

ACTION CENTRE FOUNDATION

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2011

ACTION CENTRE FOUNDATION

AS AT DECEMBER 31, 2011

SUMMARY

INDEPENDENT AUDITOR'S REPORT	1 – 2
FINANCIAL STATEMENTS	
Balance Sheet	3
Statement of changes in net assets	4
Statement of operations	5
NOTES TO FINANCIAL STATEMENTS	6 – 9

ANNA FRUCHTER
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INDEPENDENT AUDITOR'S REPORT

To the members of Action Centre Foundation

I have audited the accompanying financial statements of ACTION CENTRE FOUNDATION Not-for-Profit Organization, which comprise the balance sheet as at December 31, 2011, and the statements of operations and changes in net assets for the year then ended, 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 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, ACTION CENTRE FOUNDATION Not-for-Profit Organization derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of ACTION CENTRE FOUNDATION Not-for-Profit Organization. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2011, current

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assets and net assets as at January 1 and December 31, 2011. The predecessor auditor's opinion on the financial statements for the year ended December 31, 2010 was modified because of the possible effects of a similar limitation in scope. Furthermore, I was unable to obtain sufficient appropriate audit evidence about whether the opening balances contain misstatements that materially affect the current period's financial statements.

Qualified Opinion

In my 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 ACTION CENTRE FOUNDATION Not-for-Profit Organization as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other Matter

The financial statements of ACTION CENTRE FOUNDATION Not-for-Profit Organization for the year ended December 31, 2010 were audited by another auditor who expressed a qualified opinion on those financial statements on February 15, 2011 for the reasons described in the Basis for Qualified Opinion paragraph.


CHARTERED ACCOUNTANT

By Anna Fruchter, CA auditor
March 21, 2012
Ville Mont-Royal, Quebec

**ACTION CENTRE FOUNDATION
BALANCE SHEET
AS AT DECEMBER 31, 2011**

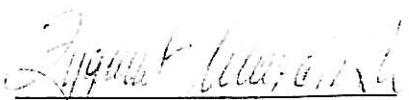
	2011	2010
ASSETS		
CURRENT ASSETS		
Cash	\$ 194,167	\$ 201,754
Temporary investments (note 3)	128,883	127,754
Accounts receivable (note 4)	56,144	18,099
Prepaid expenses	<u> --</u>	<u> 834</u>
	\$ <u>379,194</u>	\$ <u>348,441</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 21,490	\$ 10,103
Due to Centre Action non interest bearing	80,000	99,004
Deferred contributions (note 8)	<u>13,050</u>	<u>13,050</u>
	<u>114,540</u>	<u>122,157</u>
NET ASSETS		
UNRESTRICTED	<u>264,654</u>	<u>226,284</u>
	\$ <u>379,194</u>	\$ <u>348,441</u>

See accompanying notes

On behalf of the Board of Directors



Director



Director

**ACTION CENTRE FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Unrestricted	2011 TOTAL	2010 TOTAL
BALANCE BEGINNING OF YEAR	\$ 226,284	\$ 226,284	\$ 204,011
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 38,370</u>	<u>\$ 38,370</u>	<u>\$ 22,273</u>
BALANCE, END OF YEAR	<u>\$ 264,654</u>	<u>\$ 264,654</u>	<u>\$ 226,284</u>

See accompanying notes

ACTION CENTRE FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010
REVENUES		
Donations	\$ 334,877	\$ 293,461
Interest	<u>1,137</u>	<u>861</u>
	<u>336,014</u>	<u>294,322</u>
 EXPENSES		
Donation to Centre Action	160,000	42,954
Fundraising	74,618	142,682
Consulting	39,180	72,081
Office supplies	2,167	1,517
Public relations	2,500	2,939
Planning and other expenses	317	2,358
Professional fees including web expenses	16,697	6,191
Interest and bank charges	432	481
Insurance	<u>1,733</u>	<u>846</u>
 TOTAL EXPENSES	 <u>297,644</u>	 <u>272,049</u>
 EXCESS OF REVENUES OVER EXPENSES	 \$ <u>38,370</u>	 \$ <u>22,273</u>

See accompanying notes

ACTION CENTRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011

1. STATUS AND NATURE OF ACTIVITIES

Action Centre Foundation is incorporated under Part II of *The Canada Corporations Act* as a not-for-profit organization and is a charity registered under the Income Tax Act on September 12, 2004. The sole charitable purpose of the Foundation currently consists of the disbursement of funds to Centre Action.

2. SIGNIFICANT POLICIES

Management estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 during the reporting period. Actual results could differ from those estimates.

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 to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Contribution Services

The volunteers dedicate many hours a year to help the Foundation to permit the performance of its services. Due to the difficulty of determining the fair value of contributions received in the form of services, they are not recognised in the financial statements.

ACTION CENTRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011

2. SIGNIFICANT POLICIES (continued)

Financial instruments

Assets or liabilities held for trading

Financial instruments classified as assets or liabilities held for trading are measured at fair value with changes recognized in income. The Foundation classified its cash and temporary investments as held for trading. The valuation is the fair value and corresponds to cash.

Receivables and other financial liabilities

Financial instruments classified as receivables and other financial liabilities are measured at amortized cost using the effective interest method of amortization.

Accounts receivable are classified as receivables.

Accounts payable are classified as other financial liabilities.

Not-for-profit organizations may elect to adopt Sections 3862, "Financial Instruments-Disclosures," and 3863, "Financial Instruments-Presentation," in which case they would apply for fiscal years beginning on or after October 1, 2008, or to continue applying Section 3861, "Financial Instruments-Disclosure and Presentation." The Foundation has decided to apply Section 3861.

	2011	2010
3. TEMPORARY INVESTMENTS		
Term deposits consisting of \$120,000 at 1.5% and \$8,483 at 0.5% with no fixed terms	\$ <u>128,883</u>	\$ <u>127,754</u>
4. ACCOUNTS RECEIVABLE		
Donations	\$ 45,800	\$ 4,000
GST and QST	8,647	12,299
Due from Action Centre non interest bearing	1,697	--
Other	<u>--</u>	<u>1,800</u>
	\$ <u>56,144</u>	\$ <u>18,099</u>

**ACTION CENTRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

5. CASH FLOW STATEMENT

A cash flow statement has not been prepared because it would not provide any additional useful information in understanding the cash flows for the year.

6. RELATED PARTY TRANSACTIONS

Donations to Centre Action totalling \$160,000 have been recorded, of which \$80,000 is included in current liabilities.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. FINANCIAL INSTRUMENT

Interest rate risk

The Foundation administers its investment portfolio in a way to optimize its interest revenue.

Fair Value

The fair value of cash, temporary investments, accounts receivables and accounts payable is approximately equal to their carrying value due to their short-term maturity date.

8. DEFERRED CONTRIBUTIONS

Deferred contributions totaling \$13,050 are directed to be donated by the Foundation to Centre Action for the construction of a new bathroom.

9. CAPITAL DISCLOSURES

The Foundation's capital is made up of net assets. The Foundation's capital management objective is to ensure that it continues as a going concern to fulfil its mission (note 1). The Foundation manages its capital structure by preparing and monitoring its annual budgets to maintain a satisfactory level of capital.

ACTION CENTRE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011

10. FUTURE CHANGE IN NOT-FOR-PROFIT ORGANIZATION STANDARDS

Not-for-profit organizations apply either the accounting standards for Not-for-profit organizations in Part III of the Handbook or the International Financial Reporting Standards in Part I of the Handbook. Not-for-profit organization must decide which of the sets of standards to adopt for years beginning on or after January 1, 2012.

The Foundation is currently assessing the impact of applying these new sets of standards.

- 11. Certain figures for 2010 have been reclassified to make their presentation identical to that adopted in 2011.**