

**Foundation For
Enriching Education - Perth Huron**

Financial Statements
For the year ended August 31, 2018

Foundation For Enriching Education - Perth Huron
Financial Statements
For the year ended August 31, 2018

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, 2018, 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, 2018 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
January 11, 2019

Foundation For Enriching Education - Perth Huron Statement of Financial Position

August 31 **2018** 2017

Assets

Current

Cash	\$	57,037	\$	61,473
HST recoverable		15,486		13,235
Short-term investments (Note 2)		174,421		147,210
Accounts receivable		-		486
Inventory		1,333		630
Prepaid expenses		4,570		5,065
		\$ 252,847		\$ 228,099

Liabilities and Fund Balances

Current

Accounts payable and accruals	\$	8,270	\$	6,398
Deferred revenue (Note 3)		40,723		52,055
		48,993		58,453

Long-term

Deferred revenue (Note 3)		88,674		65,285
		137,667		123,738

Fund Balances

Working fund		83,615		69,796
Special projects		31,565		34,565
Operating fund		-		-
		115,180		104,361
		\$ 252,847		\$ 228,099

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 2018	Total 2017
Balance, beginning of year	\$ 69,796	\$ 34,565	\$ -	\$ 104,361	\$ 104,725
Results of operations for the year	-	-	10,819	10,819	(364)
Interfund transfers	13,819	(3,000)	(10,819)	-	-
Balance, end of year	\$ 83,615	\$ 31,565	\$ -	\$ 115,180	\$ 104,361

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	2018	2017
Revenue		
Contributions		
Designated for specific school programs	\$ 272,863	\$ 234,391
Designated for specific programs	64,101	107,318
General	9,940	5,730
Avon Maitland District School Board - operations	100,909	99,418
Fundraising (net) (Note 4)	64,844	43,879
Interest and other	3,384	2,872
	516,041	493,608
Expenses		
Programs		
Affinity Fund	890	200
Artitudes	30,462	24,039
Baby Literacy	2,407	6,947
Britta's Big Idea	200	250
Boyd Devereaux Fund	1,500	2,000
Canadian Reading	2,772	3,030
Celebrating Human Diversity	3,065	3,704
Concussion Testing	-	14,717
Eat'n Learn	7,797	15,658
Estate of Helen Roszell bequest	520	1,995
Global Literacy	11,249	22,052
In-school Mentoring (Journeys)	4,500	4,000
Inspiring Science Fund	700	-
North Perth Community	-	1,556
Pathways to Success	737	3,723
Sci-Tech Encounters/Science Fairs Fund	29,163	24,583
Small Project Fund	2,000	1,500
SocDocs	-	197
Student Success	300	165
Transportation	1,975	-
World Festival of Children's Theatre	100	-
Young Women in Skilled Trades	11,011	11,336
Designated donations paid to schools	272,863	234,391
Employment contract reimbursements	97,038	102,088
Insurance	5,109	5,086
Legal and audit	6,710	6,236
Office supplies and promotional materials	10,506	3,455
Travel, conferences and training	1,648	1,064
	505,222	493,972
Net Income (loss)	10,819	(364)

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	2018	2017
Cash flows from operating activities		
for the year	\$ 10,819	\$ (364)
Adjustments for:		
Changes in non-cash working capital balances		
Accounts receivable	486	571
HST receivable	(2,251)	205
Inventory	(703)	1,155
Prepaid expenses	495	(26)
Accounts payable and accruals	1,872	(6,007)
Deferred revenue	12,057	(6,320)
	<u>22,775</u>	<u>(10,786)</u>
Increase (decrease) in cash and cash equivalents during the year	22,775	(10,786)
Cash and cash equivalents, beginning of year	208,683	219,469
Cash and cash equivalents, end of year	\$ 231,458	\$ 208,683
 Represented by		
Cash	\$ 57,037	\$ 61,473
Short-term investments	174,421	147,210
	<u>\$ 231,458</u>	<u>\$ 208,683</u>

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

Foundation For Enriching Education - Perth Huron

Notes to Financial Statements

August 31, 2018

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, 2018

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>2018</u>	<u>2017</u>
Mutual funds and shares - market value	<u>\$ 174,421</u>	<u>\$ 147,210</u>
Cost	<u>\$ 174,421</u>	<u>\$ 146,437</u>

Foundation For Enriching Education - Perth Huron Notes to Financial Statements

August 31, 2018

3. Deferred Revenue

	2018	2017
Current:		
Art/ life music	\$ 1,255	\$ 1,255
Boyd Devereaux Fund	-	1,201
Britta's Big Idea	-	1,022
Concussion Testing	1,283	1,283
EatFIT	-	5,050
Gala	2,250	4,250
Global Literacy	14,246	10,429
MSCU Peer Tutoring	-	2,850
Pathways Planning Workshop	1,800	-
Science Fair	-	9,000
Student Success	828	1,128
Transportation Fund	6,060	8,035
Young Women in Skilled Trades	13,001	6,552
	\$ 40,723	\$ 52,055
Long-term:		
Affinity Fund	\$ 5,522	\$ 6,412
Baby Literacy	12,390	5,323
Career Fund	1,958	1,958
Eat & Learn	3,449	6,277
Helen Roszell Fund	7,546	5,786
Pathways to Success	24,190	24,928
Inspiring Science	4,711	5,411
Science Fair	8,908	9,090
World Festival of Children's Theatre	20,000	100
	\$ 88,674	\$ 65,285

Foundation For Enriching Education - Perth Huron Notes to Financial Statements

August 31, 2018

4. Fundraising

	Total Revenue	Total Expenses	Fundraising 2018	Fundraising 2017
Dinner cabaret auction	\$ 39,643	\$ 7,067	\$ 32,576	\$ 29,903
Art cards	-	-	-	(415)
School show	33,400	16,773	16,627	(852)
Nevada tickets	32,970	17,329	15,641	15,243
	\$ 106,013	\$ 41,169	\$ 64,844	\$ 43,879

5. Gifts-in-Kind

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

	2018	2017
Goods donated for fundraisers	\$ 9,813	\$ 14,474
Materials, books and supplies	47	2,666
Vehicles	44,385	42,175
Computer, AV and other equipment	12,695	7,437
Other	874	2,585
	\$ 67,814	\$ 69,337

6. Avon Maitland District School Board

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

Foundation For Enriching Education - Perth Huron Notes to Financial Statements

August 31, 2018

7. Allocation of Expenses

Employment contract reimbursement expenses reported in the statement of operations of \$97,038 (2017 - \$102,088) are reported after the allocation of \$2,500 (2017 - \$3,000) to the Young Women in Skilled Trades and Science Fair 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.
