

***THE KIWANIS FOUNDATION OF  
CANADA INCORPORATED  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008***

# THE KIWANIS FOUNDATION OF CANADA INCORPORATED

*September 30, 2008*

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***Auditors' Report***

*To the Members of:  
The Kiwanis Foundation Of Canada Incorporated*

*I have audited the statement of financial position of The Kiwanis Foundation Of Canada Incorporated as at September 30, 2008 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.*

*Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.*

*In common with many non-profit organizations, the organization derives its revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization. I was not able to determine whether any adjustments might be necessary to donations received, excess of revenue over expenses, assets and net assets.*

*In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the company as at September 30, 2008 and the results of its operations and changes in its net assets for the year then ended in accordance with Canadian generally accepted accounting principles.*



*Brantford, Ontario  
February 10, 2009*

*Chartered Accountant  
Public Accountant's Licence 13114*

**THE KIWANIS FOUNDATION OF CANADA  
INCORPORATED**

**STATEMENT OF FINANCIAL POSITION**

*As at September 30, 2008*

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 65,498	\$ 109,589
G.S. T. recoverable	854	2,987
Inventory	<u>3,700</u>	<u>5,902</u>
	<u>70,052</u>	<u>118,478</u>
<b>Long Term</b>		
Long term investments	<u>968,060</u>	<u>848,372</u>
	<u>\$ 1,038,112</u>	<u>\$ 966,850</u>
<hr/>		
<b>Liabilities</b>		
<b>Current</b>		
Books for Kids Grant Payable	<u>\$ -</u>	<u>\$ 41,838</u>
<b>Net Assets</b>	<u><b>1,038,112</b></u>	<u><b>925,012</b></u>
<hr/>		
<b>NET ASSETS represented by:</b>		
Net assets restricted for scholarships (note 4)	620,000	620,000
Net assets restricted for Bagnell Award	5,703	5,532
Net assets restricted for Natural Disaster Relief	100,000	100,000
Net assets restricted for Youth	55,757	51,202
Net assets restricted for Summerland	35,316	-
Unrestricted net assets	<u>221,336</u>	<u>148,278</u>
<b>NET FUNDS ASSETS</b>	<u><b>1,038,112</b></u>	<u><b>925,012</b></u>

**Approved on Behalf of the Board**

\_\_\_\_\_ Director  
 \_\_\_\_\_ Director

# THE KIWANIS FOUNDATION OF CANADA

## INCORPORATED

### Statement of OPERATIONS

For the Year Ended September 30, 2008

	<u>2008</u>	<u>2007</u>
<b>Donations</b>		
General Club Donations	\$ 63,525	\$ 34,420
Mel Osborne Fellowship	41,255	45,169
Memorial	950	2,714
Matching Scholarships	24,700	23,100
Scholarship Donations	10,922	11,860
Miscellaneous Projects	1,630	3,300
Natural Disaster fund	10,788	8,116
Youth projects	10,772	11,860
Osborne scholarship contributions	12,680	13,134
Books for Kids	-	38,500
HIV-AIDS/CAP Project	<u>29,637</u>	<u>27,584</u>
	<u>206,859</u>	<u>219,757</u>
<b>Other Income</b>		
Pins & Miscellaneous	656	570
Interest Earned	<u>28,866</u>	<u>34,092</u>
	<u>29,522</u>	<u>34,662</u>
<b>Total Revenues</b>	<u><b>236,381</b></u>	<u><b>254,419</b></u>
<b>Expenses</b>		
Administration services	8,847	7,673
Printing/Newsletters/brochures	16,398	8,517
Insurance	1,307	1,307
Postage and telephone	2,651	3,923
Professional fees	2,435	3,296
Stationery and supplies	1,347	3,848
Travel and board expenses	<u>4,579</u>	<u>7,558</u>
	<u>37,564</u>	<u>36,122</u>
<b>Projects</b>		
Scholarships	43,900	39,850
Books for Kids	(12,222)	126,891
Scholarships - Osbornes	11,750	9,950
Scholarship -Summerland	2,000	-
Youth Miscellaneous	7,800	-
Miscellaneous Projects	21,000	5,000
New Club Grant	<u>2,312</u>	<u>1,358</u>
	<u>76,540</u>	<u>183,049</u>
<b>Total Expenses</b>	<u><b>114,104</b></u>	<u><b>219,171</b></u>
<b>Excess of Revenue over Expenses, before investment loss</b>	122,277	35,248
<b>Gains (Loss) on Investments</b>	<u>(9,177)</u>	<u>(8,000)</u>
<b>Excess of Revenue over Expenses for the year</b>	<u><b>\$ 113,100</b></u>	<u><b>\$ 27,248</b></u>

See accompanying notes  
D.M. Austin, Chartered Accountant

**THE KIWANIS FOUNDATION OF CANADA**  
**INCORPORATED**

*Statement of CHANGES IN NET ASSETS*

*September 30, 2008*

<i>NET ASSETS</i>	<i>Natural Disaster Relief</i>	<i>Bagnell Award</i>	<i>Scholarship Fund</i>	<i>Youth Fund</i>	<i>Summerland</i>	<i>Unrestricted</i>	<i>Total 2008</i>
<i>Balance, beginning of year</i>	\$ 100,000	\$ 5,532	\$ 620,000	\$ 51,202	\$ -	\$ 148,278	\$ 925,012
<i>Excess of Revenue over Expenditures</i>	9,525	171	22,639	4,555	35,316	40,894	113,100
<i>Internally restricted transfers</i>	<u>(9,525)</u>	<u>-</u>	<u>(22,639)</u>	<u>-</u>	<u>-</u>	<u>32,164</u>	<u>-</u>
<b><i>Balance, end of year</i></b>	<b><u>100,000</u></b>	<b><u>5,703</u></b>	<b><u>620,000</u></b>	<b><u>55,757</u></b>	<b><u>35,316</u></b>	<b><u>221,336</u></b>	<b><u>1,038,112</u></b>

See accompanying notes  
D.M. Austin, Chartered Accountant

# THE KIWANIS FOUNDATION OF CANADA

## INCORPORATED

### Notes to the Financial Statements

September 30, 2008

#### 1. STATUS AND NATURE OF ACTIVITIES

*The Kiwanis Foundation of Canada Incorporated is a non-profit charitable foundation organized to provide:*

- financial support and promotion for sponsored youth programs.*
- district level training and education,*
- bursary program for high school graduates pursuing post-secondary studies,*
- assistance to the handicapped and the disadvantaged, and*
- funds for disaster relief and special causes*

#### 2. Summary of Significant Accounting Policies

##### (a) Investments

*The investments are recorded at cost with interest accrued to the financial statement date.*

##### (b) Revenue Recognition

*The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.*

*Unrestricted contributions are recognized as revenue when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.*

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

##### (c) Measurement

*Financial statements are based on representation that may require estimates to be made in anticipation of future transactions and events and include measurements that may, by their nature, be approximations.*

#### 3. LONG-TERM INVESTMENTS

	<u>2008</u>	<u>2007</u>
<i>Long term investments</i>	\$ <u>968,060</u>	\$ <u>848,372</u>

*Investments were written down to market value at year end.*

# THE KIWANIS FOUNDATION OF CANADA

## INCORPORATED

### Notes to the Financial Statements

September 30, 2008

#### **4. RESTRICTION ON NET ASSETS**

*In 2008, the Board of Directors internally restricted \$(22,639), (2006 - \$36,645) of unrestricted net assets to be held for scholarship purposes. The total amount restricted is \$1,038,112, (2007 - \$925,012). These internally restricted amounts are not available for other purposes without approval of the Board of Directors, subject to the conditions of the individual fund.*

#### **5. FINANCIAL INSTRUMENTS**

*Certain of the foundation's financial assets, including cash and investments are exposed to credit risk. The organization may, from time to time, invest in debt obligations and commercial paper of governments and corporations. Such investments are limited to those issuers carrying an investment grade credit rating. In addition, the organization limits an amount which is invested in issuers of any one government or corporation.*

#### **6. FINANCIAL STATEMENT PRESENTATION**

*A statement cash flows has not been included as the information is readily available elsewhere in these financial statements. A statement of cash flows provides no additional useful information.*