

HSEF Renaissance Academy

**Financial Statements
For the year ended November 30, 2016**

	Contents
Review Engagement Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Operations	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8

Review Engagement Report

**To the Members of
HSEF Renaissance Academy:**

We have reviewed the statement of financial position of HSEF Renaissance Academy as at November 30, 2016 and the statements of changes in net assets, operations 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 Academy.

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 (ASNFPO).

We draw attention to summary of significant accounting policies - basis of presentation to the financial statements, which describes that HSEF Renaissance Academy adopted the Canadian ASNFPO on December 1, 2015 with a transition date of December 1, 2014. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at November 30, 2015 and December 1, 2014, and the statements of operations, change in net assets and cash flows for the year ended November 30, 2015 and related disclosures. We were not engaged to report on the restated comparative information and, as such, it is neither audited nor reviewed.

Vancouver, British Columbia




HSEF Renaissance Academy
Statement of Financial Position
(Unaudited)

November 30 November 30 December 1
2016 2015 2014

Assets			
Current			
Cash	\$ 1,354	\$ 15,427	\$ -
Amounts receivable		367	-
Investments (Note 3)	878,800	1,046,640	258,000
	\$ 880,154	\$ 1,062,434	\$ 258,000

Liabilities and Net Assets			
Current			
Accounts payable and accrued liabilities	\$ 13,174	\$ -	\$ 10,275
Net assets			
Unrestricted	866,980	1,062,434	247,725
	\$ 880,154	\$ 1,062,434	\$ 258,000

Approved on behalf of the Board of Directors:

_____ Director

_____ Director

The accompanying notes form an integral part of these financial statements.

HSEF Renaissance Academy
Statement of Changes in Net Assets
(Unaudited)

For the year ended, November 30, 2016

Net Assets, December 1, 2014	\$ 247,725
Income from operations	<u>814,709</u>
Net Assets, November 30, 2015	<u>\$ 1,062,434</u>
Loss from operations	<u>(195,454)</u>
Net Assets, November 30, 2016	<u>\$ 866,980</u>

The accompanying notes form an integral part of these financial statements.

HSEF Renaissance Academy
Statement of Operations
(Unaudited)

For the year ended November 30	2016	2015
Donations	\$ 10,000	\$ 1,033,753
General and administrative expenditures		
Office and miscellaneous	439	452
Professional fees	13,174	1,732
	<u>13,613</u>	<u>2,184</u>
Income from operations before investment losses	<u>(3,613)</u>	<u>1,031,569</u>
Investment losses		
Unrealized losses on investments	(191,841)	(105,087)
Realized losses on investments	-	(111,773)
	<u>(191,841)</u>	<u>(216,860)</u>
(Loss) income from operations	<u>\$ (195,454)</u>	<u>\$ 814,709</u>

The accompanying notes form an integral part of these financial statements.

HSEF Renaissance Academy
Statement of Cash Flows
(Unaudited)

For the year ended November 30	2016	2015
Cash flows from operating activities		
Cash received from donations	\$ 10,000	\$ 97,753
Cash used for administration purposes	(73)	(12,459)
	<u>9,927</u>	<u>85,294</u>
Cash flows from investing activities		
Proceeds from sale of investments	-	98,133
Purchase of investments	(24,000)	(168,000)
	<u>(24,000)</u>	<u>(69,867)</u>
(Decrease) increase in cash during the year	(14,073)	15,427
Cash, beginning of year	<u>15,427</u>	-
Cash, end of year	\$ 1,354	\$ 15,427

The accompanying notes form an integral part of these financial statements.

HSEF Renaissance Academy
Notes to Financial Statements
(Unaudited)

November 30, 2016

1. Nature and Purpose of the Academy

The HSEF Renaissance Academy (the "Academy") is continued under the Canada not-for-profit Corporations Act. The Academy is a registered charity and designated as a charitable organization and is exempt from income taxes provided certain requirements of the Federal Income Tax Act are met.

The Academy was founded for the following purposes:

- a) to fund and carry on the development, teaching and dissemination of academic and interdisciplinary educational and research programs and courses which will advance education at a post-secondary level comparable to degree granting colleges and universities in Canada;
 - b) to fund and provide the research, communication, conference, residential, and meeting facilities necessary to accomplish the foregoing;
 - c) to receive gifts, bequests, trusts, funds and property and beneficially, or as a trustee agent, to hold, invest, develop, manage, administer and distribute funds and property for the purposes of the Academy, for and to such other organizations as are "qualified donees" under the provisions of the Income Tax Act and for such other purposes and activities as are authorized for registered charities under the provisions of the Income Tax Act; and
 - d) to conduct any and all activities and exercise any and all such powers as are necessary for the achievement and furtherance of the purposes of the Academy.
-

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements are the Academy's first financial statements prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPO) with a transition date of December 1, 2014. The Academy did not elect any exemptions under the transition provisions set out in *CPA Handbook - Accounting*, Section 1501, First-time adoption by not-for-profit organizations.

The Academy retrospectively applied ASNFPO to the opening balances as of December 1, 2014, and the financial statements for the year ended November 30, 2015. Adopting these standards had no impact on the comparative figures, and there has been no restatement of net assets at the date of transition on December 1, 2014.

HSEF Renaissance Academy
Notes to Financial Statements
(Unaudited)

November 30, 2016

2. Summary of Significant Accounting Policies (continued)

(b) Use of Estimates

The preparation of these financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the year. Actual results may differ from these estimates. Estimates and assumptions are reviewed periodically based on historical experience and other relevant considerations. Revisions to estimates and assumptions are accounted for prospectively.

(c) Revenue Recognition

The Academy uses the deferral method of accounting for contributions. Under the deferral method of accounting for contributions, restricted contributions are deferred and recognized as revenue when the related expenditures designated by the contributor are incurred. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(d) Financial Instruments

Measurement of financial instruments

The Academy initially measures its financial instruments at fair value, except for certain non-arm's length transactions.

The Academy subsequently measures all its financial instruments at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial instruments measured at amortized cost consist of cash, amounts receivable, and accounts payable and accrued liabilities.

The Academy had investments in equity instruments which were quoted in an active market.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. If an impairment exists, the amount of the write-down is recognized in the statement of operations the period impairment was determined. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of reversal had the impairment not been recognized previously. The amount of reversal is recognized in net income.

HSEF Renaissance Academy
Notes to Financial Statements
(Unaudited)

November 30, 2016

2. Summary of Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

Risks

It is management's opinion that the Academy is not exposed to significant currency, interest, or credit risk on these financial instruments, other than noted below.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The Academy's investments are subject to market risk through its equity investments.

3. Investments

Investments consist of marketable securities with a cost of \$2,171,183 (2015 - \$2,147,182).

During the year, the Academy received donated securities with a market value of \$nil (2015 - \$936,000).