

Financial Statements of

**EDUCATION FOUNDATION
OF OTTAWA**

Year ended August 31, 2017
(Unaudited)



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REVIEW ENGAGEMENT REPORT

To the Board of Directors of Education Foundation of Ottawa

We have reviewed the statement of financial position of Education Foundation of Ottawa as at August 31, 2017 and the statements of operations, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Foundation.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

June 26, 2018

EDUCATION FOUNDATION OF OTTAWA

Statement of Financial Position

August 31, 2017, with comparative information for 2016
(Unaudited)

	2017	2016
Assets		
Cash	\$ 68,671	\$ 88,199
Accounts receivable	-	17,483
	<u>\$ 68,671</u>	<u>\$ 105,682</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ 8,203	\$ 3,750
Deferred revenue	-	21,000
	<u>8,203</u>	<u>24,750</u>
Net assets:		
Internally restricted (note 3)	16,810	16,810
Unrestricted	43,658	64,122
	<u>60,468</u>	<u>80,932</u>
	<u>\$ 68,671</u>	<u>\$ 105,682</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:

_____ Director

_____ Director

EDUCATION FOUNDATION OF OTTAWA

Statement of Operations

Year ended August 31, 2017, with comparative information for 2016
(Unaudited)

	2017	2016
Revenue:		
Donation and contributions	\$ 417,636	\$ 510,564
Awards	21,000	62,000
Interest	522	770
	<u>439,158</u>	<u>573,334</u>
Expenses:		
Grants	231,098	286,983
Salaries and benefits	156,465	153,728
Awards	37,500	79,000
Office and general	30,564	20,257
Professional fees	3,995	3,780
	<u>459,622</u>	<u>543,748</u>
Excess (deficiency) of revenue over expenses	\$ (20,464)	\$ 29,586

See accompanying notes to financial statements.

EDUCATION FOUNDATION OF OTTAWA

Statement of Changes in Net Assets

Year ended August 31, 2017, with comparative information for 2016
(Unaudited)

	2017	2016
Balance, beginning of year	\$ 64,122	\$ 34,536
Excess (deficiency) of revenue over expenses	(20,464)	29,586
Balance, end of year	\$ 43,658	\$ 64,122

See accompanying notes to financial statements.

EDUCATION FOUNDATION OF OTTAWA

Statement of Cash Flows

Year ended August 31, 2017, with comparative information for 2016
(Unaudited)

	2017	2016
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ (20,464)	\$ 29,586
Change in non-cash operating working capital:		
Decrease in accounts receivable	17,483	18,793
Increase in accounts payable and accrued liabilities	4,453	-
Decrease in deferred revenue	(21,000)	(62,000)
	(19,528)	(13,621)
Decrease in cash	(19,528)	(13,621)
Cash, beginning of year	88,199	101,820
Cash, end of year	\$ 68,671	\$ 88,199

See accompanying notes to financial statements.

EDUCATION FOUNDATION OF OTTAWA

Notes to Financial Statements

Year ended August 31, 2017

(Unaudited)

Education Foundation of Ottawa (the "Foundation") is incorporated without share capital by Ontario letters patent on July 11, 2005. The Foundation became a registered charity on September 19, 2005, and commenced operations on that date.

The purpose of the Foundation is to remove economic barriers to successful learning by responding to urgent needs identified by teachers and schools, with financial and in-kind support for kids within the Ottawa-Carleton District School Board who are at risk of failing due to factors associated with poverty; to invest in long-term solutions that reduce the impact of poverty on student success.

The principal of the endowment funds held by the Community Foundation of Ottawa for the benefit of the Foundation (as described in note 2) has not been included in the financial statements.

1. Significant accounting policies:

(a) Basis of presentation:

The Foundation follows the deferral method of accounting for contributions for not-for-profit organizations.

(b) Revenue recognition:

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Contributed materials and services used in the normal course of the Foundation's operations are recognized in the financial statements if a fair value can be reasonably estimated and the materials and services would otherwise have been purchased.

(c) Capital assets:

Capital assets are charged to expense in the year acquired. There were no capital expenditures in either 2017 or 2016.

EDUCATION FOUNDATION OF OTTAWA

Notes to Financial Statements (continued)

Year ended August 31, 2017
(Unaudited)

1. Significant accounting policies (continued):

(d) Other financial assets and liabilities:

The Foundation has classified accounts payable and accrued liabilities as other liabilities.

Upon initial recognition, these financial liabilities are measured at fair value. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method of amortization.

(e) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

2. Restricted funds:

Externally restricted funds:

Various endowment funds are managed by the Community Foundation of Ottawa for the benefit of the Foundation. Any endowment contributions received by the Foundation are subsequently transferred to the Community Foundation of Ottawa. Income from the endowment funds is distributed annually to the Foundation to be disbursed as grants according to the terms of the endowments. The revenue is restricted as follows:

Dagenais Memorial Fund - Directed to the Ottawa Technical Learning Centre and Sir Guy Carleton Secondary School.

Designated Endowments General Awards Fund - Directed to five schools as designated each year.

Secondary General Awards Fund - Designated for three graduating secondary school students, one of which is a student of music.

Elementary Schools General Awards Fund - For disbursement only to elementary schools.

EDUCATION FOUNDATION OF OTTAWA

Notes to Financial Statements (continued)

Year ended August 31, 2017
(Unaudited)

2. Restricted funds (continued):

Charlotte Lemieux Fund - For disadvantaged students only.

Marjorie Loughrey Fund - Awarded to one school for arts.

Brian Murphy Fund - Awarded to a graduating student in music.

Internally restricted funds:

The Foundation's Board of Directors has restricted net assets of the Foundation for the Students in Crisis Fund, which is to be issued in emergency situations to principals to assist students in need of basic amenities, to a set maximum per request.

3. Net assets:

The Foundation considers its capital to consist of its net assets. The Foundation's overall objective for its net assets is to fund ongoing operations.

The Foundation is not subject to externally imposed capital requirements and its approach to capital management remains unchanged from the prior year.

4. Fair value of financial instruments:

The carrying values of cash and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of the instruments.

The Foundation's management believes that the Foundation is not subject to significant interest, currency or credit risk arising from its financial instruments.

5. Contributions from the Ottawa-Carleton District School Board:

The Ottawa-Carleton District School Board (the "Board") is related to the Foundation by virtue of its significant influence over the Foundation.

During the year, \$68,228 (2016 - \$165,448) was received from the Board, and is included in donations and contributions on the statement of operations.

The Foundation also received office space free of charge from the Board.