

WEATHERFORD ISD
EDUCATION FOUNDATION, INC.

Financial Statements &
Independent Auditor's Report
Year Ended December 31, 2017

Wood, Stephens & O'Neil, L.L.P.
Certified Public Accountants

September 26, 2018

Independent Auditor's Report

To the Management and Board of Directors
Weatherford ISD Education Foundation, Inc.

We have audited the accompanying financial statements of the Weatherford ISD Education Foundation, Inc., a not-for-profit organization, which comprise the statement of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, 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 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used 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 Foundation as of December 31, 2017 and 2016, 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.

Wood, Stephens & O'Neil, L.L.P.

WEATHERFORD ISD EDUCATION FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS:</u>		
Cash and cash equivalents	\$ 634,685	\$ 705,024
Contributions receivable	900	31,000
Prepaid expenses	-	-
TOTAL ASSETS	<u>\$ 635,585</u>	<u>\$ 736,024</u>
<u>LIABILITIES:</u>		
Accounts payable and accrued liabilities	15,750	14,929
Grants payable	10,613	1,532
TOTAL LIABILITIES	<u>26,363</u>	<u>16,461</u>
<u>NET ASSETS:</u>		
Unrestricted	559,222	669,563
Board designated endowment fund	50,000	50,000
Temporarily restricted	-	-
Permanently restricted	-	-
TOTAL NET ASSETS	<u>609,222</u>	<u>719,563</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 635,585</u>	<u>\$ 736,024</u>

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

WEATHERFORD ISD EDUCATION FOUNDATION, INC.

STATEMENT OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

<u>CHANGES IN UNRESTRICTED NET ASSETS:</u>	<u>2017</u>	<u>2016</u>
<i>Revenues:</i>		
Contributions - unrestricted	\$ 54,928	\$ 110,783
Fundraising events, "net" of direct expenses (\$19,110 - 2017, \$8,641 - 2016)	43,518	16,428
Interest and miscellaneous income	2,078	1,350
Net assets released from restrictions	-	-
TOTAL UNRESTRICTED REVENUES	<u>100,524</u>	<u>128,561</u>
<i>Expenses:</i>		
Program	184,703	113,790
General and Administrative	26,162	25,322
Fundraising and Development	-	-
TOTAL EXPENSES	<u>210,865</u>	<u>139,112</u>
<u>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</u>	<u>(110,341)</u>	<u>(10,551)</u>
<u>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</u>		
Contributions - temporarily restricted	-	-
Net assets released from restrictions	-	-
<u>INCREASE (DECREASE) IN TEMP. RESTRICTED NET ASSETS</u>	<u>-</u>	<u>-</u>
<u>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	(110,341)	(10,551)
NET ASSETS, at beginning of year	719,563	730,114
NET ASSETS, at end of year	<u>\$ 609,222</u>	<u>\$ 719,563</u>

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

WEATHERFORD ISD EDUCATION FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2017

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising and Development</u>	<u>2017 Totals</u>
Audit and accounting expense	\$ -	\$ 4,500	\$ -	\$ 4,500
Advertising expense	-	1,377	-	1,377
Contracted services	15,748	15,748	-	31,496
Grant expenditures	159,655	-	-	159,655
Insurance expense	-	2,163	-	2,163
Miscellaneous expenses	-	2,374	-	2,374
Scholarships	2,000	-	-	2,000
School supplies expense	7,300	-	-	7,300
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	\$ 184,703	\$ 26,162	\$ -	\$ 210,865

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

WEATHERFORD ISD EDUCATION FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2016

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising and Development</u>	<u>2016 Totals</u>
Audit and accounting expense	\$ -	\$ 4,500	\$ -	\$ 4,500
Advertising expense	-	1,794	-	1,794
Bank and credit card fees	-	2	-	2
Contracted services	14,929	14,929	-	29,858
Grant expenditures	85,485	-	-	85,485
Insurance expense	-	2,163	-	2,163
Miscellaneous expenses	-	1,934	-	1,934
Scholarships	3,000	-	-	3,000
School supplies expense	7,459	-	-	7,459
Teacher of the year banquet expenses	2,917	-	-	2,917
Total Expenses	<u>\$ 113,790</u>	<u>\$ 25,322</u>	<u>\$ -</u>	<u>\$ 139,112</u>

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

WEATHERFORD ISD EDUCATION FOUNDATION, INC.

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (110,341)	\$ (10,551)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in contributions receivable	30,100	(9,410)
(Increase) decrease in prepaid expenses	-	-
Increase (decrease) in accounts payable and accrued liabilities	821	-
Increase (decrease) in grants payable	9,081	(14,170)
Net Cash Provided By (Used For) Operating Activities	<u>(70,339)</u>	<u>(34,131)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	<u>-</u>	<u>-</u>
Net Cash Provided By (Used For) Investing Activities	<u>-</u>	<u>-</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	<u>-</u>	<u>-</u>
Net Cash Provided By (Used For) Financing Activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(70,339)	(34,131)
Cash and cash equivalents, beginning of year	705,024	739,155
Cash and cash equivalents, end of year	<u>\$ 634,685</u>	<u>\$ 705,024</u>
<u>SUPPLEMENTAL DISCLOSURES</u>		
None applicable	-	-

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

WEATHERFORD ISD EDUCATION FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Weatherford ISD Education Foundation, Inc., (the Foundation), was incorporated in 2000, pursuant to the Texas Non-Profit Corporation Act. The Foundation's mission is to support the development of the Weatherford ISD and its programs, as well as to support, assist, and encourage the students and teachers within the district. The Board of Directors manage the business affairs of the Foundation.

General

The Foundation's financial statements have been prepared on the accrual basis of accounting. The significant accounting and reporting policies used by the Foundation are described below to enhance the usefulness and understandability of the financial statements.

Financial Statement Presentation

The Foundation, in accordance with not-for-profit accounting standards, reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. These classes of net assets are based upon the existence or absence of restrictions on use that are placed by its donors.

Donated Equipment and Services

The Foundation records the value of donated equipment when there is an objective basis available to measure their value. Donated equipment is reflected as contributions in the accompanying statements at their estimated values at the date of receipt. No amounts have been reflected in the statements for donated services as no objective basis is available to measure the value of such services. Nevertheless, numerous volunteers donated significant amounts of time to the Foundation's programs during the year.

Contributions and Recognition of Donor-Imposed Restrictions

Contributions, including unconditional promises to give, are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as unrestricted. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Contributions Receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected within one year are recorded at net realizable value. For these unconditional promises to give the Foundation uses an allowance method to determine the uncollectible portion, based on prior years' experience and management's analysis of the promises made. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Management Estimates and Assumptions

Management uses estimates and assumptions in preparing statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, the Foundation's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Foundation's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Functional Expenses

The costs of providing the Foundation's various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain direct and indirect costs have been allocated among the programs and supporting services benefited, based on allocation percentages determined by the Foundation's management.

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, though it would be subject to tax on income unrelated to its exempt purpose.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all unrestricted short-term, highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments

Investments are reported at fair value, with any unrealized gains and losses resulting from fluctuations in fair value included in the statement of activities. Unless specifically restricted by the donor, all income, including realized and unrealized gains and losses, from investments is generally included in unrestricted net assets and used for general operating purposes.

Fair Value of Financial Instruments

At December 31, 2017 and 2016, the Foundation's financial instruments consisted of cash and cash investments. The Foundation's cash investments consist of money market accounts and various certificates of deposit. Unless otherwise indicated, the fair value of these financial instruments approximate their recorded values.

Concentration of Credit and Market Risk

Financial instruments which potentially subject the Foundation to concentration of credit and market risk consist principally of cash and investments. The Foundation places its cash investments only with high quality financial institutions and limits the amount of credit exposure to any one institution.

Subsequent Events

Management has evaluated subsequent events through September 26, 2018, the date the financial statements were available to be issued.

NOTE 2 - TRANSACTIONS WITH WEATHERFORD ISD

The Weatherford ISD provides the Foundation with office space, the use of office equipment and certain supplies at no cost. The Weatherford ISD also provides a district employee who manages and administers the Foundation under the direct supervision of the Board of Directors. The Weatherford ISD charges the Foundation a portion of this employee's salary on an annual basis. As in past years, no values for the donated office space, equipment and supplies have been recorded as contributions in the accompanying financial statements.

NOTE 3 - RESTRICTIONS ON NET ASSETS

At December 31, 2017 and 2016, there were no assets which were temporarily or permanently restricted.