

# **Education Beyond Borders Society**

## **FINANCIAL STATEMENTS**

**Years ended December 31, 2011 and 2010**

## REPORT OF INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS

### To the Members of the Education Beyond Borders Society

We have audited the accompanying financial statements of Education Beyond Borders Society, which comprise the statement of financial position as at December 31, 2011 and the statement of operations and changes in fund balances for the year ended December 31, 2011, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for 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, Education Beyond Borders Society derives revenues from the general public in the form of donations and in certain fundraising activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenue over expenditures, current assets and net assets.

### Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Education Beyond Borders Society as at December 31, 2011 and the results of its operations and its cash flows for the year ended December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

*De Visser Gray LLP*

**CHARTERED ACCOUNTANTS**

Vancouver, B.C.

May 22, 2012

# Education Beyond Borders Society

## STATEMENTS OF FINANCIAL POSITION

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	As at December 31, 2011	As at December 31, 2010
<b>CURRENT ASSETS</b>		
Cash	\$ 43,296	\$ 19,527
Prepaid expense	480	480
	<u>\$ 43,776</u>	<u>\$ 20,007</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	<u>\$ 12,075</u>	<u>\$ -</u>
<b>NET ASSETS</b>		
Unrestricted net assets	<u>31,701</u>	<u>20,007</u>
	<u>\$ 43,776</u>	<u>\$ 20,007</u>

Nature of Operations and Going Concern (Note 1)

Approved by:

"Noble Kelly" President

"Kin Lo" Secretary/Treasurer

The accompanying notes are an integral part of these financial statements

# Education Beyond Borders Society

## STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCES

	Year ended December 31, 2011	Year ended December 31, 2010
<b>REVENUE</b>		
Donations	\$ 82,887	\$ 96,703
Other income		155
Fundraisers income	380	2,298
Interest income	169	101
	<u>\$ 83,436</u>	<u>\$ 99,257</u>
<b>EXPENDITURES</b>		
Administration		
Bank and interest charges	153	119
Communications	1,546	494
Consulting expense	3,204	897
Donation	14	200
Membership and partnership fees	175	125
Printing	562	815
Professional fees	3,394	5,315
Resources	934	122
Travel	558	162
	<u>10,540</u>	<u>8,249</u>
Project expenditures		
Accomodations- facilitators	8,482	10,984
Accomodations- participants	5,173	8,645
Food - facilitators	1,734	3,347
Transportation- air	28,251	35,402
Transportation- ground	4,004	5,141
Transportation subsidies	1,815	2,521
Workshop printing	931	894
Communcations	1,919	901
Workshop supplies	145	1,361
In-country stipend	6,830	2,335
School equipment	-	622
Scholarships	970	2,570
Bank withdrawal fees	220	174
Miscellaneous	728	338
	<u>61,202</u>	<u>75,235</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	11,694	15,773
Net assets, Beginning of the year	20,007	4,234
Net assets, End of the year	<u>\$ 31,701</u>	<u>\$ 20,007</u>

The accompanying notes are an integral part of these financial statements

# Education Beyond Borders Society

## NOTES TO THE FINANCIAL STATEMENTS

For the years ended December 31, 2011 and 2010

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Education Beyond Borders Society ("the Society") is a not-for-profit organization that was incorporated under the Society Act of British Columbia on March 20, 2007. The Society is exempt from taxation under section 149(e) of the Income Tax Act (Canada). The Society was established for the purpose of supporting and encouraging community education throughout the world, specifically by the provision of professional development resources for teachers.

The Society has no source of operating revenue and its future operations are therefore dependent upon the receipt of continued unrestricted donations and other non-repayable funding, potentially from government sources. In the event such funding is not received, the Society would in due course deplete its cash on hand and be required to cease operations. These financial statements reflect no provisions for such an eventuality, and are prepared on the assumption that the Society will continue to operate substantially as it has from inception.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of presentation**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles which necessarily involve the use of estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies summarized below.

#### **Basis of accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

#### **Revenue recognition**

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. 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. Endowment contributions are recognized as direct increases in net assets. Restricted investment income is recognized as revenue in the year in which the related expenditures are incurred. Unrestricted investment income is recognized as revenue when earned.

#### **Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates and assumptions are based on management's best information and judgment and may differ significantly from actual results.

#### **Contributed materials and services**

Teachers and other volunteers contribute a significant amount of time in support of Society. As this time cannot be easily valued, contributed services are not recognized in the financial statements. Contributed materials are also not recognized.

# Education Beyond Borders Society

## NOTES TO THE FINANCIAL STATEMENTS

For the years ended December 31, 2011 and 2010

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### 3. STATEMENT OF CASH FLOWS

A statement of cash flows has not been presented as all cash flows are readily determinable from the financial statement presented.

### 4. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash and accounts payable.

#### **Fair Value**

The fair values of cash and accounts payable approximate their carrying amounts due to their short terms to maturity.