Financial Statements of

FOUNDATION FOR AN ENTREPRENEURIAL CANADA

Year ended March 31, 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Foundation for an Entrepreneurial Canada

We have audited the accompanying financial statements of Foundation for an Entrepreneurial Canada, which comprise the statement of financial position as at March 31, 2016, the statements of operations and changes in net assets 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 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 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 is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Foundation for an Entrepreneurial Canada as at March 31, 2016, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

July 26, 2016
Toronto, Canada

FOUNDATION FOR AN ENTREPRENEURIAL CANADA

Statement of Financial Position

March 31, 2016, with comparative information for 2015

	2016	2015
Assets		
Current assets:		
Cash	$ 158,803	$ 110,665
Prepaid expenses	972	–
	$ 159,775	$ 110,665
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 5,600	$ 5,500
Payable to Futurpreneur Canada (note 2)	72,524	14,575
Deferred contributions (note 3)	25,000	25,500
	103,124	45,575
Net assets	56,651	65,090
	$ 159,775	$ 110,665

See accompanying notes to financial statements.

On behalf of the Board:

_______________ Director

_______________ Director

FOUNDATION FOR AN ENTREPRENEURIAL CANADA

Statement of Operations and Changes in Net Assets

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
Sponsorship	$ 192,267	$ 173,685
Expenses:		
Program costs	194,510	171,377
Operating costs	6,086	7,069
Finance costs	110	110
	200,706	178,556
Deficiency of revenue over expenses	(8,439)	(4,871)
Net assets, beginning of year	65,090	69,961
Net assets, end of year	$ 56,651	$ 65,090

See accompanying notes to financial statements.

FOUNDATION FOR AN ENTREPRENEURIAL CANADA

Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	$ (8,439)	$ (4,871)
Change in non-cash operating working capital:		
Prepaid expenses	(972)	–
Accounts payable and accrued liabilities	100	5,500
Payable to Futurpreneur Canada	57,949	14,575
Deferred contributions	(500)	25,500
Increase in cash	48,138	40,704
Cash, beginning of year	110,665	69,961
Cash, end of year	$ 158,803	$ 110,665

See accompanying notes to financial statements.

Foundation for an Entrepreneurial Canada (the "Organization") was incorporated under Part II of the Canada Corporations Act and is continued under the Canada Not-for-Profit Corporations Act as a corporation without share capital. The Organization's purpose is to advance education that focusses on personal and business skills development and entrepreneurship. This purpose is met by delivering programs, conducting research and publication of such research.

The Organization is registered as a charity under the Income Tax Act (Canada) effective April 1, 2012 and is exempt from income taxes. Accordingly, a provision for income taxes is not recorded in these financial statements.

1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook. The significant accounting policies are as follows:

(a) Revenue recognition:

The Organization follows the deferral method of accounting for restricted contributions that include contributions from corporations. Corporate sponsorships are recognized as income on a straight-line basis over the term of the contracts provided that spending restrictions are met during the term of the contracts.

(b) Deferred contributions:

Deferred contributions are recognized as contributions revenue in the statement of operations and changes in net assets on a straight-line basis over the term of the contract provided that contract terms are met during the term of the contract.

(c) Use of estimates:

The preparation of financial statements 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 year. Actual results could differ from those estimates.

1. Significant accounting policies (continued):

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. The financial instruments in the reporting year are all cash.

2. Related party transactions:

The Organization operates independently and has an economic relationship with Futurpreneur Canada. Futurpreneur Canada ("Futurpreneur") is a not-for-profit organization that is providing administrative support and facilities to the Organization.

During the year, related party revenue and expenses recognized in the financial statements of the Organization are as follows:

	2016	2015
Administration fees	$ 17,500	$ 17,500
Program costs	28,949	3,075

Related party balances, which are non-interest bearing, due on demand and can be settled on a net basis, are as follows:

	2016	2015
Payable to Futurpreneur Canada	$ 72,524	$ 14,575

2. Related party transactions (continued):

Futurpreneur has not been consolidated with the financial statements of the Organization. The financial summary for Futurpreneur is as follows:

Statement of financial position:

	2016	2015
Assets	$ 36,661,972	$ 35,325,205
Liabilities	4,866,882	2,704,442
Net assets	$ 31,795,090	$ 32,620,763

Statement of operations:

	2016	2015
Revenue	$ 12,004,167	$ 15,107,677
Expenses	12,829,840	13,640,360
Excess (deficiency) of revenue over expenses	$ (825,673)	$ 1,467,317

Statement of cash flows:

	2016	2015
Operating activities	$ (2,447,246)	$ (734,622)
Financing activities	3,000,000	–
Investing activities	(168,311)	(245,202)
Increase (decrease) in cash and cash equivalents	384,443	(979,824)
Cash and cash equivalents, beginning of year	11,748,375	12,728,199
Cash and cash equivalents, end of year	$ 12,132,818	$ 11,748,375

3. Deferred contributions:

The Organization has received corporate sponsorships. The amount of sponsorships not yet recognized as revenue is as follows:

	2016	2015
Balance, beginning of year	$ 25,500	$ –
Sponsorships received	191,767	199,185
Amounts recognized as contributions	(192,267)	(173,685)
Balance, end of year	$ 25,000	$ 25,500

4. Financial risk management:

The Organization's activities expose it to some liquidity risk. The Organization's overall risk management program and business practice seek to minimize any potential adverse effect of those risks on the Organization's performance.

(a) Liquidity risk:

Liquidity risk management relies on maintaining sufficient cash and monitoring the availability of funding.

(b) Interest rate and market risks:

The Organization believes that it is not exposed to significant interest rate and market risks arising from its financial instruments.