

**Foundation For
Enriching Education - Perth Huron**

**Financial Statements
For the year ended August 31, 2012**

Foundation For Enriching Education - Perth Huron
Financial Statements
For the year ended August 31, 2012

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Independent Auditors' Report

To the Members of the Foundation For Enriching Education - Perth Huron

We have audited the accompanying financial statements of Foundation for Enriching Education-Perth Huron, which comprise the statement of financial position as at August 31, 2012, the statements of operations, changes in net assets and cash flows for the year then ended, 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 generally accepted accounting principles, 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.

Auditor's 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 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 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.

Basis for Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to amounts recorded in the records of the Foundation, and we were not able to determine whether any adjustments might be necessary to donation revenue, net revenue, assets and fund balance.

Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Foundation for Enriching Education - Perth Huron as at August 31, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Stratford, Ontario
September 18, 2012

Foundation For Enriching Education - Perth Huron Statement of Financial Position

August 31 **2012** 2011

Assets

Current

Cash	\$	40,016	\$	64,154
HST recoverable		13,652		13,322
Short-term investments (Note 3)		179,341		177,094
Accounts receivable		7,355		1,606
Prepaid expenses		6,735		8,484
		<hr/> 247,099		<hr/> 264,660
	\$		\$	

Liabilities and Fund Balances

Current

Accounts payable and accruals	\$	69,807	\$	53,167
Deferred revenue (Note 4)		64,761		119,872
		<hr/> 134,568		<hr/> 173,039

Long-term

Deferred revenue (Note 4)		<hr/> 31,578		<hr/> 17,955
		<hr/> 166,146		<hr/> 190,994

Fund Balances

Working fund		49,388		42,101
Special projects		31,565		31,565
Operating fund		-		-
		<hr/> 80,953		<hr/> 73,666
	\$		\$	

On behalf of the Board of Directors:

_____ President

_____ Treasurer

Foundation For Enriching Education - Perth Huron Statement of Changes in Net Assets

For the year ended August 31	Working Fund	Special Projects	Operating Fund	Total 2012	Total 2011
Balance, beginning of year	\$ 42,101	\$ 31,565	\$ -	\$ 73,666	\$ 68,493
Results of operations for the year	-	-	7,287	7,287	5,173
Interfund transfers	7,287		(7,287)	-	-
Balance, end of year	\$ 49,388	\$ 31,565	\$ -	\$ 80,953	\$ 73,666

Foundation For Enriching Education - Perth Huron Statement of Operations

For the year ended August 31	2012	2011
Revenue		
Contributions		
Designated for specific school programs	\$ 196,580	\$ 132,971
Designated for specific programs	49,722	58,036
General	6,838	4,728
Province of Ontario - Passport to Prosperity	58,795	41,589
Avon Maitland District School Board - operations	91,846	90,042
Fundraising (net) (Note 5)	45,148	38,712
Interest and other	3,133	4,350
	452,062	370,428
Expenses		
Programs		
Artitudes	30,307	23,763
Canadian Reading Fund	3,520	3,630
Celebrating Human Diversity	9,600	8,015
Curriculum Project	3,815	-
Hero Project	20	3,200
In-school Mentoring (Journeys)	6,000	6,600
Miscellaneous enrichment	1,385	1,579
Nutrition	1,142	3,586
Passport to Prosperity	60,948	51,550
Peer Tutoring	295	1,274
Sci-Tech Encounters/Science fairs	26,679	25,028
Small Project Fund	6,750	7,000
Student Success Program	796	2,885
Transportation Fund	6,485	2,212
Designated donations paid to schools	196,580	132,971
Employment contract reimbursements	74,298	78,542
Insurance	4,906	4,655
Legal and audit	5,500	5,500
Miscellaneous	439	237
Office supplies and promotional materials	3,454	2,184
Travel, conferences and training	1,856	844
	444,775	365,255
Results of operations for the year	\$ 7,287	\$ 5,173

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Foundation For Enriching Education - Perth Huron Statement of Cash Flows

For the year ended August 31	2012	2011
Cash flows from operating activities		
Results of operations for the year	\$ 7,287	\$ 5,173
Adjustments for:		
Changes in non-cash working capital balances		
Accounts receivable	(5,749)	1,628
HST receivable	(330)	(8,623)
Prepaid expenses	1,749	(3,762)
Accounts payable and accruals	16,640	10,633
Deferred revenue	(41,488)	(177,434)
	<u>(21,891)</u>	<u>(172,385)</u>
Decrease in cash and cash equivalents during the year	(21,891)	(172,385)
Cash and cash equivalents, beginning of year	241,248	413,633
Cash and cash equivalents, end of year	\$ 219,357	\$ 241,248
Represented by		
Cash	\$ 40,016	\$ 64,154
Short-term investments	179,341	177,094
	<u>\$ 219,357</u>	<u>\$ 241,248</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Foundation For Enriching Education - Perth Huron Summary of Significant Accounting Policies

August 31, 2012

Nature of Business

The Foundation for Enriching Education - Perth Huron ("the Foundation") is a tax-exempt registered charity, incorporated without share capital as a not-for-profit entity under the laws of Ontario. Its purpose is to provide education enrichment programs within the public school system.

Fund Accounting

For financial reporting purposes, the Foundation employs the following three funds:

Operating Fund

This fund accounts for revenues and expenses related to program delivery and administrative activities.

Working Fund

This fund was established to ensure that adequate levels of working capital are maintained throughout each year. Other than covering operating deficits, expenditures or transfers from this fund require Board approval.

Special Projects Fund

This fund was established to help fund special projects of the Foundation as they arise and are approved by the Board.

Financial Instruments

The Foundation's financial instruments consist of cash, accounts receivable, short-term investments and accounts payable. Cash and short-term investments have been classified as held-for-trading and are reported at fair value. Accounts receivable and accounts payable are classified as other assets and liabilities and are reported at amortized cost.

Revenue Recognition

The Foundation follows the deferral method of recognition with respect to contribution revenue. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Until that time, they are reported as deferred revenue on the statement of financial position. Unrestricted contributions of cash or negotiable instruments are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions of property, materials and services received in kind are measured at fair value and are recognized as they are received only if they would otherwise be purchased. Fundraising revenue is recognized as the related events or activities take place.

Foundation For Enriching Education - Perth Huron Notes to Financial Statements

August 31, 2012

1. Financial Instruments

The carrying amounts of accounts receivable and accounts payable approximate fair values due to their short maturities.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate, currency or credit risks arising from its financial instruments.

2. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. Short-term Investments

	<u>2012</u>	<u>2011</u>
Mututal funds	<u>\$ 179,341</u>	<u>\$ 177,094</u>
Cost	<u>\$ 179,341</u>	<u>\$ 177,094</u>

Foundation For Enriching Education - Perth Huron Notes to Financial Statements

August 31, 2012

4. Deferred Revenue

	2012	2011
Current:		
Affinity Fund (2011: Challenge Day)	\$ 8,112	\$ 8,112
Arts4Aids Project	3,000	-
Auction Sponsor 2012	1,000	-
Britta's Big Idea Fund	-	4,500
Career Symposium	18,849	18,849
Curriculum	5,185	-
Global Literacy	725	-
Green Fund	-	292
In-school Mentoring (Journeys)	-	2,000
Little Falls Public School	-	1,339
MSCU Peer Tutoring	2,850	-
Other	-	25
Passport to Prosperity	14,645	61,261
Peer Tutoring	-	3,145
Science Fair	-	5,750
Science Fund	-	9,746
Small Projects	-	3,850
Student Success	395	396
Transportation Fund	-	607
United Way Project 2012	10,000	-
	\$ 64,761	\$ 119,872
Long-term:		
Britta's Big Idea Fund	2,500	-
Estate of Helen Roszell bequest	\$ 13,007	\$ 15,357
GDCI Legacy fund	-	498
Inspiring Science Fund	15,421	-
Tech 21/intermediate science	650	2,100
	\$ 31,578	\$ 17,955

Foundation For Enriching Education - Perth Huron Notes to Financial Statements

August 31, 2012

5. Fundraising

	Total Revenue	Total Expenses	Fundraising 2012	Fundraising 2011
Dinner cabaret auction	\$ 43,381	\$ 12,589	\$ 30,792	\$ 25,691
Medieval Feast	5,772	5,630	142	-
Golf tournament	5,878	1,583	4,295	4,477
Nevada tickets	18,950	9,031	9,919	8,544
Net fundraising	\$ 73,981	\$ 28,833	\$ 45,148	\$ 38,712

6. Gifts-in-Kind

Gifts-in-kind, which were received during but not recognized in the financial statements, were as follows:

	2012	2011
Goods donated for fundraisers	\$ 9,978	\$ 11,257
Materials, books and supplies	1,799	2,570
Vehicles	12,173	6,425
Computer, AV and other equipment	18,654	7,434
Other	4,313	10,331
	\$ 46,917	\$ 38,017

7. Avon Maitland District School Board

The Foundation's board of directors, which has a maximum membership of 12, includes one trustee and two senior employees of the Avon Maitland District School Board.

Foundation For Enriching Education - Perth Huron Notes to Financial Statements

August 31, 2012

8. Capital Disclosure

The Foundation for Enriching Education - Perth Huron considers its capital to be its net assets. The Foundation's objective when managing its capital is to safeguard its ability to continue as a going concern in order to fulfill its mandate. Revenues and expenditures are monitored to ensure the Foundation's capital is maintained at an appropriate level.

9. Allocation of Expenses

Employment contract reimbursement expenses reported in the statement of operations of \$73,804 (2011 - \$78,542) are reported after the allocation of \$25,164 (2011 - \$20,037) to the Passport to Prosperity program representing the specific contractor's cost to implement the specific projects included within the program.
