



Financial Statements of

**THE HAMILTON-WENTWORTH  
DISTRICT SCHOOL BOARD  
FOUNDATION**

Year ended August 31, 2016



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## **INDEPENDENT AUDITORS' REPORT**

To the Directors of The Hamilton-Wentworth District School Board Foundation

We have audited the accompanying financial statements of The Hamilton-Wentworth District School Board Foundation, which comprise the statement of financial position as at August 31, 2016, the statement of operations and surplus 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 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 in our audits 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, The Hamilton-Wentworth District School Board Foundation 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 Hamilton-Wentworth District School Board Foundation. Therefore, we are not able to determine, at and for the years ended August 31, 2016 and August 31, 2015, any adjustments might be necessary to fundraising revenues and excess of revenue over expenses reported in the statement of operations, excess of revenues over expenses reported in the statement of cash flows and current assets and unrestricted net assets reported in the statement of financial position. This caused us to qualify our audit opinion on the financial statements as at and for the year ended August 31, 2015.

*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 The Hamilton-Wentworth District School Board Foundation as at August 31, 2016, and its results of operations and its cash flows for the year then ended August 31, 2016 in accordance with Canadian public sector accounting standards.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada  
February 15, 2017

THE HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD FOUNDATION  
 STATEMENT OF FINANCIAL POSITION  
 AUGUST 31, 2016

	2016		2016	2015
	Endowment Funds	Restricted Funds	Total	Total
<b>ASSETS</b>				
Cash	\$ 703,814	\$ 403,027	\$ 1,106,841	\$ 1,124,183
Accounts Receivable	-	1,792	1,792	3,141
Investments (note 3)	-	525,000	525,000	525,000
<b>TOTAL ASSETS</b>	<b>\$ 703,814</b>	<b>\$ 929,819</b>	<b>\$ 1,633,633</b>	<b>\$ 1,652,324</b>
<b>LIABILITIES</b>				
Accrued Liabilities	\$ -	\$ 2,400	\$ 2,400	\$ -
<b>SURPLUS</b>				
Endowment Funds	703,814	-	703,814	728,814
Restricted Funds	-	927,419	927,419	923,510
	703,814	927,419	1,631,233	1,652,324
<b>TOTAL LIABILITIES AND SURPLUS</b>	<b>\$ 703,814</b>	<b>\$ 929,819</b>	<b>\$ 1,633,633</b>	<b>\$ 1,652,324</b>

On behalf of the Foundation

  
 \_\_\_\_\_ Chair  
  
 \_\_\_\_\_ Secretary  
  
 \_\_\_\_\_ Treasurer

THE HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD FOUNDATION  
 STATEMENT OF OPERATIONS AND SURPLUS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	2016		2016	2015
	Endowment Funds	Restricted Funds	Total	Total
<b>REVENUE</b>				
Donations	\$ -	\$ 888,098	\$ 888,098	\$ 692,397
Interest	-	25,870	25,870	27,889
Other Income	-	2,875	2,875	-
	-	916,843	916,843	720,286
<b>EXPENDITURES</b>				
Awards/Disbursements	\$ -	\$ 894,172	\$ 894,172	\$ 586,589
Audit Fees	-	2,400	2,400	-
Directors' Liability Insurance	-	4,103	4,103	-
Legal Fees	-	134	134	-
Office Supplies	-	4,221	4,221	-
Postage & Printing	-	1,441	1,441	-
Salaries & Benefits	-	4,063	4,063	-
Transfer to Hamilton Community Foundation (note 6)	25,000	-	25,000	-
	25,000	910,534	935,534	586,589
<b>EXCESS OF REVENUE AND EXPENDITURES (EXPENDITURES OVER REVENUE)</b>				
	(25,000)	6,309	(18,691)	133,697
Surplus Balance, September 1	728,814	923,510	1,652,324	1,518,627
<b>SURPLUS BALANCE, AUGUST 31</b>	<b>\$ 703,814</b>	<b>\$ 929,819</b>	<b>\$ 1,633,633</b>	<b>\$ 1,652,324</b>

THE HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD FOUNDATION  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED AUGUST 31, 2016

	2016		2016	2015
	Endowment Funds	Restricted Funds	Total	Total
<b>OPERATING TRANSACTIONS</b>				
Excess of Revenue over Expenditures (Expenditures over Revenue)	\$ (25,000)	\$ 6,309	\$ (18,691)	\$ 133,697
Increase (Decrease) in:				
Accounts Receivable	-	1,349	1,349	(3,141)
	(25,000)	7,658	(17,342)	130,556
<b>INVESTING TRANSACTIONS</b>				
Decrease in Investments	-	-	-	725,000
	-	-	-	725,000
Change in Cash Balance	(25,000)	7,658	(17,342)	855,556
Cash Balance, September 1	728,814	395,369	1,124,183	268,627
<b>CASH BALANCE, AUGUST 31</b>	<b>\$ 703,814</b>	<b>\$ 403,027</b>	<b>\$ 1,106,841</b>	<b>\$ 1,124,183</b>

**THE HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD FOUNDATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016**

**1. NATURE OF OPERATIONS**

The Hamilton-Wentworth District School Board Foundation (the "Foundation") is incorporated under the laws of the Province of Ontario. It is a not-for-profit organization and, as such, is exempt from income taxes under the Income Tax Act.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared by management in accordance with Canadian public sector accounting standards including the 4200 series for government not-for-profit organizations.

**a) Fund Accounting**

The Hamilton-Wentworth District School Board Foundation follows the restricted fund method of accounting for contributions.

The Endowment Fund reports restricted resources that are to be maintained permanently, based on specifications outlined when donations were made. Investment income earned on resources of the Endowment Fund are utilized depending on the nature of any restrictions imposed by contributors of funds for endowment.

The Restricted Fund reports restricted resources that are to be used based on specifications outlined when donations were made.

**b) Revenue Recognition**

Contributions received for endowment use are recognized as revenue in the Endowment Fund.

Contributions received for restricted use are recognized as revenue of the appropriate Restricted Fund.

Investment income earned on Endowment Fund resources is recognized in the Endowment or Restricted Fund depending on the nature of any restriction imposed by the contributor of the endowment funds. If no restrictions exist, the funds are used in the Restricted Fund.

Investment income earned on Restricted Fund resources is recognized as revenue in that specific fund.

**c) Contributed Materials**

The fair market value of donated materials are recorded when received.

**d) Investments**

Long term investment consist of investments that have maturities of more than one year. Long term investments are recorded at cost , and assessed regularly for permanent impairment.

**3. INVESTMENTS**

	August 31, 2016		August 31, 2015	
	Cost	Market Value	Cost	Market Value
<b>Guaranteed Investment Certificates</b>				
Meridian Credit Union maturing July 17, 2017 at 2.20%.	\$ 525,000	\$ 525,000	\$ 525,000	\$ 525,000

These investments are assessed regularly for impairment and are written down if a permanent impairments exists.

**4. DONATED MATERIALS**

The Foundation received donated materials valued at \$100,759 during the current year (2015 - \$2,896).

**THE HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD FOUNDATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2016**

**5. ENDOWMENT AND RESTRICTED FUND BALANCES**

The trust balances in the Endowment and Restricted Funds consist of the following:

			2016		2015	
	Endowment Funds	Restricted Funds	Total	Total	Total	Total
School Funds	\$ -	\$ 112,641	\$ 112,641	\$ 198,702		
Awards Directed to Schools	698,814	610,866	1,309,680	1,336,455		
Awards Available for General Purposes	5,000	206,312	211,312	117,167		
<b>Total</b>	<b>\$ 703,814</b>	<b>\$ 929,819</b>	<b>\$ 1,633,633</b>	<b>\$ 1,652,324</b>		

**6. TRANSFER TO THE HAMILTON COMMUNITY FOUNDATION**

The Directors of the HWDSB Foundation elected to transfer \$25,000 of the endowment funds to the Hamilton Community Foundation for investment purposes. These funds are now part of the Hamilton Community Foundation and the HWDSB Foundation will receive interest income annually on these funds.

**7. RELATED PARTY TRANSACTIONS**

Effective January 1, 2016, all expenditures of the Foundation are expensed through the Foundation, with the exception of the salary and related benefits for the Foundation Development Officer. Salary and related benefit expense for the Foundation Development Officer are paid through the Hamilton Wentworth District School Board, as were all other Foundation expenses prior to January 1, 2016.



