



CHILDREN'S EDUCATION FOUNDATION

*ANNUAL REPORT 2017*





## **PRESIDENT'S MESSAGE**

2017 has been a transformative year for the Alma Children's Education Foundation. Not only did we grow in size and geographic reach, but we also saw our biblioteca programs achieve a level of success that has led us to consider expanding the model in new and exciting ways. None of this would have been possible without our donors – individuals, corporate supporters and foundations – who share our vision.

This year we created and managed 22 community projects and seven partner projects serving more than 1,000 children and effectively changing the life circumstances of everyone in 18 remote indigenous communities in Peru and Bolivia.

All but one of our projects exceeded our impact expectations. At a time when teachers were on strike and schools were not operating, we still had close to 100% attendance. In communities where families have very little income, parents were paying small token amounts for their children to attend our programs. In places where fathers never sat down to do homework with their children, they did so for our programs because much of the curriculum is based on the parents' knowledge of farming, fishing and games. Communities rallied to build schools where they did not exist so we could run our programs, and the enthusiasm for high quality education spilled over into other economic activity and involvement from local governments. All levels of society have benefited.

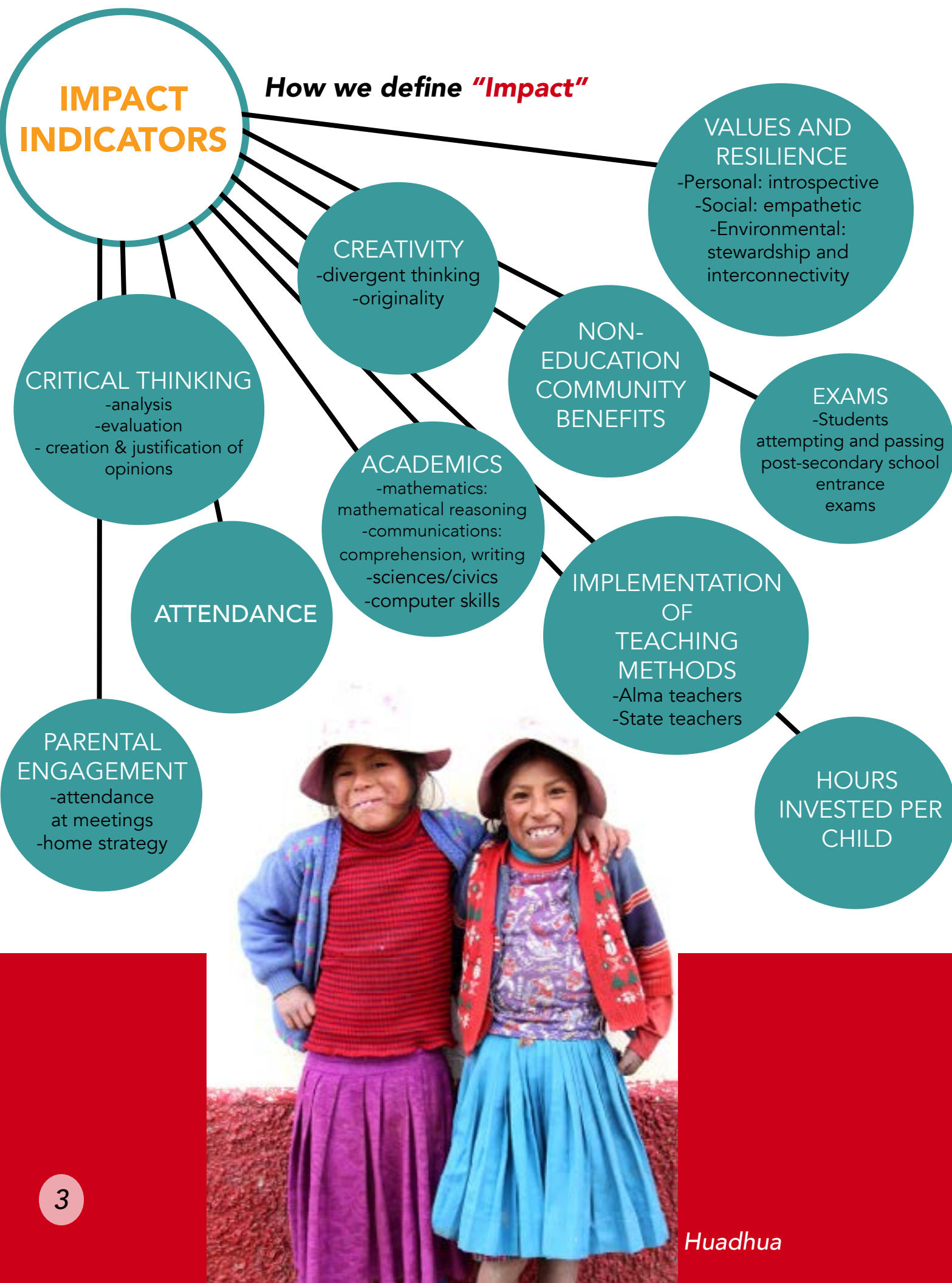
We owe our success on the ground to Ian, our program director, and Octavio, Kathe and Racquel, our project managers. They continue to live and work in very remote and challenging physical environments and they possess the requisite skills of speaking the local indigenous languages and appreciating the local culture, as well as the ability to create education projects, hire excellent, young, enthusiastic teachers, train them, and manage them.

Our premise that an indigenous-based curriculum is more interesting and relevant, and thus more successful than one developed elsewhere, is absolutely correct. And most important of all, what we are teaching - critical and creative thinking - are clearly the skills that children need in today's world to improve the quality of their lives and ours.

**Alan Harman**

**President, Alma Children's Education Foundation**





# ENGAGEMENT

2017 Engagement Summary	
	Total
Teachers Trained	28
Hours of Teacher Training	3,640
Pedagogic Hours Invested per Student	538
Home Visits	830
Direct Beneficiaries	1,301
Indirect Beneficiaries	3,903
Improvement in Critical Thinking	69%
Improvement in Creativity	64%

The success of Alma’s programs is dependent on extensive teacher training, investing time to help each student succeed and increasing parental engagement. In 2017 we spent 3,640 hours training teachers, 538 hours providing individualized instruction and support to each of our 1,301 students, and completed 830 home visits. Our 3,903 indirect beneficiaries are the parents and siblings of our students.

Program Growth					
2012	2013	2014	2015	2016	2017
14	18	20	21	28	29

Alma has doubled its community programs from 2012 to 2017. Alma is currently implementing 29 programs.



# 2017 PROJECTS

## EARLY CHILDHOOD EDUCATION PROGRAMS



*Villa Alba*

**Villa Alba** is an agricultural community of 75 families located in the jungle region of Bolivia. In 2016 the community asked Alma to create an early childhood education project to help bring kids up to State grade levels. The regional government provided construction materials and the community provided the labour to build an early childhood stimulation center. Alma was responsible for hiring and training a teacher, creating dynamic and creative curriculum for the program, and equipping the center with necessary materials. 15 children attended the program in 2016 and all of them were brought up to the State defined grade level. In 2017 we have the 30 lowest testing students in the primary school enrolled in our program with the goal of bringing them up to grade level.



*Villa Alba*





Las Palmeras

**Las Palmeras** is a small community in the Bolivian jungle founded in 2014 by 42 young families. They have no access to running water, electricity, or schools. Nevertheless, the community members are organized and active, and in their short time as a community have pressured the regional government to build a road and dig a communal well. In 2016, Alma provided the first pre-school in Las Palmeras and the community built a schoolhouse for us. In 2017, Alma is continuing with pre-school and opening a full primary school in Las Palmeras. There are 23 students registered between them. Both schools will be fully registered and recognized by the Ministry of Education by the end of the year.



Las Palmeras



Las Palmeras

# PRIMARY SCHOOL COMPUTER PROJECTS

As technology becomes ever more integral in all levels of education and in every aspect of daily life, children without access to technological training are increasingly disadvantaged. When added to the many economic and social obstacles children from rural indigenous communities already face, the lack of access to technology is detrimental to their educational and future professional prospects.

Our computer projects have the goal of developing computer skills, reinforcing reading comprehension and encouraging mathematical reasoning. We are using the same methodologies as in our biblioteca projects to promote critical thinking, creativity and social/personal and environmental values by using fun, culturally relevant activities to illuminate the concepts behind content.



Chumpe



Chumpe





Lacco

**Lacco** and **Chumpe** are rural communities in Quispicanchi, Cusco. In 2017, parents asked us to implement our computer training programs there.

**La Manguita** is a small community in the jungle area of Bolivia where we ran a very successful primary school academic reinforcement project in 2016 and in 2017 implemented a computer project.

**Abtao** is in the Requena province of the Peruvian amazon jungle, two days by boat from Iquitos. We have between 13 and 25 students enrolled in each community. We provide one teacher plus computers and materials per community.



Abtao



Lacco



# PRIMARY SCHOOL "BIBLIOTECA" PROJECTS



Jordan

Our "Biblioteca" projects aim to improve students' educational performance by offering reinforcement workshops after regular school hours. We have created a fun and flexible curriculum integrating the local indigenous informal education that has existed since before colonialization. We are reinforcing the State's academic content while at the same time challenging students to think critically, creatively, and to develop positive personal, social, and environmental values. By linking these themes with dynamic activities based on the students' interests and local indigenous culture, the students develop the analytical skills necessary to grow academically while playing and pursuing their own interests and creativity. Learning is done in Spanish and where applicable, Quechua.



San Martin



Tuksa



Huathua Lagunas

**Vargas Guerra, Nuevo Miraflores** and **Jordan** are all remote communities along the Amazon river two days by boat from Iquitos. We began working in these communities in 2017.

**Huathua Lagunas, Huadhua, Tuksa** and **Karhuacalla** are located in valleys within the Cusco district of Southern Peru. We began working in these communities in 2016.



Karhuacalla



## SECONDARY SCHOOL EDUCATION ACADEMY PROJECTS



**Nuevo Mira Flores**

In all of the communities where we run biblioteca programs there are primary schools but the education is very poor and students are all below State grade levels. We have between 22 and 32 students enrolled from each community. Attendance is always over 95%.



**Huadhua**

Public university in Peru is tuition free (although there are small matriculation fees each semester) and in place of an application process, entrance to both public and private universities as well as technical institutes is dependent upon passing entrance exams. These exams, especially for public university due to its affordability, are increasingly competitive, to such an extent that almost all prospective students attend a pre-university academy, created specifically to prepare them for the entrance exams. These academies exist only in large urban centres and like the exams themselves do not align well with indigenous culture and education.





## SECONDARY SCHOOL COMPUTER PROJECTS



**Huaninpampa**

Our academy projects are intended to help indigenous secondary school students in rural, remote communities overcome the barriers to post-secondary school education by implementing courses in mathematical reasoning and linguistic comprehension to prepare students for university entrance and scholarship placement exams. Students are encouraged to analyze content and implement test taking strategies to maximize their test performance. In addition, we hold regular vocational talks to ensure students and parents are informed of the different majors available and scholarships offered.

**Huaninpampa**, **Quihuares** and **Colcha** are all rural indigenous communities in the Cusco region of Southern Peru. All three projects service students from between five and seven other very small communities in the area, for a total of between 15 and 21 communities. Classes generally run on Saturdays and Sundays. We have between 60 and 120 students attending from each community. We have been implementing this academy program since 2013 and have already had several students who have successfully transitioned into universities and colleges (the first ever to do so from their communities).



**Quihuares**



**Nuevo Amanecer**

**Cotoca** and **Monte Cristo** are both small communities in the jungle region of Beni, Bolivia. In 2016 we ran a primary school program in Cotoca and a math and sciences computer program in Monte Cristo. Both were very successful so in 2017 we built on that success by implementing our computer program in the newly founded secondary school in Cotoca and expanded in Monte Cristo.

Our academic goal in Cotoca is to develop computer skills and reinforce reading comprehension and mathematical reasoning. We are using similar methodologies as in our biblioteca projects to promote critical thinking, creativity, social/personal and environmental values by using fun, culturally relevant activities to illuminate concepts behind content. There are 20 students aged 11-18 years old enrolled.





**Nuevo Amanecer** was founded in 1997 in the Beni (jungle region) of Bolivia by young families who had migrated from other regions of Bolivia searching for land to cultivate. Currently there are 43 families in the community.

Nuevo Amanecer has a secondary school, but there is no electricity in the community, so the school cannot offer any computer skills training to its students - an indispensable skill for students hoping to study in university or technical institutes.



Therefore, after several meetings together with local and regional authorities, Nuevo Amanecer asked that Alma help establish a computer skills program within their secondary school. The Municipality of San Andres provided two computers, the community built a classroom, and Alma hired and trained a teacher and provided nine laptop computers.

Our classes in Nuevo Amanecer and Monte Cristo are structured to develop computer skills and reinforce reading comprehension and mathematical reasoning through the development of social-productive projects. The projects promote critical thinking, creativity, and social/personal/environmental values, to illuminate concepts behind program content. Students also participate in a monthly discussion on human rights, women's rights, and sexual reproductive health. In Nuevo Amanecer and Monte Cristo 53 secondary school students participate in the course.







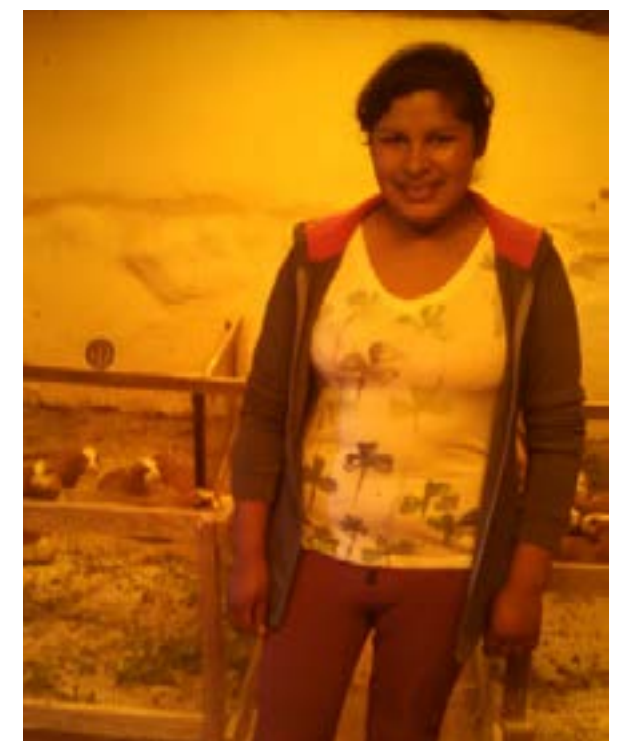
The Alma Foundation works in many communities and with various academic levels (pre-school, primary, and secondary) within the region of Cusco. In all of these communities, the children we work with live in situations of extreme economic poverty. We have worked with students who grow into young men and women with the ability to continue studying at the post-secondary school level. Unfortunately, many cannot financially afford to do so.

The Alma Alumni project aims to help stand-out young men and women who have passed through our projects to study in a university or technical institute by offering economic assistance in the form of housing and monthly tuition fee payments (their parents cover all other costs).

We recognize that for the success of our Alumni, we must not only focus on their academic needs but also on their personal needs in order to assure that the project participants are comfortable and safe in the city. Consequently, in addition to the academic development of our Alumni, we work to ensure their positive personal development as well. Below is a letter from one of our Alma Alumni students – Lisbet.

**San Martin de Porres** is a very remote community in the jungle region of Beni, Bolivia. In 2016 we created an educational reinforcement center for both primary and secondary school, with the goal of improving the students' academic performance in accordance with their grade levels.

We hired and trained a teacher to implement innovative mathematical reasoning, reading comprehension, critical thinking, and creativity classes. We also provided school supplies and computers for the library. The regional government contributed construction materials and parents in the community built the center for our program. In 2017 we continued the program and incorporated computer skills into the curriculum.







*"I want to give a very special thanks to the Alma Foundation and to all the people who have been so good through this process. They have made it possible for me to get ahead and to become a better person day by day.*

*When I left my home in San Judas Chico, I felt alone and helpless with the fears of facing the world. Now, I feel confident about myself and I now have a desire to fulfill my dreams. At Alma, I have found not only a home but also a family and the opportunity to study. All of which are very important to me. Thank you very much for giving us support without asking for anything in return. May God bless you. I want to commit myself this year to strive to be the best I can and never disappoint you."*

*– Lisbet*

## TEACHER TRAINING



The success of original education projects based on local indigenous knowledge is very much dependant on the creative and analytical abilities of our teachers. Finding high quality teachers with the ability to think "outside-the-box" in a manner completely different from how they were raised, educated and trained is a challenge.

In order to simultaneously address the poor quality of teachers in Peruvian public schools and the need for highly trained teachers in Alma's projects, we have created a teacher training program that immerses our contracted teachers into our projects and provides them with effective teaching strategies and tools to help assure their success.

We hire recent graduates and current students in the field of education and put them through our one-year teacher training program with monthly workshops. The workshops cover themes such as differentiated and individualized instruction, multi-age learning, project-based learning, flexible teaching techniques, student portfolio building, etc.

Our teachers are challenged to implement different, but complementary strategies each month and document the process. They then present the results in the following training session and discuss what worked, what didn't, and why with their colleagues. These presentations and discussions are used by Alma as an additional tool to monitor the progress of the project and by the teachers themselves to compare and evaluate their experiences. Our program is recognized and accredited by the Peruvian Ministry of Education.



## PARTNER PROJECTS

The **Tahuantinsuyo Youth Centre** provides a safe space in a very rough neighbourhood in El Alto Bolivia where kids can go after school to eat lunch, get help with homework, receive academic tutoring, and wait for their parents to get home from work.

Alma pays for two teachers who provide tutoring and homework assistance to the 56 children (ages five to 17) who regularly attend the centre. Alma also provides school supplies for the centre. We have been supporting Tahuantinsuyo since 2016.

**Sariry Foundation** is a small charity (we are one of only three supporters) that cares for the educational and personal development of 500 children who live in the Tilata neighbourhood of El Alto, Bolivia.

The Sariry Foundation works with at-risk youth in their own classrooms in Tilata and in the area's schools. Activities include supplemental math and verbal classes, anti-violence campaigns, self-esteem workshops, Aymara cultural preservation, human rights workshops, and reproductive health classes for adolescents.



**Alalay** is a Bolivian charity that has been working with children living in the streets of La Paz for the past 20 years.

Alalay runs a number of “halfway” houses in urban areas and a community home outside of La Paz. They have a four-stage process for getting kids off the street, into Alalay houses, into school and then as well adjusted and well educated adults, integrated back into Bolivian society.

Our project focuses on getting the children in Alalay's programs into school and assuring their academic success by providing two teachers who specialize in working with at-risk children. The teachers assist the children through innovative methodologies in mathematics, communications, and life skills as well as school tutoring, monitoring the academic progress of each child individually, personal and social skills workshops, and monthly progress reports. In addition, Alma provides the uniforms and necessary academic materials required by the schools.

Currently, we are working with 76 boys and 45 girls ranging in age from 6 to 14 years old. 16 of the children have very recently come off the streets, 73 of the children have passed through the adjustment period and live in Alalay's community home just outside of La Paz and 32 of the children have already advanced through most of Alalay's programs but are struggling in secondary school. We have been supporting Alalay since 2013.



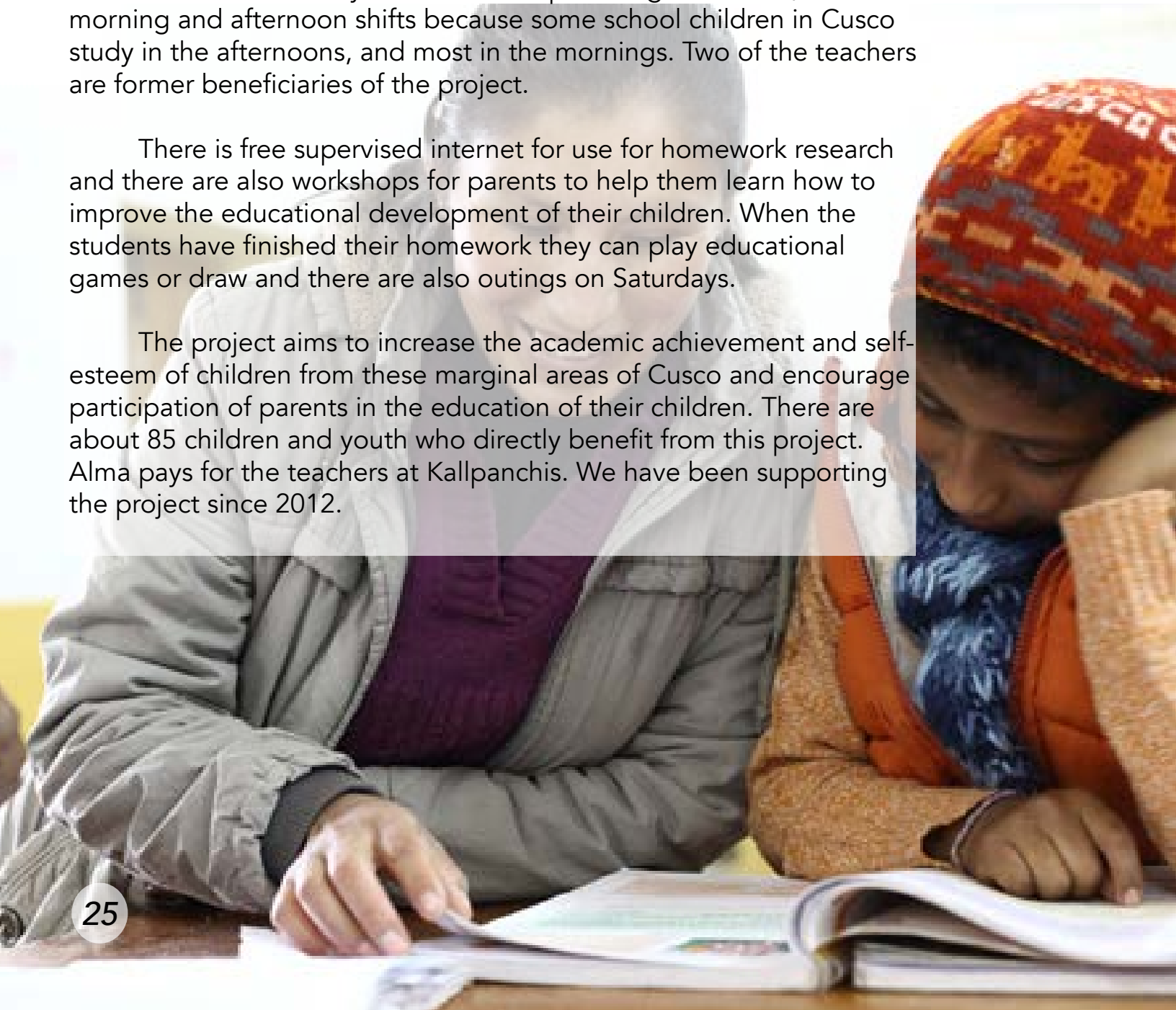
**La Biblioteca Kallpanchis** is a long-running project set up by the community of Villa Maria in the Northern suburbs of the city of Cusco and managed by the charity HoPe (Holanda-Perú). It started when a group of young people from the community won a box of books in a dance competition in 2006 and decided to start a library to share these and other books and games with the community.

Over time, HoPe began to provide teachers who could give instruction to students, whose parents were too busy working or lacked sufficient education or resources (books or internet) in order to assist with homework themselves.

There are currently three teachers providing assistance, with morning and afternoon shifts because some school children in Cusco study in the afternoons, and most in the mornings. Two of the teachers are former beneficiaries of the project.

There is free supervised internet for use for homework research and there are also workshops for parents to help them learn how to improve the educational development of their children. When the students have finished their homework they can play educational games or draw and there are also outings on Saturdays.

The project aims to increase the academic achievement and self-esteem of children from these marginal areas of Cusco and encourage participation of parents in the education of their children. There are about 85 children and youth who directly benefit from this project. Alma pays for the teachers at Kallpanchis. We have been supporting the project since 2012.



**Manos Unidas** is a registered Peruvian charity that founded the first and only private/non-for profit school for special education in Cusco.

Manos Unida's mission is to maximize the abilities and potential of individuals with intellectual disabilities through a humanistic, personalized education with clear attainable goals and strict follow up, honoring such principals as respect, justice and tolerance for all community members.

Manos Unidas has supported over 150 children and young adults with Autism, Down Syndrome, Cerebral Palsy and other intellectual differences between three and 25 years of age within one of their five programs:

**Education Program for Children with Significant Disabilities**  
**Autism Education Program**  
**Inclusive Education Program**  
**Young Adult Vocational Training Program**  
**Functional Life skills program**

Manos Unidos is now integrating some of these children into the regular school system and is training teachers in the regular school system on how to work with children with special needs. This new "Inclusive Education Program" is supported by the Alma. To create real change, children with special needs should be given the opportunity, when appropriate, to participate in the regular school system and work alongside "able-bodied" children. Manos Unido's mission of teaching parents and training teachers will help break down prejudices and stereotyping. This program is not only beneficial to the families and children with special needs but also to the students, parents and teachers in the participating regular schools. There are 150 direct beneficiares. We have been supporting Manos Unidas since 2013.





**El Manguaré** was founded in 2009 with the mission to better the quality of life of children in the most vulnerable neighborhoods of the city of Iquitos. Iquitos is the capital city of the region of Loreto (Amazon jungle region), which has the poorest education scores in Peru. There is no pre-school offered in the neighborhood, and teachers are forbidden by law to hold students back in the first grade of primary school. Therefore, many students enter first grade and continue on to second grade without the necessary skills to succeed. The problem is clearly represented in the results of the annual State exam given to students in second grade of primary school: only 1% of students in Iquitos achieve a passing grade in math, and only 3% in reading comprehension. Therefore, in coordination with neighborhood parents and teachers, El Manguaré created an early childhood stimulation program and a first grade preparation program to assure that students enter primary school the academic skills to succeed. They implement the program both in their own facility and in the primary, and sometimes secondary schools in Iquitos. They train teachers and reinforce the State education program to students. Workshops are held with the students during school hours and with teachers in the afternoons.

Alma has been supporting El Manguare since 2014. We pay for two teachers and provide educational materials. Our support allows for 25 students to attend first grade preparation classes, 140 students to attend educational reinforcement workshops, and 50 additional teachers to attend training workshops.

The **Asociación La Restinga** works towards the improvement of educational quality and graduation rates in the Belén neighbourhood of Iquitos, Peru.

Each year the project runs seven teacher training workshops, weekly classroom evaluations, weekly student academic reinforcement workshops (two times per week, lasting three hours each), and four parent workshops. The hired teachers also visit the homes of all 45 students selected to be included in the program, to ensure that the topics covered in the student and parent workshops are implemented at home.

Alma has been supporting La Restinga since 2015. We pay for two full-time educators and educational materials in order to implement teacher trainings, classroom evaluations, academic reinforcement workshops for students, and parent workshops for the Belén neighborhood of Iquitos.





**Maria Elena** comes from a small and isolated community in the province of Paruro, Cusco. She is the youngest of three children and studied in an alternative-schedule school, where she spent two weeks in school and two weeks studying at home. In 2016 she became the first person in her family to complete high school and entered one of our pre-university academies.

Thanks to the pre-university academy project, Maria Elena prepared well for the university entrance exam and earned one of the few available openings in the chemistry program. However, she did not have the resources to cover the cost of living in Cusco to study, so Alma included her in our Alma Alumni program, which supports standout students from all of our projects to continue studying in university. Alma supports her with housing in Cusco and with the cost of tuition. Her parents cover the cost of food, transportation, and school supplies. Maria Elena started this October with her studies, and we are excited to see her fulfill her dreams!

Access to higher education is very limited for women from rural and economically marginalized regions of Peru for several reasons: the low quality of rural education, no access to pre-university preparation and the difficulty of entrance exams, the cost of moving and living in a city, preference of sending men to higher education instead of women, etc.

To support Maria Elena's university studies is to give her the opportunity she needs to improve the socio-economic conditions of her and her family. Women who manage to graduate from university not only have higher income, but there is also less likelihood of domestic or sexual abuse for them and their children. Supporting Maria Elena will improve the quality of life for her family, her community, and eventually, the future generation of Peru!





# ALMA BOARD OF DIRECTORS & ADVISORY BOARD



Alan Harman

Alan is the Founder and President of Alma. He is a Director and Portfolio Manager at ScotiaMcLeod where he has managed socially and environmentally responsible portfolios since 1987.



Michael McCarthy

Michael is a senior executive at Flybits. He has held senior management roles in Fortune 500 software companies for 25 years.



Anatol von Hahn

Anatol is the former Group Head, Canadian Banking, at Scotiabank. Anatol has been involved in several charitable initiatives dating back to his university days and currently sits on the board of Ronald McDonald House and UNICEF.



Trevor Townsend

Trevor is a Director and Senior Wealth Advisor at ScotiaMcLeod. After visiting our remote communities in 2013, and witnessing our work, Trevor began fundraising and organizing events for Alma.



Sandy Houston

Sandy is the President of the Metcalf Foundation, a leading private Toronto-based foundation. Sandy has a background in law and mediation and has worked as a consultant and advisor in the private, public and not-for-profit sectors.



Ana Maria Villaran

Ana Maria is a real estate consultant and formerly Director for Retail Investment Products at Scotiabank. Ana Maria manages all partner projects for Alma and runs our "Kids for Alma" program.



Rob Djurfeldt

Rob is the Managing Director, Head of ScotiaMcLeod. He has lived in several South American countries and shares our passion for the welfare of children in those countries.



Andy Dickison

Andy recently retired from a career running capital markets desks at major Canadian banks. He has been a longtime supporter of Alma and social enterprise in general.



Jana Seijts

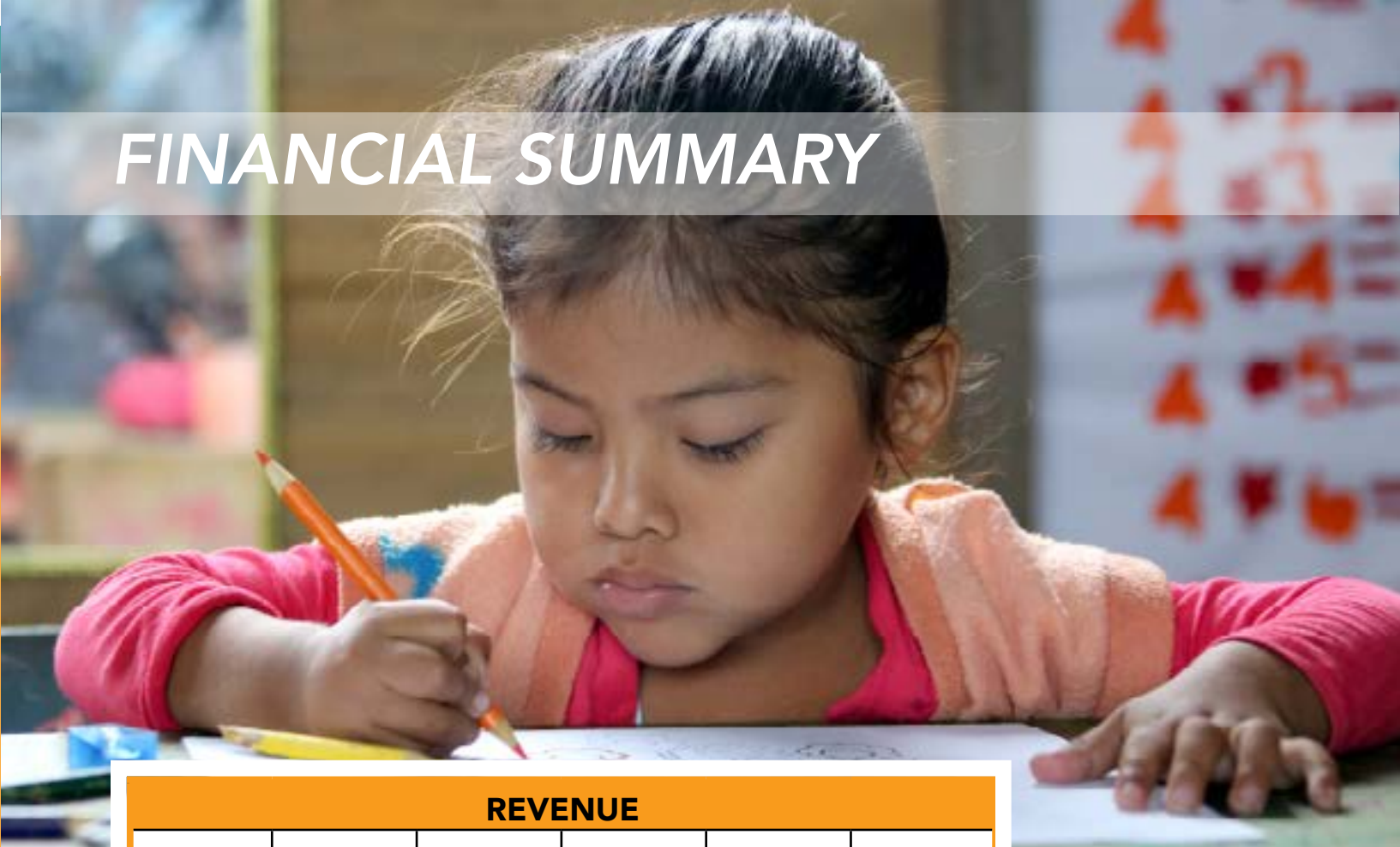
Jana is a lecturer in Management Communication at the Ivey Business School, Western University and is the coauthor of books in the field of communications.



Walter Meekes

Walter is the founder of the HoPe Holland Peru Foundation. He has lived in Cusco Peru since 1991 creating and managing social development programs.

## FINANCIAL SUMMARY



REVENUE					
2012	2013	2014	2015	2016	2017
\$145,000	\$600,000	\$353,000	\$277,000	\$815,000	\$600,000

**Alma’s revenue has increased from \$145,000 in 2012 to \$600,000 in 2017.**

PROGRAM EXPENDITURES					
2012	2013	2014	2015	2016	2017
\$113,000	\$134,000	\$212,000	\$229,000	\$476,000	\$580,000

**Alma’s program expenditures have increased consistent with program growth each year. Alma’s average cost per project in 2017 is \$18,710.**

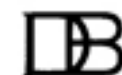
NON-PROGRAM EXPENDITURES					
2012	2013	2014	2015	2016	2017
\$15,000	\$15,000	\$46,000	\$36,000	\$65,000	\$70,000

**Approximately 11% of revenues are spent on non-program expenditures (accounting, legal, travel, fundraising, etc.).**





# FINANCIAL STATEMENTS AND AUDITOR'S REPORT



David Burkes, B. Com, CPA, CA•IFA, CFF  
Chartered Professional Accountant

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Alma Children's Education Foundation

I have audited the accompanying financial statement of Alma Children's Education Foundation, which comprise the statement of financial position as at December 31, 2016, the statement of operations and net assets, the statement of cash flows for the year then ended, and a summary of significant Canadian accounting standards applicable for not-for-profit organizations 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 controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian auditing standards for not-for-profit organizations. Those standards require that I 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 the auditor's 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, the auditor considers internal controls 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 controls. 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.



INDEPENDENT AUDITOR'S REPORT (Continued)

ALMA CHILDREN'S EDUCATION FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

ASSETS

CURRENT

	2016	2015
Cash and Cash Equivalents	\$ 601,108	\$ 450,825
Investments (Note 7)	537,258	418,184
Accounts Receivable	489	523
Prepaid Expenses	1,881	1,510
	<u>\$ 1,140,736</u>	<u>\$ 871,042</u>

LIABILITIES AND NET ASSETS

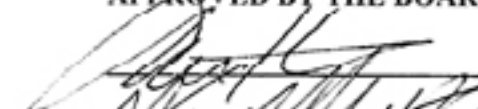
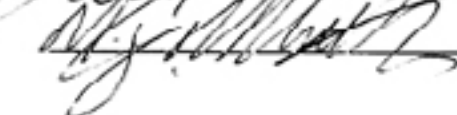
CURRENT

Accounts Payable and Accrued Liabilities	\$ 10,458	\$ 4,468
Deferred Revenue (Note 3)	-	10,000
	<u>10,458</u>	<u>14,468</u>

NET ASSETS

	<u>1,130,278</u>	<u>856,574</u>
	<u>\$ 1,140,736</u>	<u>\$ 871,042</u>

APPROVED BY THE BOARD:

 Director  
 Director

(See Accompanying Notes)

Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these amounts was limited to the amounts recorded in the organization's accounting records and I was not able to determine whether any adjustments might be necessary to the donation and fundraising revenue.

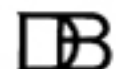
Qualified Opinion

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion Paragraphs, the financial statements present fairly, in all material respects, the financial position of Alma Children's Education Foundation, as at December 31, 2016, and the results of its operations for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

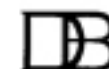


Richmond Hill, Ontario  
July 19, 2017

Chartered Professional Accountant  
Licensed Public Accountant



David Burkes, B. Com, CPA, CA•IFA, CFF



David Burkes, B. Com, CPA, CA•IFA, CFF



**ALMA CHILDREN'S EDUCATION FOUNDATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Unrestricted</u>	<u>Internal Management Reserve (Note 9)</u>	<u>Balance 2016</u>	<u>Balance 2015</u>
<b>BALANCE</b> , Beginning of Year	\$ 856,574	\$ -	\$ 856,574	\$ 845,095
<b>EXCESS OF REVENUES OVER EXPENSES</b>	273,704	-	273,704	11,479
<b>RESERVE ALLOCATION (Note 9)</b>	( 600,000 )	600,000	-	-
<b>BALANCE</b> , End of Year	<u>\$ 530,278</u>	<u>\$ 600,000</u>	<u>\$ 1,130,278</u>	<u>\$ 856,574</u>

(See Accompanying Notes)

**ALMA CHILDREN'S EDUCATION FOUNDATION**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>REVENUE</b>		
Donations	\$ 593,941	\$ 204,530
Gifts from Other Charities	99,995	99,285
Investment Income (Loss)	82,419	( 49,314 )
Fundraising and Other Income	38,880	22,791
	<u>815,235</u>	<u>277,292</u>
<b>EXPENSES</b>		
International Programs	476,674	229,439
Fundraising	8,136	8,314
Office and General Expenses	56,721	28,060
	<u>541,531</u>	<u>265,813</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 273,704</u>	<u>\$ 11,479</u>

(See Accompanying Notes)



**ALMA CHILDREN'S EDUCATION FOUNDATION**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u>
<b><u>CASH PROVIDED BY (USED IN)</u></b>		
<b><u>OPERATING ACTIVITIES</u></b>		
Excess of Revenue over Expenses	\$ 273,704	\$ 11,479
Unrealized Gain or Loss on Change in Market Value of Equity Investments	( 53,092 )	65,911
Realized Gain on Sale of Investments	( 9,524 )	-
	<u>211,088</u>	<u>77,390</u>
<b><u>CHANGES IN NON-CASH WORKING CAPITAL ITEMS</u></b>		
Prepaid Expenses	( 371 )	( 1,510 )
Accounts Receivable	34	1,598
Accounts Payable and Accrued Liabilities	5,990	( 713 )
Deferred Revenue	( 10,000 )	( 2,000 )
	<u>( 4,347 )</u>	<u>( 2,625 )</u>
<b><u>INVESTING ACTIVITIES</u></b>		
Proceeds of Disposition from Sale of Investments	96,848	-
Purchases of Investments	( 153,306 )	-
	<u>( 56,458 )</u>	<u>-</u>
<b><u>INCREASE IN CASH DURING YEAR</u></b>	<u>150,283</u>	<u>74,765</u>
<b><u>CASH AND CASH EQUIVALENTS, Beginning of the Year</u></b>	<u>450,825</u>	<u>376,060</u>
<b><u>CASH AND CASH EQUIVALENTS, End of the Year</u></b>	<u>\$ 601,108</u>	<u>\$ 450,825</u>
<b><u>CASH AND CASH EQUIVALENTS IS REPRESENTED BY:</u></b>		
Cash	\$ 539,200	\$ 259,677
Short-term Investments	61,908	191,148
	<u>\$ 601,108</u>	<u>\$ 450,825</u>

*(See Accompanying Notes)*

