Financial Statements of

FUTURPRENEUR FOUNDATION

(FORMERLY FOUNDATION FOR AN
ENTREPRENEURIAL CANADA)

Year ended March 31, 2018

KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Futurpreneur Foundation

We have audited the accompanying financial statements of Futurpreneur Foundation (formerly Foundation for an Entrepreneurial Canada), which comprise the statement of financial position as at March 31, 2018, the statements of operations, 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Futurpreneur Foundation (formerly Foundation for an Entrepreneurial Canada) as at March 31, 2018, 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

June 26, 2018
Vaughan, Canada

FUTURPRENEUR FOUNDATION

(FORMERLY FOUNDATION FOR AN ENTREPRENEURIAL CANADA)

Statement of Financial Position

March 31, 2018, with comparative information for 2017

	2018	2017
Assets		
Current assets:		
Cash	$ 581,277	$ 128,549
Prepaid expenses	–	989
	$ 581,277	$ 129,538
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 7,001	$ 39,994
Payable to Futurpreneur Canada (note 2)	204,486	9,758
Deferred contributions (note 3)	83,333	20,000
	294,820	69,752
Net assets:		
Unrestricted	81,457	59,786
Internally restricted (note 4)	205,000	–
	286,457	59,786
	$ 581,277	$ 129,538

See accompanying notes to financial statements.

On behalf of the Board:

_______________ Director

_______________ Director

FUTURPRENEUR FOUNDATION
(FORMERLY FOUNDATION FOR AN ENTREPRENEURIAL CANADA)

Statement of Operations

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Revenue:		
Contributions	$ 424,154	$ 191,667
Expenses:		
Program	191,134	180,844
Operating	6,263	7,580
Finance	86	108
	197,483	188,532
Excess of revenue over expenses	$ 226,671	$ 3,135

See accompanying notes to financial statements.

FUTURPRENEUR FOUNDATION

(FORMERLY FOUNDATION FOR AN ENTREPRENEURIAL CANADA)

Statement of Changes in Net Assets

Year ended March 31, 2018, with comparative information for 2017

			2018	2017
	Internally restricted (note 4)	Unrestricted	Total	Total
Net assets, beginning of year	$ –	$ 59,786	$ 59,786	$ 56,651
Excess of revenue over expenses	–	226,671	226,671	3,135
Interfund transfer	205,000	(205,000)	–	–
Net assets, end of year	$ 205,000	$ 81,457	$ 286,457	$ 59,786

See accompanying notes to financial statements.

FUTURPRENEUR FOUNDATION

(FORMERLY FOUNDATION FOR AN ENTREPRENEURIAL CANADA)

Statement of Cash Flows

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	$ 226,671	$ 3,135
Change in non-cash operating working capital:		
Prepaid expenses	989	(17)
Accounts payable and accrued liabilities	(32,993)	34,394
Payable to Futurpreneur Canada	194,728	(62,766)
Deferred contributions	63,333	(5,000)
Increase (decrease) in cash	452,728	(30,254)
Cash, beginning of year	128,549	158,803
Cash, end of year	$ 581,277	$ 128,549

See accompanying notes to financial statements.

Futurpreneur Foundation (formerly 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 contributions 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 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:

	2018	2017
Administration fees	$ 12,000	$ 17,500
Program costs	178,333	72,543

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

	2018	2017
Payable to Futurpreneur Canada	$ 204,486	$ 9,758

2. Related party transactions (continued):

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

Statement of financial position:

	2018	2017
Assets	$ 36,881,350	$ 35,567,372
Liabilities	7,866,285	5,769,417
Net assets	$ 29,015,065	$ 29,797,955

Statement of operations:

	2018	2017
Revenue	$ 12,009,889	$ 11,295,164
Expenses	12,792,779	13,292,299
Deficiency of revenue over expenses	$ (782,890)	$ (1,997,135)

Statement of cash flows:

	2018	2017
Operating activities	$ (2,368,628)	$ (2,479,168)
Financing activities	1,791,578	1,230,000
Investing activities	(131,107)	(365,855)
Decrease in cash and cash equivalents	(708,157)	(1,615,023)
Cash and cash equivalents, beginning of year	10,517,795	12,132,818
Cash and cash equivalents, end of year	$ 9,809,638	$ 10,517,795

3. Deferred contributions:

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

	2018	2017
Balance, beginning of year	$ 20,000	$ 25,000
Contributions received	166,667	186,667
Amounts recognized as contributions	(103,334)	(191,667)
Balance, end of year	$ 83,333	$ 20,000

4. Internally restricted:

During the year, the Board of Directors approved a transfer of $205,000 from unrestricted to internally restricted net assets.

The internally restricted net assets are set aside for future strategic initiatives and multi-year program support.

5. 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.