

**Foundation For
Enriching Education - Perth Huron**

Financial Statements
For the year ended August 31, 2015

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Financial Statements
For the year ended August 31, 2015

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Independent Auditors' Report

To the Members of the Foundation For Enriching Education - Perth Huron

We have audited the accompanying financial statements of Foundation for Enriching Education-Perth Huron, which comprise the statement of financial position as at August 31, 2015, the statements of operations, changes in net assets and cash flows for the year then ended, 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 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, the Foundation derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to amounts recorded in the records of the Foundation, and we were not able to determine whether any adjustments might be necessary to donation revenue, net revenue, assets and fund balances.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation for Enriching Education - Perth Huron as at August 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants, Licensed Public Accountants

Stratford, Ontario
October 7, 2015

Foundation For Enriching Education - Perth Huron Statement of Financial Position

August 31 **2015** **2014**

Assets

Current

Cash	\$	87,296	\$	68,975
HST recoverable		14,094		17,041
Short-term investments (Note 2)		144,398		133,285
Accounts receivable		748		8,715
Inventory		1,785		-
Prepaid expenses		5,738		5,104
		\$ 254,059		\$ 233,120

Liabilities and Fund Balances

Current

Accounts payable and accruals	\$	78,744	\$	46,424
Deferred revenue (Note 3)		40,346		44,640
		119,090		91,064

Long-term

Deferred revenue (Note 3)		60,129		62,115
		179,219		153,179

Fund Balances

Working fund		40,275		46,601
Special projects		34,565		34,565
Operating fund		-		(1,225)
		74,840		79,941
		\$ 254,059		\$ 233,120

On behalf of the Board of Directors:

_____ President

_____ Treasurer

Foundation For Enriching Education - Perth Huron Statement of Changes in Net Assets

For the year ended August 31	Working Fund	Special Projects	Operating Fund	Total 2015	Total 2014
Balance, beginning of year	\$ 46,601	\$ 34,565	\$ (1,225)	\$ 79,941	\$ 84,166
Results of operations for the year	-	-	(5,101)	(5,101)	(4,225)
Interfund transfers	(6,326)	-	6,326	-	-
Balance, end of year	\$ 40,275	\$ 34,565	\$ -	\$ 74,840	\$ 79,941

The accompanying notes are an integral part of these financial statements.

Foundation For Enriching Education - Perth Huron Statement of Operations

For the year ended August 31	2015	2014
Revenue		
Contributions		
Designated for specific school programs	\$ 199,694	\$ 227,585
Designated for specific programs	154,906	124,005
General	7,487	6,151
Province of Ontario - Passport to Prosperity	3,520	2,177
Avon Maitland District School Board - operations	98,557	95,557
Fundraising (net) (Note 4)	65,590	54,301
Interest and other	2,443	2,481
	532,197	512,257
Expenses		
Programs		
Affinity Fund	457	-
Artitudes	49,810	41,843
Baby Literacy	8,892	-
Britta's Big Idea	500	500
Boyd Devereaux Fund	1,500	-
Canadian Reading	2,400	2,990
Career Symposium	2,545	3,633
Celebrating Human Diversity	4,850	4,750
Curriculum Project	900	144
Eat'n Learn	16,662	-
Estate of Helen Roszell bequest	3,000	2,558
Global Literacy	57,530	15,104
Harmonize for Speech	-	362
Hero Project	50	40
In-school Mentoring (Journeys)	6,600	6,000
Inspiring Science Fund	400	3,559
Kids First Shared Intake	-	7,285
MRES Capital Campaign	-	3,805
Nutrition	771	533
Passport to Prosperity	1,475	2,208
Pathways to Success	79	800
Sci-Tech Encounters/Science Fairs Fund	25,696	21,269
Small Project Fund	2,944	1,980
SocDocs	150	380
Student Success	287	-
Tribal Visions	-	1,428
World Festival of Children's Theatre	21,610	31,946
Young Women in Skilled Trades	9,546	20,077
Designated donations paid to schools	199,694	227,585
Employment contract reimbursements	102,935	100,573
Insurance	4,833	4,315
Legal and audit	5,821	6,332
Office supplies and promotional materials	3,031	2,648
Travel, conferences and training	2,330	1,835
	537,298	516,482
Results of operations for the year	\$ (5,101)	\$ (4,225)

The accompanying notes are an integral part of these financial statements.

Foundation For Enriching Education - Perth Huron Statement of Cash Flows

For the year ended August 31	2015	2014
Cash flows from operating activities		
Results of operations for the year	\$ (5,101)	\$ (4,225)
Adjustments for:		
Changes in non-cash working capital balances		
Accounts receivable	7,967	(8,157)
HST receivable	2,947	(3,092)
Inventory	(1,785)	-
Prepaid expenses	(634)	(2,134)
Accounts payable and accruals	32,320	8,573
Deferred revenue	(6,280)	13,981
	29,434	4,946
Increase in cash and cash equivalents during the year	29,434	4,946
Cash and cash equivalents, beginning of year	202,260	197,314
Cash and cash equivalents, end of year	\$ 231,694	\$ 202,260
Represented by		
Cash	\$ 87,296	\$ 68,975
Short-term investments	144,398	133,285
	\$ 231,694	\$ 202,260

The accompanying notes are an integral part of these financial statements.

Foundation For Enriching Education - Perth Huron

Notes to Financial Statements

August 31, 2015

1. Significant Accounting Policies

Purpose of the Organization The Foundation for Enriching Education - Perth Huron ("the Foundation") is a tax-exempt registered charity, incorporated without share capital as a not-for-profit entity under the laws of Ontario. Its purpose is to provide education enrichment programs within the public school system.

Basis of Accounting These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Fund Accounting For financial reporting purposes, the Foundation employs the following three funds:

Operating Fund

This fund accounts for revenues and expenses related to program delivery and administrative activities.

Working Fund

This fund was established to ensure that adequate levels of working capital are maintained throughout each year. Other than covering operating deficits, expenditures or transfers from this fund require Board approval.

Special Projects Fund

This fund was established to help fund special projects of the Foundation as they arise and are approved by the Board.

Financial Instruments The Foundation recognizes and measures financial assets and financial liabilities on the balance sheet when it becomes a party to the contractual provisions of a financial instrument. All financial instruments are measured at fair value on initial recognition. In subsequent periods, equity investments traded on an open market are reported at fair value. The Foundation has elected to report all other investments in the same manner. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.

Foundation For Enriching Education - Perth Huron

Notes to Financial Statements

August 31, 2015

Revenue Recognition

The Foundation follows the deferral method of recognition with respect to contribution revenue. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Until that time, they are reported as deferred revenue on the statement of financial position. Unrestricted contributions of cash or negotiable instruments are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions of property, materials and services received in kind are measured at fair value and are recognized as they are received only if they would otherwise be purchased. Fundraising revenue is recognized as the related events or activities take place.

Use of Estimates

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Cash and Cash Equivalents

"Cash equivalents" include short-term investments, other than equities, having maturity dates of 90 days or less.

2. Short-term Investments

	<u>2015</u>	<u>2014</u>
Mutual funds and shares - market value	<u>\$ 144,398</u>	<u>\$ 133,285</u>
Cost	<u>\$ 145,190</u>	<u>\$ 133,285</u>

Foundation For Enriching Education - Perth Huron Notes to Financial Statements

August 31, 2015

3. Deferred Revenue

	2015	2014
Current:		
Baby Literacy	\$ 4,008	\$ 500
Boyd Devereaux Fund	2,428	1,035
Britta's Big Idea	1,500	2,000
Career Fund	2,611	-
Career Symposium	-	6,111
Curriculum	1,078	1,978
Eat & Learn	7,810	11,000
Gala	1,250	3,250
Global Literacy	-	6,450
Grade 2 Cooking	-	6,111
MRES Capital Campaign	5,490	5,490
MSCU Peer Tutoring	2,850	2,850
Pathways Planning Workshop	10,000	-
Student Success	1,128	1,305
World Festival of Children's Theatre	193	2,671
	\$ 40,346	\$ 44,640
Long-term:		
Affinity Fund	\$ 6,612	\$ 6,612
Estate of Helen Roszell bequest	6,324	9,249
Pathways to Success	27,548	21,709
Inspiring Science	5,675	5,675
Science Fair	13,720	18,220
Tech 21/Intermediate Science	250	650
	\$ 60,129	\$ 62,115

4. Fundraising

	Total Revenue	Total Expenses	Fundraising 2015	Fundraising 2014
Dinner cabaret auction	\$ 45,366	\$ 11,151	\$ 34,215	\$ 28,529
Art cards	2,695	2,334	361	-
School show	36,008	16,235	19,773	14,430
Nevada tickets	22,600	11,359	11,241	11,342
	\$ 106,669	\$ 41,079	\$ 65,590	\$ 54,301

Foundation For Enriching Education - Perth Huron Notes to Financial Statements

August 31, 2015

5. Gifts-in-Kind

Gifts-in-kind, which were received during the year but not recognized in the financial statements, were as follows:

	<u>2015</u>	<u>2014</u>
Goods donated for fundraisers	\$ 12,712	\$ 10,918
Materials, books and supplies	864	6,316
Vehicles	18,219	19,275
Computer, AV and other equipment	3,288	10,731
Wood and steel	1,193	32,384
Other	5,434	7,557
	<u>\$ 41,710</u>	<u>\$ 87,181</u>

6. Avon Maitland District School Board

The Foundation's board of directors, which has a maximum membership of 12, includes one trustee and two senior employees of the Avon Maitland District School Board.

7. Allocation of Expenses

Employment contract reimbursement expenses reported in the statement of operations of \$102,935 (2014 - \$100,573) are reported after the allocation of \$2,010 (2014 - \$1,350) to the Passport to Prosperity program representing the specific contractor's cost to implement the specific projects included within the program.

8. Financial Instrument Risk

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest rate, currency or credit risks arising from its financial instruments.
