

**Foundation For
Enriching Education - Perth Huron**

Financial Statements
For the year ended August 31, 2014

Foundation For Enriching Education - Perth Huron
Financial Statements
For the year ended August 31, 2014

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, 2014, 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, 2014 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 Accountants, Licensed Public Accountants

Stratford, Ontario
November 13, 2014

Foundation For Enriching Education - Perth Huron Statement of Financial Position

August 31 **2014** 2013

Assets

Current

Cash	\$	68,975	\$	65,696
HST recoverable		17,041		13,949
Short-term investments (Note 2)		133,285		131,618
Accounts receivable		8,715		558
Prepaid expenses		5,104		2,970
		<hr/>		<hr/>
	\$	233,120	\$	214,791

Liabilities and Fund Balances

Current

Accounts payable and accruals	\$	46,424	\$	37,851
Deferred revenue (Note 3)		66,349		57,896
		<hr/>		<hr/>
		112,773		95,747

Long-term

Deferred revenue (Note 3)		40,406		34,878
		<hr/>		<hr/>
		153,179		130,625

Fund Balances

Working fund		46,601		49,601
Special projects		34,565		34,565
Operating fund		(1,225)		-
		<hr/>		<hr/>
		79,941		84,166
	\$	233,120	\$	214,791

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 2014	Total 2013
Balance, beginning of year	\$ 49,601	\$ 34,565	\$ -	\$ 84,166	\$ 80,953
Results of operations for the year	-	-	(4,225)	(4,225)	3,213
Interfund transfers	(3,000)		3,000	-	-
Balance, end of year	\$ 46,601	\$ 34,565	\$ (1,225)	\$ 79,941	\$ 84,166

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 2014 2013

Revenue

Contributions		
Designated for specific school programs	\$ 227,585	\$ 244,187
Designated for specific programs	124,005	63,550
General	6,151	8,821
Province of Ontario - Passport to Prosperity	2,177	16,794
Avon Maitland District School Board - operations	95,557	93,683
Fundraising (net) (Note 4)	54,301	54,854
Interest and other	2,481	3,551
	512,257	485,440

Expenses

Programs		
Artitudes	41,843	47,271
Britta's Big Idea Fund	500	-
Canadian Reading Fund	2,990	2,500
Career Symposium	3,633	-
Celebrating Human Diversity	4,750	5,850
Curriculum Project	144	3,063
Estate of Helen Rozell bequest	2,558	-
Global Literacy	15,104	3,730
Harmonize for Speech	362	-
Hero Project	40	49
In-school Mentoring (Journeys)	6,000	6,000
Kids First Shared Intake	7,285	12,118
Me2We	3,559	-
MRES Capital Campaign	3,805	-
Nutrition	533	576
Passport to Prosperity	2,208	18,959
Pathways to Success	800	-
Sci-Tech Encounters/Science fairs	21,269	22,606
Small Project Fund	1,980	4,400
SocDocs	380	-
Tribal Visions	1,428	-
World Festival of Children's Theater	31,946	-
Young Women in Skilled Trades	20,077	-
Designated donations paid to schools	227,585	244,187
Employment contract reimbursements	100,573	95,932
Insurance	4,315	5,015
Legal and audit	6,332	5,705
Office supplies and promotional materials	2,648	2,479
Travel, conferences and training	1,835	1,787
	516,482	482,227

Results of operations for the year **\$ (4,225) \$ 3,213**

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	2014	2013
Cash flows from operating activities		
Results of operations for the year	\$ (4,225)	\$ 3,213
Adjustments for:		
Changes in non-cash working capital balances		
Accounts receivable	(8,157)	6,797
HST receivable	(3,092)	(297)
Prepaid expenses	(2,134)	3,765
Accounts payable and accruals	8,573	(31,956)
Deferred revenue	13,981	(3,565)
	<u>4,946</u>	<u>(22,043)</u>
Increase (decrease) in cash and cash equivalents during the year	4,946	(22,043)
Cash and cash equivalents, beginning of year	197,314	219,357
Cash and cash equivalents, end of year	\$ 202,260	\$ 197,314
Represented by		
Cash	\$ 68,975	\$ 65,696
Short-term investments	133,285	131,618
	<u>\$ 202,260</u>	<u>\$ 197,314</u>

Foundation For Enriching Education - Perth Huron

Notes to Financial Statements

August 31, 2014

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, 2014

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>2014</u>	<u>2013</u>
Mututal funds	<u>\$ 133,285</u>	<u>\$ 131,618</u>
Cost	<u>\$ 133,285</u>	<u>\$ 131,618</u>

Foundation For Enriching Education - Perth Huron Notes to Financial Statements

August 31, 2014

3. Deferred Revenue

	2014	2013
Current:		
Affinity Fund	\$ -	\$ 8,112
Baby Literacy	500	-
Boyd Devereaux Fund	1,035	-
Britta's Big Idea Fund	2,000	-
Career Symposium	6,111	13,244
Curriculum	1,978	2,122
Eat & Learn	11,000	-
Gala	3,250	4,500
Global Literacy	6,450	7,102
Grade 2 Cooking	-	1,000
Kids First Shared Intake	-	7,285
MRES Capital Campaign	5,490	2,500
MSCU Peer Tutoring	2,850	2,850
Pathways to Success	21,709	7,876
Student Success	1,305	1,305
World Festival of Children's Theater	2,671	-
	\$ 66,349	\$ 57,896
Long-term:		
Affinity Fund	6,612	-
Britta's Big Idea Fund	-	2,500
Estate of Helen Roszell bequest	\$ 9,249	\$ 11,807
Inspiring Science Fund	5,675	5,675
Science Fair	18,220	14,246
Tech 21/intermediate science	650	650
	\$ 40,406	\$ 34,878

Foundation For Enriching Education - Perth Huron Notes to Financial Statements

August 31, 2014

4. Fundraising

	Total Revenue	Total Expenses	Fundraising 2014	Fundraising 2013
Dinner cabaret auction	\$ 36,805	\$ 8,276	\$ 28,529	\$ 30,809
Golf tournament	-	-	-	146
Medieval Feast	-	-	-	-
Munsch show	29,802	15,372	14,430	15,304
Nevada tickets	22,035	10,693	11,342	8,595
Net fundraising	\$ 88,642	\$ 34,341	\$ 54,301	\$ 54,854

5. Gifts-in-Kind

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

	2014	2013
Goods donated for fundraisers	\$ 10,918	\$ 11,290
Materials, books and supplies	6,316	7,982
Vehicles	19,275	19,250
Computer, AV and other equipment	10,731	3,281
Wood and steel	32,384	-
Other	7,557	2,726
	\$ 87,181	\$ 44,529

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, 2014

7. Allocation of Expenses

Employment contract reimbursement expenses reported in the statement of operations of \$100,573 (2013 - \$95,932) are reported after the allocation of \$1,350 (2013 - \$4,047) 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.
