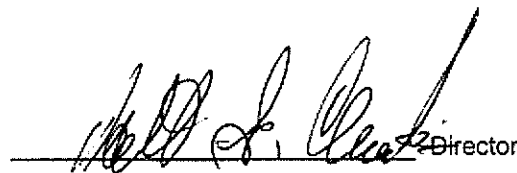
## Net Assets

Edward Mirynech endowment fund	85,784	83,835
Niagara Community Foundation endowment funds (Note 7)	495,395	463,836
Student financial need fund	57,573	55,108
Operating reserve fund	46,000	46,000
Unrestricted net deficiency	<u>(31,876)</u>	<u>(15,786)</u>
	<u>652,876</u>	<u>632,993</u>
	<u>\$ 779,665</u>	<u>\$ 716,061</u>

On behalf of the board



Director



Director

---

## Education Foundation of Niagara Statement of Cash Flows

Year ended August 31

2018

2017

---

Increase (decrease) in cash

### Operating

Excess of revenues over expenditures	\$ 22,175	\$ 21,766
Change in non-cash working capital items		
Accounts receivable	(9,879)	2,008
HST receivable	(6,330)	326
Accounts payable and accrued liabilities	2,201	3,101
Deferred contributions	<u>41,520</u>	<u>4,060</u>
	49,687	31,261

### Investing

Invested for endowment fund purposes	<u>(35,800)</u>	<u>(7,000)</u>
--------------------------------------	-----------------	----------------

Increase in cash 13,887 24,261

### Cash

Beginning of year	<u>118,395</u>	<u>94,134</u>
End of year	<u>\$ 132,282</u>	<u>\$ 118,395</u>

---



---

# Education Foundation of Niagara

## Notes to the Financial Statements

August 31, 2018

---

### 1. Nature of operations

The Education Foundation of Niagara (the Foundation) is incorporated under the laws of Ontario. The Foundation is exempt from income tax under the Income Tax Act.

The Education Foundation of Niagara supports DSBN students by engaging the community to provide needed funds and resources where government funding is not available. Through donors, the Foundation:

- provides support to students in financial need for basic necessities and extra-curricular activities;
- provides annual student awards and bursaries;
- supports progressive programs and services in our schools that enrich students' educational experiences;
- provides innovative community initiatives, and;
- manages designated gifts in accordance with donor specifications.

---

### 2. Significant accounting policies

The Foundation applies the Canadian accounting standards for not-for-profit enterprises.

#### Financial instruments

The Foundation initially measures its financial assets and liabilities at fair value.

The Foundation subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value.

Financial assets and liabilities measured at amortized cost include cash, accounts receivable, HST receivable, accounts payable and accrued liabilities.

Restricted investments for endowment funds are measured at fair value.

#### Fund accounting

The Foundation follows the restricted fund method of accounting for contributions.

The endowment funds report resources contributed for endowment purposes.

The student financial need fund reports amounts for which the use is restricted by donors.

The operating reserve fund reports amounts for which the use is internally restricted by the board.

The unrestricted fund recognizes all other contributions and expenses for service delivery and administration.

---

# Education Foundation of Niagara

## Notes to the Financial Statements

August 31, 2018

---

### 2. Significant accounting policies (continued)

#### Revenue recognition

Endowment fund contributions are recognized as a direct increase in net assets. Restricted investment income is retained in the endowment fund until expended on programs allowed under the terms of the endowment.

Contributions to externally restricted funds are recognized as revenue in the period received or receivable if the receivable can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized in the unrestricted fund as they are received or receivable if the receivable can be reasonably estimated and collection is reasonably assured. Externally restricted contributions for which there is no fund are deferred and recognized as revenue in the unrestricted fund in the period the related expenditures are incurred.

#### Contributed material and services

Donated investments are recorded in the financial statements at fair value on the date of donation. Donated materials and services are recorded where the fair market value is readily determinable. The value of volunteer time is not recognized in the financial statements due to the difficulty in estimating the benefit obtained.

#### Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to excess of revenues over expenditures as appropriate in the year they become known.

There are no items subject to significant management estimates.

---

### 3. Prom Project Niagara

Prom Project Niagara provides Niagara students with formal wear and accessories free of charge to enable them to proudly attend their formal, prom and graduation ceremonies. The project is funded through sponsorships which are reflected as revenue under the heading of "donations and grants".

---

---

# Education Foundation of Niagara

## Notes to the Financial Statements

August 31, 2018

---

#### 4. Program grants expenses

Program grant expenditures are funded through a combination of cash and in-kind donations which are reflected as revenue under the heading of "donations and grants". The \$132,720 of expenditures (2017 - \$135,742) is comprised of \$67,123 cash expenditures (2017 - \$101,410) and \$65,597 (2017 - \$34,332) related to the recognized in-kind donations.

---

#### 5. Deferred contributions

Contributions received for specific purposes with no related restricted fund are deferred in the unrestricted fund and recognized as revenue in the year the related expenditures are incurred.

	<u>2018</u>	<u>2017</u>
Balance beginning of year	\$ 75,528	\$ 71,468
Amounts received in the year	83,573	46,350
Amounts recognized as revenue in the year	<u>(42,052)</u>	<u>(42,289)</u>
	<u>\$ 117,049</u>	<u>\$ 75,529</u>

---

#### 6. Edward Mirynech endowment fund

The Edward Mirynech Endowment Fund is subject to an externally imposed restriction stipulating that the investment income earned be used to provide a grant of \$2,000 per year to support Connaught Public School and up to \$1,000 per year depending on the investment income earned by the fund be paid as a bursary to a graduate from Connaught Public School planning to attend Niagara College or Brock University. Expenditures are charged directly to the fund.

---

# Education Foundation of Niagara Notes to the Financial Statements

August 31, 2018

## 7. Niagara Community Foundation endowment funds

The Foundation established the following endowment funds, which are held by the Niagara Community Foundation, in which the Foundation has a beneficial interest.

These funds consist of amounts contributed by the Foundation, contributions by third parties directly to these funds and earnings thereon net of investment fees. Distributions of income earned from beneficial interest are received based on the spending policy adopted by the board of directors of the Niagara Community Foundation. The beneficial interest in assets held by the Niagara Community Foundation are accounted for in accordance with the requirements for financial instruments.

The Carol Leppert Music Fund - Steele St. Public School is subject to an externally imposed restriction stipulating that the funds be used to support the music program at Steele St. Public School. Investment income from these funds is to be distributed to the Foundation on an annual basis and is restricted.

The Carol Leppert Music Fund - Winger Public School is subject to an externally imposed restriction stipulating that the funds be used to support the music program at Winger Public School. Investment income from these funds is to be distributed to the Foundation on an annual basis and is restricted.

The Education Foundation of Niagara Poverty and Emergency Relief Fund is subject to a restriction that the funds be held in perpetuity and that the distributable investment income from these funds be distributed to the Foundation on an annual basis in support of programs for poverty and emergency relief for students and their families.

The Education Foundation of Niagara Fund is subject to a restriction that the funds be held in perpetuity and that the distributable investment income from these funds be distributed to the Foundation on an annual basis.

The Education Foundation of Niagara Fund for DSBN Students is subject to a restriction that the funds be held in perpetuity and that the distributable investment income from these funds be distributed to a qualified student in the form of a bursary. Investment income from these funds is to be distributed to the Foundation on an annual basis and is restricted.

The Education Foundation of Niagara Fund for DSBN Academy Students is subject to a restriction that the funds be held in perpetuity and that the distributable investment income from these funds be distributed to a qualified DSBN Academy student in the form of a bursary. Investment income from these funds is to be distributed to the Foundation on an annual basis and is restricted.

The Education Foundation of Niagara Medical Needs Fund is subject to a restriction that the funds be used to support the medical needs that arise in relation to DSBN students. Investment income from these funds is to be distributed to the Foundation on an annual basis and is restricted.

	<u>2018</u>	<u>2017</u>
Carol Leppert Music Fund - Steele St. Public School	\$ 198,003	\$ 199,699
Carol Leppert Music Fund - Winger Public School	198,003	199,699
Education Foundation of Niagara Poverty and Emergency Relief Fund	11,336	11,433
Education Foundation of Niagara Fund	11,273	11,370
Education Foundation of Niagara Fund for DSBN Students	32,190	21,920
Education Foundation of Niagara Fund for DSBN Academy Students	38,826	19,715
Education foundation of Niagara Medical Needs Fund	<u>5,765</u>	<u>-</u>
	<u>\$ 495,396</u>	<u>\$ 463,836</u>

---

# Education Foundation of Niagara

## Schedule to the Financial Statements

Year ended August 31

---

### 8. Financial Instruments

#### Risks and concentrations

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentrations at the balance sheet date, August 31, 2018.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Foundation is mainly exposed to other price risk.

#### Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk primarily through its holdings of marketable securities held in its restricted investments for endowment funds.

---

---

# Education Foundation of Niagara

## Schedule to the Financial Statements

---

Year ended August 31

---

Events	Schedule 1	
	2018	2017
Revenue		
Golf Classic	\$ 47,625	\$ 50,626
Trivia	18,912	19,075
Third party events	19,624	10,175
Prom Project Niagara	7,005	7,490
Planned giving	2,374	1,280
Online events	<u>1,140</u>	<u>740</u>
	<u>96,680</u>	<u>89,386</u>
Expenditures		
Golf Classic	19,717	21,352
Trivia	603	744
Third party events	12,146	4,885
Prom Project Niagara	1,456	2,120
Planned giving	2,392	1,620
Online events	<u>380</u>	<u>715</u>
	<u>36,694</u>	<u>31,436</u>
Excess of revenues over expenditures	<u>\$ 59,986</u>	<u>\$ 57,950</u>

---