

**WINK-LOVING INDEPENDENT SCHOOL DISTRICT EDUCATION FOUNDATION
WINK, TEXAS**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2019

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
LUBBOCK, TEXAS

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BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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LUBBOCK, TEXAS 79423-1954

Independent Auditor's Report

Board of Directors

Wink-Loving Independent School District Education Foundation

Wink, Texas

We have audited the accompanying financial statements of Wink-Loving Independent School District Education Foundation (the Foundation), which comprise the statement of financial position as of August 31, 2019, and the related statements of activities 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 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 of 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 Wink-Loving Independent School District Education Foundation as of August 31, 2019, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

November 25, 2019

WINK-LOVING INDEPENDENT SCHOOL DISTRICT EDUCATION FOUNDATION

**STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2019**

ASSETS

	<u>2019</u>
Assets	
Cash in Bank	\$ <u>63,915</u>
Total Assets	\$ <u><u>63,915</u></u>

LIABILITIES AND NET ASSETS

Net Assets	
Without Donor Restrictions - Undesignated	\$ <u>63,915</u>
Total Net Assets	\$ <u><u>63,915</u></u>

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT EDUCATION FOUNDATION

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2019

	<u>2019</u>
SUPPORT AND REVENUE	
Donations	\$ <u>3,300</u>
Total Support and Revenue	\$ <u>3,300</u>
EXPENSES	
Program Expenses	
Scholarships Paid	\$ 8,250
Miscellaneous	<u>1,000</u>
Total Expenses	\$ <u>9,250</u>
CHANGE IN NET ASSETS	\$ (5,950)
NET ASSETS WITHOUT DONOR RESTRICTIONS - BEGINNING OF YEAR	<u>69,865</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	\$ <u><u>63,915</u></u>

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT EDUCATION FOUNDATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2019**

	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ <u>(5,950)</u>
Net Cash From Operating Activities	\$ <u>(5,950)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	\$ (5,950)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>69,865</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ <u><u>63,915</u></u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During the Year for:

Income Taxes	\$ <u>0</u>
Interest	\$ <u><u>0</u></u>

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

WINK-LOVING INDEPENDENT SCHOOL DISTRICT EDUCATION FOUNDATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Nature of Activities

The purpose of the Wink-Loving Independent School District Education Foundation (the Foundation) is to receive and accept contributions to be administered exclusively for student scholarships.

The Foundation is a non-profit organization exempt from federal income tax under Internal Revenue Code 501(c)(3).

In accordance with the applicable provisions of the Tax Reform Act of 1969, the Foundation can be subject to a two percent excise tax on net investment income.

Financial Statement Presentation

The Foundation is required to classify net assets and revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets with donor restrictions: Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Foundation does not have any net assets with donor restrictions.

Net assets without donor restrictions: Net assets not subject to donor-imposed restrictions. Net assets without donor restrictions are currently available for operating purposes under the direction of the board, designated by the board for specific use, or invested in property and equipment.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

Contributions

The Foundation, in accordance with accounting principles generally accepted in the United States of America (GAAP), recognizes contributions when they are pledged.

Basis of Accounting

The Foundation prepares its financial statements on the accrual basis of accounting and, accordingly, the financial statements reflect all significant receivables, payables, and other liabilities.

WINK-LOVING INDEPENDENT SCHOOL DISTRICT EDUCATION FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Use of Estimates in the Preparation of Financial Statements

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 reported amounts of assets and liabilities and disclosure of contingent 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 those estimates.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows and Statement of Financial Position, the Foundation considers cash in bank to be cash and cash equivalents.

Concentration of Credit Risk

The Foundation maintains its cash balances in institutions insured by the Federal Deposit Insurance Corporation (FDIC).

Uncertain Tax Positions

The primary tax position of the Foundation is its filing status as a tax exempt entity. The Foundation determined that it is more likely than not that its tax positions will be sustained upon examination by the Internal Revenue Service (IRS), or other State taxing authorities. The Foundation is no longer subject to examinations by federal taxing authorities for years before 2016. There were no penalties or interest related to income tax activities recognized during the year ended August 31, 2019.

2. Contributions

The major sources of contributions are from oil and gas industries operating in the Wink-Loving Independent School District.

3. Liquidity and Availability of Financial Assets

The Foundation has total financial assets of \$63,915 as of August 31, 2019, which consists only of cash. These are the financial assets that are available to meet cash needs for expenditures within one year.

4. Subsequent Events

The Foundation has evaluated subsequent events through November 25, 2019, the date which the financial statements were available to be issued.