

THE EDUCATION ENDOWMENT FUND

FINANCIAL STATEMENTS
APRIL 30, 2013 AND 2012
with
INDEPENDENT AUDITOR'S REPORT

BOARD OF DIRECTORS

Mary Ann R. Ready, President

Sally L. Brown, Secretary

Rose Lane L. Nimmo

Catherine C. Whitham

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HANSEN, SMITH, CONE & ROBERTELLO, PC
Certified Public Accountants

MICHAEL R. HANSEN, CPA
SUSAN H. SMITH, CPA
DALE H. CONE, CPA

9211 FOREST HILL AVENUE
SUITE 203
RICHMOND, VIRGINIA 23235
TELEPHONE (804) 330-3890
www.hscr.net

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Education Endowment Fund

We have audited the accompanying financial statements of The Education Endowment Fund (a nonprofit organization), which comprise the statements of financial position as of April 30, 2013 and 2012 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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 judgement, 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used

HANSEN, SMITH, CONE & ROBERTELLO, PC

and the reasonableness of significant 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 audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Education Endowment Fund as of April 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Hansen, Smith, Cone & Robertello, PC

Richmond, Virginia
August 28, 2013

THE EDUCATION ENDOWMENT FUND
STATEMENTS OF FINANCIAL POSITION
APRIL 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	<u>\$5,128</u>	<u>\$9,624</u>
Total current assets	<u><u>\$5,128</u></u>	<u><u>\$9,624</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
Unrestricted net assets	<u>\$5,128</u>	<u>\$9,624</u>
Total liabilities and net assets	<u><u>\$5,128</u></u>	<u><u>\$9,624</u></u>

See accompanying notes.

THE EDUCATION ENDOWMENT FUND
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED APRIL 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Unrestricted net assets:		
Support and revenue:		
Contributions	\$ 7,400	\$7,955
Interest income	<u>15</u>	<u>8</u>
Total support and revenue	<u>7,415</u>	<u>7,963</u>
Expenses:		
Bank service charges	50	22
Fund-raising expenses	-	304
Licenses	25	25
Printing and reproduction	526	1,071
Professional fees	1,310	1,260
Postage and delivery	-	35
Transfer to The Community Foundation	<u>10,000</u>	<u>-</u>
Total expenses	<u>11,911</u>	<u>2,717</u>
Change in unrestricted net assets	(4,496)	5,246
Unrestricted net assets, beginning of year	<u>9,624</u>	<u>4,378</u>
Unrestricted net assets, end of year	<u>\$ 5,128</u>	<u>\$9,624</u>

See accompanying notes.

THE EDUCATION ENDOWMENT FUND

STATEMENTS OF CASH FLOWS

YEARS ENDED APRIL 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Changes in unrestricted net assets	\$(4,496)	\$5,246
Adjustments to reconcile change in unrestricted net assets to net cash and cash equivalents (used) by operating activities	<u> -</u>	<u> -</u>
Net cash and cash equivalents provided by (used in) operating activities	(4,496)	5,246
Cash flows from investing activities	-	-
Cash flows from financing activities	<u> -</u>	<u> -</u>
Net increase in cash and cash equivalents	(4,496)	5,246
Cash and cash equivalents, beginning of year	<u> 9,624 </u>	<u> 4,378 </u>
Cash and cash equivalents, end of year	<u><u> \$ 5,128 </u></u>	<u><u> \$9,624 </u></u>

See accompanying notes.

THE EDUCATION ENDOWMENT FUND

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2013 AND 2012

1. Nature of activities and significant accounting policies

Nature of activities - The Education Endowment Fund (the Fund) is a nonprofit corporation organized under the laws of the Commonwealth of Virginia to perform the scholarship aid functions of The Woman's Club of Richmond, Virginia. The organization receives, maintains, and administers a fund for the purpose of making scholarship grants.

Date of Management's Review - Subsequent events were evaluated through August 28, 2013, which is the date the financial statements were available to be issued.

Basis of presentation - The financial statements of the Fund have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Cash equivalents - For purposes of the statement of cash flows, the Fund considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash.

Use of estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Income taxes

The Fund is exempt for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code and would be taxed only to the extent it has taxable trade or business income unrelated to its exempt purpose. There was no unrelated business income for the current fiscal year.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Fund and recognize a tax liability (asset) if the Fund has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Fund, and has concluded that as of April 30, 2013, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statement. The Fund is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any periods in progress.

THE EDUCATION ENDOWMENT FUND

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2013 AND 2012

2. Income taxes (Continued)

Management believes it is no longer subject to income tax examinations for the years prior to the fiscal year ended April 30, 2010.

3. Contributions to The Community Foundation

The Fund makes irrevocable cash contributions to The Community Foundation (TCF) for a charitable endowment within TCF. The purpose of the endowment is to support post-secondary education scholarships to qualifying graduates of the metropolitan Richmond area high schools who exhibit financial need. The endowment is administered by TCF subject to its scholarship fund policies and practices. The directors of the Fund serve in an advisory capacity to the charitable endowment. At April 30, 2013, the value of the TCF fund was \$324,324. Scholarships totaling \$9,000 and \$8,600 were paid to recipients during the fiscal years 2013 and 2012 respectively.