

***EDUCATION FOUNDATION FOR WAXAHACHIE***  
***INDEPENDENT SCHOOL DISTRICT***  
FINANCIAL STATEMENTS  
Year Ended June 30, 2018



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Education Foundation for Waxahachie Independent School District

We have audited the accompanying financial statements of the Education Foundation for Waxahachie Independent School District (a Texas nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

We have audited the accompanying financial statements of the Education Foundation for Waxahachie Independent School District (a Texas nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 Education Foundation for Waxahachie Independent School District as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Yeldell, Wilson, Wood & Reeve, P.C.*

Yeldell, Wilson, Wood & Reeve, P.C.  
Certified Public Accountants

Waxahachie, Texas  
January 29, 2019

**EDUCATION FOUNDATION FOR WAXAHACHIE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF FINANCIAL POSITION**  
June 30, 2018

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 69,841	\$ 2,115	\$ 71,956
Investments	<u>760,645</u>	<u>19,461</u>	<u>780,106</u>
Total assets	<u>\$ 830,486</u>	<u>\$ 21,576</u>	<u>\$ 852,062</u>
 <b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Payroll taxes payable	<u>\$ 562</u>	<u>\$ -</u>	<u>\$ 562</u>
Total liabilities	<u>562</u>	<u>-</u>	<u>562</u>
<b>Net Assets</b>			
Restricted	-	21,576	21,576
Unrestricted, undesignated	<u>829,924</u>	<u>-</u>	<u>829,924</u>
Total net assets	<u>829,924</u>	<u>21,576</u>	<u>851,500</u>
Total liabilities and net assets	<u>\$ 830,486</u>	<u>\$ 21,576</u>	<u>\$ 852,062</u>

The notes to the financial statements are an integral part of this statement.

**EDUCATION FOUNDATION FOR WAXAHACHIE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2018

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
<b>Revenues and Other Income and Support:</b>			
Contributions	\$ 64,042	\$ 100	\$ 64,142
Special events	84,278	-	84,278
Interest income and dividends	79,380	6,069	85,449
Other	630	-	630
	<hr/>	<hr/>	<hr/>
Total revenues and other income and support	228,330	6,169	234,499
<b>Expenses:</b>			
Program Services:			
Scholarships and grants	75,657	500	76,157
Supporting services:			
Administrative	14,327	-	14,327
Fundraising	31,867	-	31,867
	<hr/>	<hr/>	<hr/>
Total expenses	121,851	500	122,351
Change in net assets	106,479	5,669	112,148
Net assets, beginning of year	723,445	15,907	739,352
	<hr/>	<hr/>	<hr/>
Net assets, end of year	<u>\$ 829,924</u>	<u>21,576</u>	<u>\$ 851,500</u>

The notes to the financial statements are an integral part of this statement.

**EDUCATION FOUNDATION FOR WAXAHACHIE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
Year Ended June 30, 2018

**OPERATING ACTIVITIES:**

Change in net assets	\$ 112,148
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Change in operating assets and liabilities:	
Unrealized (gain)/loss on investment	(59,857)
Accrued liabilities	562
Net cash provided by (used in) operating activities	52,853

**INVESTING**

Purchases of securities	(44,624)
Net cash provided by (used in) investing activities	(44,624)

NET INCREASE IN CASH AND CASH EQUIVALENT	8,229
CASH AND CASH EQUIVALENT, BEGINNING OF YEAR	63,727
CASH AND CASH EQUIVALENT, END OF YEAR	\$ 71,956

The notes to the financial statements are an integral part of this statement.

**EDUCATION FOUNDATION FOR WAXAHACHIE INDEPENDENT SCHOOL DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2018

**NOTE 1 - ORGANIZATION**

Education Foundation for Waxahachie Independent School District (the "Foundation"), a Texas nonprofit corporation, is organized for the purpose of enhancing the quality of educational opportunities in the Waxahachie Independent School District.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

Contributions

Restricted contributions are recorded at their estimated fair value and are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash

For the purpose of reporting cash flows, cash includes demand deposits, cash on hand and money market accounts.

Investments

Investments are reported at fair value based on quoted prices in active markets (all Level 1 measurements) in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Unrestricted Net Assets

Donations received from third parties that are not restricted as to use or to which the donor-imposed restrictions have been fulfilled are reported as unrestricted net assets in the accompanying financial statements. Unrestricted net assets are available to cover the costs of operations and programs.

Restricted Net Assets

Restricted net assets represent gifts and other assets received with donor stipulations that limit the use of the donated assets, including specific or implied time restrictions inherent in promises to give cash and other assets in the future. When the applicable restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished (including accrual of the related obligation), restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The income from the investment of these assets is also restricted as directed by the donor.

**EDUCATION FOUNDATION FOR WAXAHACHIE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2018

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

Tax – Exempt Status

The Foundation is exempt from federal income taxation under Internal Revenue Code Section 501(c)(3), and contributions to it are tax deductible within the limitations prescribed by law. Accordingly, no provision for income taxes is made in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Date of Management's Review

The Foundation has evaluated subsequent events through January 29, 2019, the date which the financial statements were issued, and noted no events that require disclosure.

**NOTE 3 – INVESTMENTS**

The fair value of investments totaled \$780,106 at June 30, 2018. The following schedule summarizes investment return in the statement of activities for the year then ended:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Interest income and dividends	\$ 25,027	\$ 565	\$ 25,592
Net realized and unrealized gains/(losses)	54,353	5,504	59,857
	<u>\$ 79,380</u>	<u>\$ 6,069</u>	<u>\$ 85,449</u>

**EDUCATION FOUNDATION FOR WAXAHACHIE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2018

**NOTE 4 – FAIR VALUE MEASUREMENTS**

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2018 is as follows:

	<u><b>Fair Value</b></u>
Bonds	\$ 31,170
Stocks	630,121
Mutual funds	103,370
Limited partnerships	15,445
	<u><u>\$ 780,106</u></u>