

**Foundation For
Enriching Education - Perth Huron**

Financial Statements
For the year ended August 31, 2013

Foundation For Enriching Education - Perth Huron
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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, 2013, 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 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 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 qualified 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 balances.

Qualified 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, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Comparative Information

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that Foundation for Enriching Education - Perth Huron adopted Canadian accounting standards for not-for-profit organizations as its underlying framework on September 1, 2012, with a transition date of September 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at August 31, 2012, and the statements of operations, changes in fund balances and cash flows for the year ended August 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Chartered Accountants, Licensed Public Accountants

Stratford, Ontario
November 6, 2013

Foundation For Enriching Education - Perth Huron Statement of Financial Position

August 31 **2013** **2012**

Assets

Current

Cash	\$	65,696	\$	40,016
HST recoverable		13,949		13,652
Short-term investments (Note 3)		131,618		179,341
Accounts receivable		558		7,355
Prepaid expenses		2,970		6,735
		<hr/>		<hr/>
	\$	214,791	\$	247,099

Liabilities and Fund Balances

Current

Accounts payable and accruals	\$	37,851	\$	69,807
Deferred revenue (Note 4)		57,896		64,761
		<hr/>		<hr/>
		95,747		134,568

Long-term

Deferred revenue (Note 4)		34,878		31,578
		<hr/>		<hr/>
		130,625		166,146

Fund Balances

Working fund		49,601		49,388
Special projects		34,565		31,565
Operating fund		-		-
		<hr/>		<hr/>
		84,166		80,953
	\$	214,791	\$	247,099

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 2013	Total 2012
Balance, beginning of year	\$ 49,388	\$ 31,565	\$ -	\$ 80,953	\$ 73,666
Results of operations for the year	-	-	3,213	3,213	7,287
Interfund transfers	213	3,000	(3,213)	-	-
Balance, end of year	\$ 49,601	\$ 34,565	\$ -	\$ 84,166	\$ 80,953

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

Foundation For Enriching Education - Perth Huron Statement of Operations

For the year ended August 31	2013	2012
Revenue		
Contributions		
Designated for specific school programs	\$ 244,187	\$ 196,580
Designated for specific programs	63,550	49,722
General	8,821	6,838
Province of Ontario - Passport to Prosperity	16,794	58,795
Avon Maitland District School Board - operations	93,683	91,846
Fundraising (net) (Note 5)	54,854	45,148
Interest and other	3,551	3,133
	485,440	452,062
Expenses		
Programs		
Artitudes	47,271	30,307
Canadian Reading Fund	2,500	3,520
Celebrating Human Diversity	5,850	9,600
Curriculum Project	3,063	3,815
Gloabl Literacy	3,730	-
Hero Project	49	20
In-school Mentoring (Journeys)	6,000	6,000
Kids First Shared Intake	12,118	-
Miscellaneous enrichment	-	1,385
Nutrition	576	1,142
Passport to Prosperity	18,959	60,948
Peer Tutoring	-	295
Sci-Tech Encounters/Science fairs	22,606	26,679
Small Project Fund	4,400	6,750
Student Success Program	-	796
Transportation Fund	-	6,485
Designated donations paid to schools	244,187	196,580
Employment contract reimbursements	95,932	74,298
Insurance	5,015	4,906
Legal and audit	5,705	5,500
Miscellaneous	-	439
Office supplies and promotional materials	2,479	3,454
Travel, conferences and training	1,787	1,856
	482,227	444,775
Results of operations for the year	\$ 3,213	\$ 7,287

The accompanying 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	2013	2012
Cash flows from operating activities		
Results of operations for the year	\$ 3,213	\$ 7,287
Adjustments for:		
Changes in non-cash working capital balances		
Accounts receivable	6,797	(5,749)
HST receivable	(297)	(330)
Prepaid expenses	3,765	1,749
Accounts payable and accruals	(31,956)	16,640
Deferred revenue	(3,565)	(41,488)
	<u>(22,043)</u>	<u>(21,891)</u>
Decrease in cash and cash equivalents during the year	(22,043)	(21,891)
Cash and cash equivalents, beginning of year	219,357	241,248
Cash and cash equivalents, end of year	\$ 197,314	\$ 219,357
Represented by		
Cash	\$ 65,696	\$ 40,016
Short-term investments	131,618	179,341
	<u>\$ 197,314</u>	<u>\$ 219,357</u>

Foundation For Enriching Education - Perth Huron

Notes to Financial Statements

August 31, 2013

1. Significant Accounting Policies

Purpose of the Organization 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.

Basis of Accounting These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

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 recognizes and measures financial assets and financial liabilities on the balance sheet when it becomes a party to the contractual provisions of a financial instrument. All financial instruments are measured at fair value on initial recognition. In subsequent periods, equity investments traded on an open market are reported at fair value. The Foundation has elected to report all other investments in the same manner. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

Foundation For Enriching Education - Perth Huron Notes to Financial Statements

August 31, 2013

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.

Use of Estimates

The preparation of financial statements in accordance 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 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.

Foundation For Enriching Education - Perth Huron Notes to Financial Statements

August 31, 2013

2. First-time Adoption of Canadian Standards for Not-for-Profit Organizations

Effective September 1, 2012, the Foundation adopted Canadian accounting standards for not-for-profit organizations (ASNPO) as its underlying financial reporting framework, excluding the application of the transitional provisions of Section 1501, First Time Adoption by Not-for-Profit Organizations. These are the Foundation's first financial statements prepared using ASNPO as its underlying framework and the adoption has been applied retrospectively to the comparative information in these financial statements. The Foundation issued financial statements for the year ended August 31, 2012 using pre-changeover Canadian generally accepted accounting principles as its underlying financial reporting framework. The adoption of ASNPO as the underlying financial reporting framework resulted in no adjustment's to amounts previously reported for assets, liabilities, fund balances and cash flows.

The following election was used at the date of transition to Canadian accounting standards for not-for-profit organizations:

Financial instruments

The Foundation has elected to report all investments in debt securities at fair value.

3. Short-term Investments

	<u>2013</u>	<u>2012</u>
Mututal funds	<u>\$ 131,618</u>	<u>\$ 179,341</u>
Cost	<u>\$ 131,618</u>	<u>\$ 179,341</u>

Foundation For Enriching Education - Perth Huron Notes to Financial Statements

August 31, 2013

4. Deferred Revenue

	2013	2012
Current:		
Affinity Fund	\$ 8,112	\$ 8,112
Arts4Aids Project	-	3,000
Auction Sponsor 2012	-	1,000
Career Symposium	13,244	18,849
Curriculum	2,122	5,185
Gala	4,500	-
Global Literacy	7,102	725
Grade 2 Cooking	1,000	-
Kids First Shared Intake	7,285	10,000
MRES Capital Campaign	2,500	-
MSCU Peer Tutoring	2,850	2,850
Passport to Prosperity	-	14,645
Pathways to Success	7,876	-
Student Success	1,305	395
	\$ 57,896	\$ 64,761
Long-term:		
Britta's Big Idea Fund	2,500	2,500
Estate of Helen Roszell bequest	\$ 11,807	\$ 13,007
Inspiring Science Fund	5,675	5,675
Science Fair	14,246	9,746
Tech 21/intermediate science	650	650
	\$ 34,878	\$ 31,578

Foundation For Enriching Education - Perth Huron Notes to Financial Statements

August 31, 2013

5. Fundraising

	Total Revenue	Total Expenses	Fundraising 2013	Fundraising 2012
Dinner cabaret auction	\$ 41,738	\$ 10,929	\$ 30,809	\$ 30,792
Golf tournament	146	-	146	4,295
Medieval Feast	-	-	-	142
Munsch show	31,904	16,600	15,304	-
Nevada tickets	17,515	8,920	8,595	9,919
Net fundraising	\$ 91,303	\$ 36,449	\$ 54,854	\$ 45,148

6. Gifts-in-Kind

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

	2013	2012
Goods donated for fundraisers	\$ 11,290	\$ 9,978
Materials, books and supplies	7,982	1,799
Vehicles	19,250	12,173
Computer, AV and other equipment	3,281	18,654
Other	2,726	4,313
	\$ 44,529	\$ 46,917

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, 2013

8. Allocation of Expenses

Employment contract reimbursement expenses reported in the statement of operations of \$94,932 (2012 - \$73,804) are reported after the allocation of \$4,047 (2012 - \$25,164) to the Passport to Prosperity program representing the specific contractor's cost to implement the specific projects included within the program.

9. Financial Instrument Risk

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