

ACADEMICS FOR HIGHER EDUCATION AND DEVELOPMENT  
FINANCIAL STATEMENTS  
DECEMBER 31, 2009

Auditor's Report  
Statement of Financial Position  
Statement of Operations  
Statement of Net Assets  
Notes to the Financial Statements

**MITCHELL & HOLMES**  
**Chartered Accountants**

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AUDITORS' REPORT

To the Board of Directors of  
Academics for Higher Education and Development:

We have audited the statement of financial position of Academics for Higher Education and Development as at December 31, 2009 and the statements of operations and net assets for the year then ended. These financial statements are the responsibility of the organization's Directors. 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 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 our opinion, these financial statements present fairly, in all material respects, the financial position of Academics for Higher Education and Development as at December 31, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

MITCHELL & HOLMES  
Chartered Accountants, Licensed Public Accountants

February 14, 2010  
Ottawa, Ontario

ACADEMICS FOR HIGHER EDUCATION AND DEVELOPMENT

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ <u>59,315</u>	\$ <u>29,149</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ <u>2,785</u>	\$ <u>1,785</u>
<u>NET ASSETS</u>		
Unrestricted net assets	<u>56,530</u>	<u>27,364</u>
	\$ <u>59,315</u>	\$ <u>29,149</u>

On behalf of the board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

(The accompanying notes are an integral part of these statements)

ACADEMICS FOR HIGHER EDUCATION AND DEVELOPMENT

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
REVENUE	\$ <u>81,541</u>	\$ <u>54,928</u>
EXPENDITURES		
Administrative expenditures		
Administrative	5,237	1,800
Bank charges	16	88
Insurance	989	950
Office	324	573
Professional fees	1,051	2,703
Secretarial	205	1,206
Program expenditures		
Data base development	-	2,000
Project administration	4,915	-
Project development	33,402	-
Recruitment for volunteers	-	1,850
Translation	923	1,108
Volunteer expenses	4,728	6,657
Web development	<u>585</u>	<u>2,148</u>
	<u>52,375</u>	<u>21,083</u>
EXCESS OF REVENUE OVER EXPENDITURES	\$ <u>29,166</u>	\$ <u>33,845</u>

(The accompanying notes are an integral part of these statements)

ACADEMICS FOR HIGHER EDUCATION AND DEVELOPMENT

STATEMENT OF NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
NET ASSETS, BEGINNING OF YEAR	\$ 27,364	\$ (6,481)
EXCESS OF REVENUE OVER EXPENDITURES	<u>29,166</u>	<u>33,845</u>
NET ASSETS, END OF YEAR	\$ <u>56,530</u>	\$ <u>27,364</u>

(The accompanying notes are an integral part of these statements)

ACADEMICS FOR HIGHER EDUCATION AND DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

1. GENERAL

The purpose of Academics for Higher Education and Development is to support developing countries develop and expand institutions of higher education by sending volunteers to work on projects in those institutions and in ministries of higher education. Academics for Higher Education and Development is involved in projects in the full range of post-secondary institutions, including universities, colleges, and business, engineering, normal, medical and nursing schools. Volunteers are recruited from working and retired professionals and skilled workers throughout Canada and other medium and high income countries. These include faculty, staff, and administrators from universities and colleges, as well as non-academic professionals.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year 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.

Financial Instruments

All financial instruments reported on the Statement of Financial Position of Academics for Higher Education and Development are classified as follows:

Held-for-trading financial assets:

Cash is classified as held-for-trading financial assets. Cash is measured at its fair value and changes in fair value are recognized in the statement of operations.

Other liabilities:

Accounts payable and accrued liabilities are classified as other financial liabilities. These financial liabilities are recorded at amortized cost using the effective interest rate method.

ACADEMICS FOR HIGHER EDUCATION AND DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of 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 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.

3. CHANGE IN ACCOUNTING POLICIES

In September 2008, the Institute of Chartered Accountants (CICA) modified the introduction to accounting standards that apply to not-for-profit organizations and many sections of the 4400 series; it also made correlative changes to other sections of the CICA Handbook. The main changes concern the following items:

- Inclusion of not-for-profit organizations within the scope of section 1540 of the CICA Handbook, "Cash Flow Statements";
- Elimination of the requirement to treat net assets invested in capital assets as a separate component of net assets;
- Amendments to clarify that revenues and expenses must be recognized and presented on a gross basis when a not-for-profit organization is acting as a principal in transactions;
- Added paragraph to provide for additional guidance with respect to the appropriate use of the scope exemption for smaller entities in Section 4430 of the CICA Handbook "Capital Assets Held by Not-For-Profit Organizations".

Amendments to sections of the 4400 series and Section 4430 have been complied with by Academics for Higher Education and Development in these financial statements.

4. STATEMENT OF CASH FLOW

A statement of cash flow has not been included with these financial statements as it would not provide additional meaningful information.

ACADEMICS FOR HIGHER EDUCATION AND DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

5. CAPITAL DISCLOSURES

For its own purposes, Academics for Higher Education and Development defines capital as the sum of net assets invested in capital assets, unrestricted net assets and internally restricted net assets. Academics for Higher Education and Development is not subject to externally imposed requirements on capital.

Academics for Higher Education and Development's objectives when managing capital are to safeguard the organization's ability to continue as a going concern and to meet its financial obligations.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Academics for Higher Education and Development is exposed to various financial risks resulting from both its operations and its investment activities. The organization's management manages financial risks in close collaboration with the Board of Directors, and focuses on actively guaranteeing the Council's short and medium term cash flows by minimizing its exposure to capital markets.

Academics for Higher Education and Development's main financial risk exposure and its financial risk management policies are as follows:

Credit Risk:

Generally, the carrying amount on the statement of financial position of the organization's financial assets exposed to credit risk, net of any applicable provisions for losses, represents the maximum amount exposed to credit risk.

Liquidity Risk:

Liquidity risk management serves to maintain a sufficient amount of cash and cash equivalents. The organization establishes budget and cash estimates to ensure it has the necessary funds to fulfill its obligations.