

**ELGIN - ST. THOMAS  
COMMUNITY FOUNDATION**

**Financial Statements  
December 31, 2015**

# **ELGIN-ST. THOMAS COMMUNITY FOUNDATION**

## **Financial Statements**

**For the Year Ended December 31, 2015**

---

<b>Table of Contents</b>	<b>PAGE</b>
Independent Auditors' Report	1
Balance Sheet	2
Statement of Operations and Changes in Fund Balances	3
Statement of Cash Flow	4
Schedule of Investments	5
Schedule of Endowment Funds	6
Notes to the Financial Statements	7 - 10
Schedule of Administrative and Other Expenses	11



**GRAHAM SCOTT ENNS** LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

P. 519-633-0700 · F. 519-633-7009  
450 Sunset Drive, St. Thomas, ON N5R 5V1

P. 519-773-9265 · F. 519-773-9683  
25 John Street South, Aylmer, ON N5H 2C1

[www.grahamscottenns.com](http://www.grahamscottenns.com)

## **Independent Auditors' Report**

To the Board of Directors of:  
Elgin-St. Thomas Community Foundation

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Elgin-St. Thomas Community Foundation, which comprise the balance sheet as at December 31, 2015 as well as the statements of operations and changes in fund balances and cash flows for the year then ended, and 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.

### ***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 Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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. 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 corporation derives a portion of revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to donations, revenues, cash, excess of revenue and expenditures and fund balances.

### ***Qualified Opinion***

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Elgin-St. Thomas Community Foundation as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations

**St. Thomas, Ontario**

**April 26, 2016**

***Graham Scott Enns LLP***

**CHARTERED PROFESSIONAL ACCOUNTANTS**

**Licensed Public Accountants**

# ELGIN-ST. THOMAS COMMUNITY FOUNDATION

## Balance Sheet As at December 31, 2015

---

	2015	2014
	<u>\$</u>	<u>\$</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	1,563	2,648
Accounts receivable	1,465	-
HST receivable	2,318	2,345
Donations in kind inventory on hand (Note 2)	350	350
Prepaid expenses	<u>773</u>	<u>1,938</u>
	6,469	7,281
<b>INVESTMENTS (PAGE 5)</b>	<b><u>2,121,172</u></b>	<b><u>1,489,611</u></b>
	<b><u>2,127,641</u></b>	<b><u>1,496,892</u></b>
<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	4,757	4,799
Government remittances payable	<u>658</u>	<u>520</u>
	<u>5,415</u>	<u>5,319</u>
<b><u>FUND BALANCES</u></b>		
Endowment Funds (Pages 3 and 6)	2,009,412	1,451,901
Flow Through and Managed Restricted Funds (Page 3)	113,228	38,710
Operating Funds		
Unrestricted Net Assets (Page 3)	<u>(414)</u>	<u>962</u>
	<b><u>2,122,226</u></b>	<b><u>1,491,573</u></b>
	<b><u>2,127,641</u></b>	<b><u>1,496,892</u></b>

On Behalf of the Board

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

---

See accompanying notes to the financial statements

**ELGIN-ST. THOMAS COMMUNITY FOUNDATION**

**Statement of Operations and Changes in Fund Balances  
For the Year Ended December 31, 2015**

	Operating Fund Unrestricted Net Assets		Flow-Through and Managed Funds (restricted)		Endowment Funds		TOTAL	
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
<b>Revenue</b>								
Donations and event revenue	30,417	39,316	139,893	61,719	618,764	251,739	789,074	352,774
Administrative and service fees	29,954	26,696	-	-	-	-	29,954	26,696
Other	162	7,103	-	-	750	-	912	7,103
Investment income (Schedule)	-	-	(1,788)	944	24,115	92,282	22,327	93,226
	<u>60,533</u>	<u>73,115</u>	<u>138,105</u>	<u>62,663</u>	<u>643,629</u>	<u>344,021</u>	<u>842,267</u>	<u>479,799</u>
<b>Expenses</b>								
Administrative & other expenses (Schedule)	61,909	71,043	-	-	-	-	61,909	71,043
Administration and service fees	-	-	714	335	29,240	26,361	29,954	26,696
<b>Grants and distributions</b>	<u>-</u>	<u>-</u>	<u>62,873</u>	<u>63,114</u>	<u>56,878</u>	<u>39,750</u>	<u>119,751</u>	<u>102,864</u>
Excess (deficiency) of revenues over expenses, grants and distributions	(1,376)	2,072	74,518	(786)	557,511	277,910	630,653	279,196
Interfund transfers (Note 4)	-	(1,000)	-	-	-	1,000	-	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>962</u>	<u>(110)</u>	<u>38,710</u>	<u>39,496</u>	<u>1,451,901</u>	<u>1,172,991</u>	<u>1,491,573</u>	<u>1,212,377</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>(414)</u>	<u>962</u>	<u>113,228</u>	<u>38,710</u>	<u>2,009,412</u>	<u>1,451,901</u>	<u>2,122,226</u>	<u>1,491,573</u>

See accompanying notes to the financial statements

# ELGIN-ST. THOMAS COMMUNITY FOUNDATION

## Unaudited Statement of Cash Flow For the Year Ended December 31, 2015

---

	2015	2014
	<u>\$</u>	<u>\$</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net earnings for the year	630,653	279,196
Adjustments for non-cash items:		
Unrealized Gain (losses)	21,527	(58,421)
Income on investments	(43,854)	(34,805)
Grants and distributions	119,751	102,864
Endowment and flow-through contributions	<u>(758,657)</u>	<u>(313,458)</u>
	<u>(30,580)</u>	<u>(24,624)</u>
Changes in non-cash working capital:		
Decrease (increase) in accounts receivables	(1,465)	-
Decrease (increase) in HST receivable	27	481
Decrease (increase) in prepaids	1,165	(1,938)
Increase (decrease) in accounts payable and accrued liabilities	233	576
Increase (decrease) in government remittances payable	<u>(137)</u>	<u>(211)</u>
	<u>(177)</u>	<u>(1,092)</u>
	<u>(30,757)</u>	<u>(25,716)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Grants and distributions	(119,751)	(102,864)
Net transfer from (into) investment accounts	(653,088)	(218,703)
Income earned on endowment and managed funds	<u>43,854</u>	<u>34,805</u>
	<u>(728,985)</u>	<u>(286,762)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Endowment and flow-through contributions	<u>758,657</u>	<u>313,458</u>
	<u>758,657</u>	<u>313,458</u>
<b>NET CHANGE IN CASH</b>	(1,085)	980
<b>CASH, BEGINNING OF YEAR</b>	<u>2,648</u>	<u>1,668</u>
<b>CASH, END OF YEAR</b>	<u>1,563</u>	<u>2,648</u>

---

See accompanying notes to the financial statements

# ELGIN-ST. THOMAS COMMUNITY FOUNDATION

## Schedule of Investments As at December 31, 2015

---

	2015	2014
	<u>\$</u>	<u>\$</u>
<b>Investments consist of the following:</b>		
Cash and cash equivalents	48,158	12,075
GIC's and fixed income products	681,236	640,052
Common stock and preferred shares	673,504	512,554
Mutual Funds - Canadian	332,496	24,700
Mutual Funds - Foreign and other	<u>385,778</u>	<u>300,230</u>
	<u>2,121,172</u>	<u>1,489,611</u>
<b>Income earned on investments:</b>		
Dividends and distributions (net of foreign withholding taxes)	33,194	24,487
Interest	13,564	7,316
Gain (loss) on sale of investments	(2,904)	3,003
Unrealized gain (loss) on investments	<u>(21,527)</u>	<u>58,420</u>
	<u>22,327</u>	<u>93,226</u>

The above cash balances were maintained in accounts bearing interest at between 0.125% and 1.2% per annum as at December 31, 2015.

GIC's bear interest at rates between 1.66% and 2.85%, and have maturity dates ranging from January, 2016 to October, 2020.

---

See accompanying notes to the financial statements

**ELGIN-ST. THOMAS COMMUNITY FOUNDATION**

**Schedule of Endowment Funds  
As at December 31, 2015**

---

	<b>2015</b>	2014
	<u>\$</u>	<u>\$</u>
Agency Funds	<b>138,828</b>	145,365
Community Fund	<b>82,090</b>	84,687
Donor Advised Funds	<b>1,670,160</b>	1,101,083
Donor Designated Funds	<b>86,609</b>	88,911
Field of Interest Funds	<u><b>31,725</b></u>	<u>31,855</u>
	<u><b>2,009,412</b></u>	<u>1,451,901</u>

---

See accompanying notes to the financial statements



# ELGIN-ST. THOMAS COMMUNITY FOUNDATION

## Notes to the Financial Statements For the Year Ended December 31, 2015

---

### NATURE OF THE ORGANIZATION

Elgin-St. Thomas Community Foundation is a corporation without share capital, incorporated by letters patent dated December 11, 2003. The Foundation is a registered charity under the Canadian Income Tax Act and is exempt from income tax.

***Vision:***

*Vibrant, healthy and resilient communities across Elgin County.*

***Mission:***

*With the partnership of caring local people, we invest in community based solutions that create meaningful and lasting impacts.*

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the opinion of management, the financial statements have been prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

#### Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

#### Revenue Recognition

The Foundation follows the deferral method of accounting for contributions.

Operating Fund donations are recorded as revenue when received. Grants are recorded as revenue in the time period when the related expenditure occurs. Investment income is recorded as revenue when earned. Other revenues are recorded as revenue when receivable. Endowment contributions are recorded as revenue in the applicable endowment fund when received.

# ELGIN-ST. THOMAS COMMUNITY FOUNDATION

## Notes to the Financial Statements For the Year Ended December 31, 2015

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Operating Fund

The unrestricted portion of the operating fund represents the unrestricted net assets of the Elgin-St. Thomas Community Foundation supporting vital day to day operations including ongoing operating and program costs.

#### Endowment Funds

The purpose of the Endowment Funds is to allow for the creation and long-term management of funds, the income from which will be used or applied for the long term benefit of citizens of the County of Elgin. Endowment Funds can be of the following designations:

- Agency funds - funds established by charitable organizations as permanent funds to ensure an ongoing source of support for their programs and operations
- Community Fund - unrestricted funds respond to the changing needs of our community.
- Donor advised funds - donors recommend specific organizations or area of interest to receive funds.
- Donor designated funds - donors specify the area of interest or charitable activity they wish to support.
- Field of interest funds - donors focus giving in a certain area.

#### Flow Through Donations

Flow Through Donations are restricted by the donor and are granted within one year of being received.

#### Funds Held for Others

Registered charities or foundations entrust the Foundation with short-term management of funds.

#### Contributed Services and Materials

Volunteers contribute an indeterminable number of hours per year. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Contributed materials or services which would otherwise have been purchased in the normal course of operations are recorded in these financial statements.

# ELGIN-ST. THOMAS COMMUNITY FOUNDATION

## Notes to the Financial Statements For the Year Ended December 31, 2015

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial Instruments

##### *Measurement of financial instruments*

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial liabilities measured at amortized cost include accounts payable.

Financial assets measured at fair value include cash, short-term investments and long-term investments as they are quoted in an active market.

### 2. IN-KIND DONATION ARTICLES

The organization receives donations of certain art, prints and other collectibles for which it issues tax receipts. These articles are generally donated or sold at special events. Since the articles are held only for the current year, they are classified as inventory and are recorded at fair value.

There were no sales in 2015, leaving a balance of \$350 in inventory.

### 3. FINANCIAL INSTRUMENTS

#### Foreign currency risk

The Foundation's investments include stocks and mutual funds which are invested outside of Canada. Investment income is generated from these funds. The risk from foreign currency fluctuations is mitigated through the implementation of an investment policy.

#### Credit risk

The Foundation does not have any significant exposure to any individual supporter.

# ELGIN-ST. THOMAS COMMUNITY FOUNDATION

## Notes to the Financial Statements For the Year Ended December 31, 2015

---

### 3. FINANCIAL INSTRUMENTS (CONTINUED)

#### Fair value

The carrying value of accounts receivable, prepaid expenses and accounts payable and accrued liabilities approximate the fair value due to the near-term maturity of these instrument.

### 4. INTERFUND TRANSFER

Endowment funds include an Agency Fund established by the Elgin St. Thomas Community Foundation for its own benefit. The fund totals \$46,340 (2014 \$48,997). During 2013 the Board approved a transfer of \$5,000 from this Elgin St Thomas Community Fund Endowment Fund to facilitate cash flow in the Operating Fund. For 2014 the Board approved the transfer of \$1,000 to the Endowment Fund. It is the Board's intention to return the remaining transfer to the Endowment Fund at the rate of \$1,000 per annum from 2016 through 2019.

**ELGIN-ST. THOMAS COMMUNITY FOUNDATION**

**Schedule of Administrative and Other Expenses  
For the Year Ended December 31, 2015**

---

	<b>2015</b>	2014
	<u>\$</u>	<u>\$</u>
Payroll expense	<b>33,574</b>	33,017
Fundraising and events	<b>11,678</b>	16,164
Professional fees	<b>5,375</b>	5,483
Printing, communications and advertising	<b>3,884</b>	9,656
Other operating costs	<b>2,500</b>	2,262
Professional development and travel	<b>1,812</b>	474
Occupancy costs	<b>1,800</b>	1,800
Materials and supplies	<b>1,286</b>	1,167
HST not recoverable	<u>-</u>	<u>1,020</u>
	<b><u>61,909</u></b>	<b><u>71,043</u></b>

---

See accompanying notes to the financial statements