

**Foundation For
Enriching Education - Perth Huron**

Financial Statements
For the year ended August 31, 2016

Foundation For Enriching Education - Perth Huron
Financial Statements
For the year ended August 31, 2016

Contents

Independent Auditors' Report	2
Financial Statements	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to Financial Statements	8

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, 2016, 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 auditors' 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 in the form of cash 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, 2016 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 12, 2016

Foundation For Enriching Education - Perth Huron Statement of Financial Position

August 31 **2016** 2015

Assets

Current

Cash	\$	73,885	\$	87,296
HST recoverable		13,440		14,094
Short-term investments (Note 2)		145,584		144,398
Accounts receivable		1,057		748
Inventory		1,785		1,785
Prepaid expenses		5,039		5,738
		<hr/> 240,790		<hr/> 254,059
	\$		\$	

Liabilities and Fund Balances

Current

Accounts payable and accruals	\$	12,405	\$	78,744
Deferred revenue (Note 3)		60,839		32,536
		<hr/> 73,244		<hr/> 111,280

Long-term

Deferred revenue (Note 3)		62,821		67,939
		<hr/> 136,065		<hr/> 179,219

Fund Balances

Working fund		40,275		40,275
Special projects		34,565		34,565
Operating fund		29,885		-
		<hr/> 104,725		<hr/> 74,840
	\$		\$	

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 2016	Total 2015
Balance, beginning of year	\$ 40,275	\$ 34,565	\$ -	\$ 74,840	\$ 79,941
Results of operations for the year	-	-	29,885	29,885	(5,101)
Balance, end of year	\$ 40,275	\$ 34,565	\$ 29,885	\$ 104,725	\$ 74,840

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	2016	2015
Revenue		
Contributions		
Designated for specific school programs	\$ 388,048	\$ 199,694
Designated for specific programs	173,267	158,426
General	6,227	7,487
Avon Maitland District School Board - operations	97,468	98,557
Fundraising (net) (Note 4)	68,615	65,590
Interest and other	2,238	2,443
	735,863	532,197
Expenses		
Programs		
Affinity Fund	-	457
Artitudes	35,823	49,810
Baby Literacy	145	8,892
Britta's Big Idea	228	500
Boyd Devereaux Fund	1,525	1,500
Canadian Reading	2,670	2,400
Career Funds	1,047	4,020
Celebrating Human Diversity	-	4,850
Curriculum Project	-	900
Eat'n Learn	-	16,662
Estate of Helen Roszell bequest	600	3,000
Global Literacy	13,995	57,530
Hero Project	1,025	50
iCase	10,000	-
In-school Mentoring (Journeys)	2,500	6,600
Inspiring Science Fund	414	400
Pathways to Success	2,145	79
Sci-Tech Encounters/Science Fairs Fund	22,173	25,696
Small Project Fund	1,790	2,944
SocDocs	502	150
Student Success	-	287
Transportation	1,965	-
World Festival of Children's Theatre	96,970	21,610
Young Women in Skilled Trades	9,013	9,546
Designated donations paid to schools	388,048	199,694
Employment contract reimbursements	98,105	102,935
Insurance	5,084	4,833
Legal and audit	6,229	5,821
Office supplies and promotional materials	2,029	3,802
Travel, conferences and training	1,953	2,330
	705,978	537,298
Results of operations for the year	\$ 29,885	\$ (5,101)

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	2016	2015
Cash flows from operating activities		
Results of operations for the year	\$ 29,885	\$ (5,101)
Adjustments for:		
Changes in non-cash working capital balances		
Accounts receivable	(309)	7,967
HST receivable	654	2,947
Inventory	-	(1,785)
Prepaid expenses	699	(634)
Accounts payable and accruals	(66,339)	32,320
Deferred revenue	23,185	(6,280)
	<u>(12,225)</u>	<u>29,434</u>
Increase (decrease) in cash and cash equivalents during the year	(12,225)	29,434
Cash and cash equivalents, beginning of year	231,694	202,260
Cash and cash equivalents, end of year	\$ 219,469	\$ 231,694
Represented by		
Cash	\$ 73,885	\$ 87,296
Short-term investments	145,584	144,398
	<u>\$ 219,469</u>	<u>\$ 231,694</u>

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

Foundation For Enriching Education - Perth Huron

Notes to Financial Statements

August 31, 2016

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, 2016

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>2016</u>	<u>2015</u>
Mutual funds and shares - market value	<u>\$ 145,584</u>	<u>\$ 144,398</u>
Cost	<u>\$ 145,292</u>	<u>\$ 145,190</u>

Foundation For Enriching Education - Perth Huron Notes to Financial Statements

August 31, 2016

3. Deferred Revenue

	2016	2015
Current:		
Baby Literacy	\$ 5,520	\$ 4,008
Boyd Devereaux Fund	1,269	2,428
Britta's Big Idea	1,272	1,500
Career Fund	1,958	2,611
Concussion Testing	8,000	-
Curriculum	-	1,078
Gala	1,750	1,250
Global Literacy	13,105	-
MRES Capital Campaign	-	5,490
MSCU Peer Tutoring	2,850	2,850
Pathways Planning Workshop	400	10,000
Science Fair	9,000	-
Student Success	1,128	1,128
Transportation Fund	8,035	-
World Festival of Children's Theatre	-	193
Young Women in Skilled Trades	6,552	-
	\$ 60,839	\$ 32,536
Long-term:		
Affinity Fund	\$ 6,612	\$ 6,612
Eat & Learn	7,810	7,810
Estate of Helen Roszell bequest	5,764	6,324
Pathways to Success	24,404	27,548
Inspiring Science	5,261	5,675
Science Fair	12,720	13,720
Tech 21/Intermediate Science	250	250
	\$ 62,821	\$ 67,939

Foundation For Enriching Education - Perth Huron Notes to Financial Statements

August 31, 2016

4. Fundraising

	Total Revenue	Total Expenses	Fundraising 2016	Fundraising 2015
Dinner cabaret auction	\$ 42,601	\$ 9,094	\$ 33,507	\$ 34,215
Art cards	176	-	176	361
School show	37,760	15,913	21,847	19,773
Nevada tickets	29,945	16,860	13,085	11,241
Net fundraising	\$ 110,482	\$ 41,867	\$ 68,615	\$ 65,590

5. Gifts-in-Kind

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

	2016	2015
Goods donated for fundraisers	\$ 12,441	\$ 12,712
Materials, books and supplies	5,379	864
Vehicles	53,250	18,219
Computer, AV and other equipment	5,097	3,288
Wood and steel	2,008	1,193
Other	5,526	5,434
	\$ 83,701	\$ 41,710

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.

Foundation For Enriching Education - Perth Huron

Notes to Financial Statements

August 31, 2016

7. Allocation of Expenses

Employment contract reimbursement expenses reported in the statement of operations of \$98,105 (2015 - \$102,935) are reported after the allocation of \$7,500 (2015 - \$2,010) to the Passport to Prosperity, World Festival of Children's Theatre and Young Women in Skilled Trades programs 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.

9. Comparative Information

Certain comparative figures have been reclassified to reflect current year presentation.
