

Financial Statements of

**UPPER CANADA DISTRICT
SCHOOL BOARD CHAMPION
FOR KIDS FOUNDATION**

Years ended August 31, 2013 and 2012

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Champion for Kids Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of Upper Canada District School Board Champion for Kids Foundation, which comprise the statements of financial position as at August 31, 2013, August 31, 2012 and September 1, 2011, and the statements of operations, changes in net assets and cash flows for the years ended August 31, 2013 and August 31, 2012, and 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 of 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 in our audits 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 activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustment might be necessary to donations and fundraising, excess of revenue over expenses (expenses over revenue), assets and net assets.

Qualified Opinion

In our opinion, except for the possible adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donation and fundraising revenue referred to in the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Upper Canada District School Board Champion for Kids Foundation as at August 31, 2013, August 31, 2012 and September 1, 2011, and the results of its operations and its cash flows for the years ended August 31, 2013 and August 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Report on other Legal and Regulatory Requirements

As required by the Corporations Act (Ontario), we report that, in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Bennett Lewis McMahon Stillar

Chartered Accountants, Licensed Public Accountants

Brockville, Canada

January 20, 2014

UPPER CANADA DISTRICT SCHOOL BOARD CHAMPION FOR KIDS FOUNDATION

Statements of Financial Position

	August 31 2013	August 31 2012	September 1 2011
Assets			
Cash	\$ 264,695	\$ 194,430	\$ 11,054
Harmonized Sales Tax recoverable	9,685	5,046	–
Other receivable	2,500	600	–
	\$ 276,880	\$ 200,076	\$ 11,054

Liabilities, Deferred Contribution and Net Assets

Current liabilities:			
Accounts payable and accrued liabilities	\$ 9,897	\$ 8,348	\$ 6,441
Deferred contribution for future expenses (Note 3)	103,935	105,000	–
Net assets:			
Unrestricted	163,048	86,728	4,613
	\$ 276,880	\$ 200,076	\$ 11,054

See accompanying notes to financial statements.

On behalf of the Board:

Original Signed Director

Original Signed Director

UPPER CANADA DISTRICT SCHOOL BOARD

CHAMPION FOR KIDS FOUNDATION

Statement of Operations and Net Assets

Years ended August 31, 2013 and 2012

	2013	2012
Revenue:		
Donations	\$ 102,906	\$ 164,684
Recognition of deferred contribution	1,065	–
Fundraising revenues	163,076	68,538
Interest	2,757	586
Harmonized Sales Tax rebates	–	2,180
	<u>269,804</u>	<u>235,988</u>
Expenses:		
Fundraising	59,060	31,055
Administrative:		
Insurance	2,484	2,484
Advertising and promotion	134	1,473
Professional fees	2,899	4,479
Annual report	1,206	1,497
Printing and supplies	701	720
Meetings	180	200
Bank charges	234	72
Student support services	126,586	111,893
	<u>193,484</u>	<u>153,873</u>
Excess of revenue over expenses	76,320	82,115
Unrestricted net assets, beginning of year	86,728	4,613
Unrestricted net assets, end of year	<u>\$ 163,048</u>	<u>\$ 86,728</u>

See accompanying notes to financial statements.

UPPER CANADA DISTRICT SCHOOL BOARD CHAMPION FOR KIDS FOUNDATION

Statement of Cash Flows

Years ended August 31, 2013 and 2012

	2013	2012
Cash provided by (used for):		
Operations:		
Donations received	\$ 102,906	\$ 269,684
Fundraising revenue	161,176	67,938
Interest received	2,757	586
Amounts paid for student support	(124,588)	(109,159)
Other amounts paid to suppliers	(71,986)	(45,673)
Increase in cash	70,265	183,376
Cash, beginning of year	194,430	11,054
Cash, end of year	\$ 264,695	\$ 194,430

See accompanying notes to financial statements.

UPPER CANADA DISTRICT SCHOOL BOARD

CHAMPION FOR KIDS FOUNDATION

Notes to Financial Statements

Years ended August 31, 2013 and 2012

The Foundation is incorporated without share capital under the Corporations Act (Ontario) and is a non-profit corporation established for the purpose of receiving and maintaining a fund or funds and applying all or part of the principal and income there from to or for the advancement of education by providing deserving children and students in need with out-of-school programs and resources to enhance their schooling and to encourage life-long learning and to provide support services and financial assistance thereto. The Foundation qualifies for tax-exempt status as a registered charity under paragraph 149(1)(f) of the Income Tax Act.

1. Summary of significant accounting policies:

(a) General:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Revenue recognition:

The Foundation follows the deferral method of accounting for contributions, which include donations and fundraising proceeds.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are recognized. Related expenses include student support services for students in System Designated Classrooms.

Unrestricted investment income is recognized as revenue when earned. Restricted investment income is recognized as revenue in the year in which the related expenses are recognized.

(c) Contributed services:

Volunteers contribute a significant amount of their time each year. Due to the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(d) Management estimates:

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the reported period. Actual results could differ from these estimates.

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CHAMPION FOR KIDS FOUNDATION

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Years ended August 31, 2013 and 2012

2. Adoption of accounting standards for not-for-profit organizations:

These financial statements were prepared in accordance with the new Canadian accounting standards for not-for-profit organizations as prescribed in Part III of the *CICA Handbook – Accounting* (“Part III”).

The Foundation’s first reporting period using Part III is for the year ended August 31, 2013. As a result, the date of transition to Part III is September 1, 2011. The Foundation presented financial statements under its previous Canadian generally accepted accounting principles annually to August 31st of each fiscal year up to, and including, August 31, 2012.

As these financial statements are the first financial statements for which the Foundation has applied Part III, the financial statements have been prepared in accordance with the provisions set out in Section 1501 of Part III, First-time Adoption by Not-for-Profit Organizations.

The Foundation is required to apply Part III effective for periods ending on August 31, 2013 in:

- (a) preparing and presenting its opening statement of financial position at September 1, 2011; and
- (b) preparing and presenting its statement of financial position for August 31, 2013 (including comparative amounts for 2012), statement of operations, statement of changes in net assets, and statement of cash flows for the year ended August 31, 2013 (including comparative amounts for 2012) and disclosures (including comparative information for 2012).

First-time adoption of these new accounting standards had no impact on the Foundation’s excess of expenses over revenue for the year ended August 31, 2012 or on net assets as at September 1, 2011 and August 31, 2012.

3. Deferred contribution for future expenses:

Deferred contribution for future expenditures represent an unspent externally restricted donation for future student services for students in System Designated Classrooms (or equivalent). A maximum of \$10,000 may be spent each year.

	August 31 2013	August 31 2012	April 1 2011
Balance, beginning of year	\$ 105,000	\$ –	\$ –
Contribution received	–	105,000	–
Less amount recognized as revenue	(1,065)	–	–
Balance, end of year	\$ 103,935	\$ 105,000	\$ –

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Years ended August 31, 2013 and 2012

4. Financial Instruments:

The significant financial risks to which the Foundation is exposed relating to its financial instruments are as follows:

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk associated with cash is minimized substantially by ensuring that this asset is invested with a major financial institution.

(b) Interest rate risk:

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The Foundation is not exposed to significant interest risk arising from financial instruments.

(c) Liquidity risk:

Liquidity risk is the risk that the Foundation will not be able to meet a demand for cash or fund its obligations as they come due.

The Foundation meets its liquidity requirements by monitoring its cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

(d) Change in risk:

There have been no significant changes in the Foundation's risk exposures from the prior year.