

ROCK SOLID FOUNDATION

FINANCIAL STATEMENTS

MARCH 31, 2013



INDEPENDENT AUDITOR'S REPORT

To the Members of the Rock Solid Foundation:

Report on the Financial Statements

We have audited the accompanying financial statements of Rock Solid Foundation, which comprise the statement of financial position as at March 31, 2013 and the statement of operations, change in net assets and cash flows for the year ended March 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Foundation's 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 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, the Foundation derives part of its revenue from donations and bequests, 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 Foundation, and we were not able to determine whether any adjustments might be necessary to donation and bequest revenue, total revenue, excess of revenue over expenses for the year, current assets or fund balances.

Qualified Opinion

In our opinion, except for the 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 the Foundation as at March 31, 2013, and the results of its operations and its cash flows for the year ended March 31, 2013 in accordance with Canadian accounting standards for not-for-profit organizations.

Prior Year Financial Information

The prior years financial information was not audited.



Chartered Accountants LLP

Victoria, British Columbia
July 4, 2013



ROCK SOLID FOUNDATION
Statement of Financial Position
March 31, 2013

	March 31, 2013	March 31, 2012 (unaudited) (restated)	April 1, 2011 (unaudited) (restated)
ASSETS			
Current assets			
Cash	\$ 104,331	\$ 86,454	\$ 27,088
Accounts receivable	6,273	7,444	5,621
Inventory	99,725	70,807	86,756
Prepaid expenses	-	340	2,275
	210,329	165,045	121,740
Capital assets (note 3)	418	2,834	2,810
	\$ 210,747	\$ 167,879	\$ 124,550

LIABILITIES AND NET ASSETS

Current liabilities			
Accounts payable and accrued liabilities (note 4)	\$ 12,930	\$ 12,084	\$ 5,307
	12,930	12,084	5,307
Net assets	197,817	155,795	119,243
	\$ 210,747	\$ 167,879	\$ 124,550

Approved by the Directors

(see accompanying notes)



ROCK SOLID FOUNDATION**Statement of Operations****Year ended March 31, 2013**

	2013	2012 (unaudited) (restated)
Revenue		
Memberships funded by other organizations	\$ 86,466	\$ 75,312
Grants and donations	72,967	86,954
Fundraising activities	25,000	27,198
Memberships from schools	20,510	12,620
Interest income	80	62
	205,023	202,146
Expenses		
WITS program expenses (schedule "A")	87,629	110,421
Wages, benefits, and subcontracts	50,119	38,152
Accounting and legal	13,853	7,166
Telephone	2,807	4,889
Fundraising expenses	2,510	611
Insurance	1,935	1,935
Office and supplies	1,354	1,097
Amortization	398	901
Bank charges and interest	377	422
	160,982	165,594
Income before the following:	44,041	36,552
Writedown of capital assets	(2,019)	-
Excess of revenue over expenses for the year	\$ 42,022	\$ 36,552

(see accompanying notes)



ROCK SOLID FOUNDATION

Expenses (schedule "A")

Year ended March 31, 2013

	2013	2012 (unaudited) (restated)
WITS program expenses		
Books	\$ 34,500	\$ 35,129
School Supplies	21,130	42,790
Shipping	18,139	9,732
Printed Material	8,604	20,227
WITS Contest	5,010	-
Marketing	246	2,543
	\$ 87,629	\$ 110,421

(see accompanying notes)



ROCK SOLID FOUNDATION
Statement of Change in Net Assets
Year ended March 31, 2013

	2013	2012 (unaudited)
Net assets, beginning of year, as previously stated	\$ 155,795	\$ 32,487
Prior period adjustments (note 7)	-	86,756
	155,795	119,243
Excess of revenues over expenses for the year	42,022	36,552
Net assets, end of year	\$ 197,817	\$ 155,795

(see accompanying notes)



ROCK SOLID FOUNDATION**Statement of Cash Flows****Year ended March 31, 2013**

	2013	2012 (unaudited) (restated)
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ 42,022	\$ 36,552
Adjustment for:		
Amortization	398	901
Writedown of capital assets	2,019	-
Changes in non-cash operating working capital:		
Change in trade accounts receivable	1,171	(1,823)
Change in inventory	(28,918)	15,949
Change in prepaid expenses	340	1,935
Change in accounts payable	845	6,777
	17,877	60,291
Investing activities		
Purchase of capital assets	-	(925)
Increase in cash during the year	17,877	59,366
Cash and cash equivalents, beginning of year	86,454	27,088
Cash and cash equivalents, end of year	\$ 104,331	\$ 86,454

(see accompanying notes)



Purpose of the Foundation

The Rock Solid Foundation was incorporated under the British Columbia Society Act on May 6, 1998 as a non-profit organization and is a registered charitable organization under the Income Tax Act.

The Foundation was established to promote an atmosphere of non-violence in society through innovative programs and initiatives. A particular emphasis is placed on youth with targeted specific programs in the community.

1. Summary of Significant Accounting Policies

These financial statements were prepared in accordance with Part III of the CICA Handbook – Accounting (“Part III”).

The Foundation's first reporting period using Part III is for the year ended March 31, 2013. As a result, the date of transition to Part III is April 1, 2012. The Foundation's prior year financial statements were not audited.

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 March 31, 2013 in:

- a) preparing and presenting its opening statement of financial position at April 1, 2011; and
- b) preparing and presenting its statement of financial position for March 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 March 31, 2013 (including comparative amounts for 2012) and disclosures (including comparative information for 2012).

As a result of this adoption to Part III, the Foundation's inventory as at March 31, 2012 and April 1, 2011 as well as the accounts payable and accrued liabilities as at March 31, 2012 have been restated. This resulted in an increase in the net assets of \$62,477 as at March 31, 2012 and \$86,756 as at April 1, 2011, and a reduction in the net income of \$24,279 for the year ended March 31, 2012.

A summary of other significant accounting policies is presented below to assist the reader in evaluating the Foundation's financial statements:



1. Summary of Significant Accounting Policies (cont'd)

(a) Revenue recognition

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

(b) Capital assets and amortization

Capital assets are recorded at cost and are being amortized over their estimated useful lives using the declining balance method at the following rates:

Furniture and equipment	-	20%
Computer hardware	-	55%

(c) 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. Actual results could differ from these estimates.

(d) Contributed services

Volunteers and other organizations have contributed significant time and resources to assist the Foundation in carrying out its programs and activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

2. Financial instruments

The Foundation's financial instruments consist of cash, accounts receivable and accounts payable. It is the Board of Director's opinion that the Foundation is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Fair value of these financial instruments approximates cost due to their near term to maturity.



ROCK SOLID FOUNDATION
Notes to the Financial Statements
March 31, 2013

3. Inventory

Inventory consists of books, school supplies, and resources to be sold to the members of the Foundation. The Foundation measures its inventory at the lower of cost and net realizable value.

4. Capital assets

	Cost	Accumulated Amortization	Net Book Value	
			2013	2012
Furniture and equipment	\$ 1,869	\$ 1,753	\$ 116	\$ 1,562
Computer hardware	925	623	302	1,272
	\$ 2,794	\$ 2,376	\$ 418	\$ 2,834

5. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are amounts payable to government agencies as follows:

	2013	2012
Source deductions payable	\$ 492	\$ 767

6. Comparative figures

Certain comparative figures have been reclassified to conform to the method of presentation adopted in the current year.

7. Prior period adjustments

Prior year's financial statement figures have been restated to give effect to the prior period adjustment, correcting the accounting for inventory.

