

Financial Statements of

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

Year ended August 31, 2017



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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, 2017, the statements 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 in our audits is sufficient and appropriate to provide a basis for our 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, 2017 and August 31, 2016, any adjustments might be necessary to fundraising revenues and excess of revenue over expenses reported in the statements 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, 2016.

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, 2017, and its results of operations and its cash flows for the year then ended August 31, 2017 in accordance with Canadian public sector accounting standards.

KPMG LLP

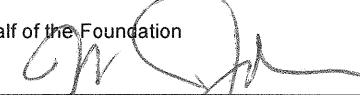
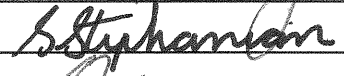

Chartered Professional Accountants,

Hamilton, Canada
February 7, 2018

THE HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD FOUNDATION
 STATEMENT OF FINANCIAL POSITION
 AUGUST 31, 2017

	2017		2017	2016
	Endowment Funds	Restricted Funds	Total	Total
ASSETS				
Cash	\$ 703,814	\$ 597,401	\$ 1,301,215	\$ 1,106,841
Accounts Receivable	-	22,882	22,882	1,792
Investments (note 3)	-	525,000	525,000	525,000
TOTAL ASSETS	\$ 703,814	\$ 1,145,283	\$ 1,849,097	\$ 1,633,633
LIABILITIES				
Accrued Liabilities	\$ -	\$ 2,400	\$ 2,400	\$ 2,400
SURPLUS				
Endowment funds	703,814	-	703,814	703,814
Restricted Funds	-	1,142,883	1,142,883	927,419
	703,814	1,142,883	1,846,697	1,631,233
TOTAL LIABILITIES AND SURPLUS	\$ 703,814	\$ 1,145,283	\$ 1,849,097	\$ 1,633,633

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, 2017

	2017		2017	2016
	Endowment Funds	Restricted Funds	Total	Total
REVENUE				
Donations and grants (note 4)	\$ -	\$ 990,344	\$ 990,344	\$ 888,098
Interest	-	25,438	25,438	25,870
Other Income	-	-	-	2,875
	-	1,015,782	1,015,782	916,843
EXPENDITURES				
Awards/Disbursements	\$ -	\$ 756,462	\$ 756,462	\$ 896,572
Salaries & Benefits	-	24,045	24,045	4,063
Office Supplies, phone, mileage	-	7,359	7,359	4,221
Directors' Liability Insurance	-	5,130	5,130	4,103
Audit Fees	-	3,473	3,473	2,400
Postage & Printing	-	3,245	3,245	1,441
Legal Fees	-	604	604	134
Transfer to Hamilton Community Foundation (note 6)	-	-	-	25,000
	-	800,318	800,318	937,934
Excess of Revenue over Expenditures (Expenditures over Revenue)	-	215,464	215,464	(21,091)
Surplus Balance, September 1	703,814	927,419	1,631,233	1,652,324
SURPLUS BALANCE, AUGUST 31	\$ 703,814	\$ 1,142,883	\$ 1,846,697	\$ 1,631,233

THE HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD FOUNDATION
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2017

	2017		2017	2016
	Endowment Funds	Restricted Funds	Total	Total
OPERATING TRANSACTIONS				
Excess of Revenue over Expenditures (Expenditures over Revenue)	\$ -	\$ 215,464	\$ 215,464	(\$21,091)
Increase in Accounts Receivable	-	(21,090)	(21,090)	1,349
Increase in Accounts Payable	-	-	-	2,400
	-	194,374	194,374	(17,342)
Change in Cash Balance	-	194,374	194,374	(17,342)
Cash Balance, September 1	703,814	403,027	1,106,841	1,124,183
CASH BALANCE, AUGUST 31	\$ 703,814	\$ 597,401	\$ 1,301,215	\$ 1,106,841

**THE HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

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 amnagement in accordance with Canadian public sector accounting standards including the 4200 series for goernment 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, 2017		August 31, 2016	
	Cost	Market Value	Cost	Market Value
Guaranteed Investment Certificates				
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 exits.

4. DONATED MATERIALS

The Foundation received donated materials valued at \$93,446 during the current year (2016 - \$100,759), and is included in donations and grants in the statement of operations.

THE HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2017

5. ENDOWMENT AND RESTRICTED FUND BALANCES

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

	Endowment Funds		Restricted Funds		2017 Total		2016 Total	
School Funds	\$	-	\$	133,257	\$	133,257	\$	112,641
Awards Directed to Schools		698,814		761,986		1,460,800		1,307,280
Awards Available for General Purposes		5,000		247,640		252,640		211,312
Total	\$	703,814	\$	1,142,883	\$	1,846,697	\$	1,631,233

6. TRANSFER TO THE HAMILTON COMMUNITY FOUNDATION

In 2016, 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.

8. Comparative figures:

The comparative financial statements have been adjusted to conform to the presentation adopted in the current year.