

**Stratford and Perth  
County Community Foundation**

**Financial Statements**  
For the year ended August 31, 2014

**Stratford and Perth County Community Foundation**  
**Financial Statements**  
For the year ended August 31, 2014

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## Independent Auditors' Report

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### To the Board of Directors and Members of Stratford and Perth County Community Foundation

We have audited the accompanying financial statements of Stratford and Perth County Community Foundation, which comprise the balance sheet as at August 31, 2014, the statements of operations and changes in fund balances, 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.

### 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 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. 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 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, the financial statements present fairly, in all material respects, the financial position of Stratford and Perth County Community Foundation as at August 31, 2014 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.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

Stratford, Ontario  
December 1, 2014

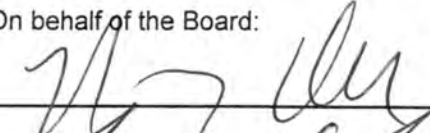
## Stratford and Perth County Community Foundation Balance Sheet

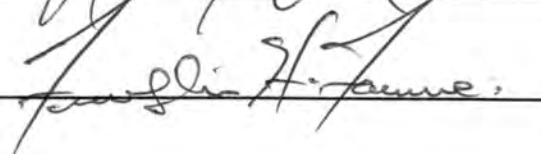
August 31	Operating Fund	Endowment Fund	Funds for Distribution	Total 2014	2013
<b>Assets</b>					
<b>Current</b>					
Cash	\$ 30,231	\$ -	\$ -	\$ 30,231	\$ 26,112
Accounts receivable	13,968	-	-	13,968	16,271
HST recoverable	9,773	-	-	9,773	5,329
Prepaid expenses	1,830	-	-	1,830	797
Investments (Note 4)	-	2,081,572	-	2,081,572	1,581,346
Interfund receivable (payable)	(16,786)	(78,262)	95,048	-	-
	<b>\$ 39,016</b>	<b>\$ 2,003,310</b>	<b>\$ 95,048</b>	<b>\$ 2,137,374</b>	<b>\$ 1,629,855</b>

### Liabilities and Fund Balances

<b>Current</b>					
Accounts payable	\$ 14,674	-	-	\$ 14,674	\$ 7,635
Grants payable	-	-	500	500	8,500
Funds held in trust (Note 4)	-	83,294	-	83,294	72,582
	<b>14,674</b>	<b>83,294</b>	<b>500</b>	<b>98,468</b>	<b>88,717</b>
<b>Fund balances</b>					
Endowment funds (Note 5)	-	1,920,016	-	1,920,016	1,436,810
Funds for distribution	-	-	94,548	94,548	72,711
Unrestricted funds	24,342	-	-	24,342	31,617
	<b>24,342</b>	<b>1,920,016</b>	<b>94,548</b>	<b>2,038,906</b>	<b>1,541,138</b>
	<b>\$ 39,016</b>	<b>\$ 2,003,310</b>	<b>\$ 95,048</b>	<b>\$ 2,137,374</b>	<b>\$ 1,629,855</b>

On behalf of the Board:

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

## Stratford and Perth County Community Foundation Statement of Operations and Changes in Fund Balances

For the year ended August 31	Operating Fund	Endowment Fund	Funds for Distribution	Total 2014	Total 2013
<b>Revenue</b>					
Donation revenue (Note 6)	\$ 66,694	\$ 379,612	\$ 35,579	\$ 481,885	\$ 208,121
Municipal grants	5,000	-	-	5,000	5,000
Corporate sponsor revenue	77,000	-	-	77,000	68,226
Event revenue	36,510	-	-	36,510	31,090
Raffle revenue	3,800	-	-	3,800	3,940
Investment income	-	142,702	105,458	248,160	141,005
Fees: Fund administration	39,108	(39,108)	-	-	-
Fees: Flow through gifts	246	-	-	246	161
	<b>228,358</b>	<b>483,206</b>	<b>141,037</b>	<b>852,601</b>	<b>457,543</b>
<b>Expenditures</b>					
Administration support	16,337	-	-	16,337	4,716
Community outreach and marketing	18,917	-	-	18,917	12,889
Computer expenses	3,619	-	-	3,619	1,866
Event expenses	22,497	-	-	22,497	17,101
Fundraising expense	5,643	-	-	5,643	2,612
Granting expense	4,184	-	-	4,184	1,409
Insurance	1,808	-	-	1,808	1,796
Leasehold improvements (Note 6)	9,968	-	-	9,968	-
Membership fees	794	-	-	794	1,019
Miscellaneous	7,372	-	-	7,372	3,519
Office, printing and postage	5,599	-	-	5,599	3,817
Office rent	12,473	-	-	12,473	12,473
Professional fees	7,016	-	-	7,016	7,886
Salaries and benefits	109,362	-	-	109,362	99,586
Special projects	5,819	-	-	5,819	3,079
Telephone	1,596	-	-	1,596	1,685
Travel and conferences	2,629	-	-	2,629	2,429
	<b>235,633</b>	<b>-</b>	<b>-</b>	<b>235,633</b>	<b>177,882</b>
<b>Grants and Distributions (Note 7)</b>					
Arts, culture, and heritage	-	-	29,700	29,700	9,000
Children and youth	-	-	10,000	10,000	15,900
Education and literacy	-	-	15,700	15,700	10,350
Environment and agriculture	-	-	9,300	9,300	4,800
Health	-	-	22,500	22,500	300
Recreation and sports	-	-	12,000	12,000	2,500
Seniors	-	-	4,500	4,500	-
Social services	-	-	15,500	15,500	-
	<b>-</b>	<b>-</b>	<b>119,200</b>	<b>119,200</b>	<b>42,850</b>
<b>Excess of revenue over expenditures</b>	<b>(7,275)</b>	<b>483,206</b>	<b>21,837</b>	<b>497,768</b>	<b>236,811</b>
<b>Fund balance, opening</b>	<b>31,617</b>	<b>1,436,810</b>	<b>72,711</b>	<b>1,541,138</b>	<b>1,304,327</b>
<b>Fund balance, ending</b>	<b>\$ 24,342</b>	<b>\$ 1,920,016</b>	<b>\$ 94,548</b>	<b>\$ 2,038,906</b>	<b>\$ 1,541,138</b>

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

## Stratford and Perth County Community Foundation Statement of Cash Flows

For the year ended August 31	Operating Fund	Endowment Fund	Funds for Distribution	Total 2014	Total 2013
<b>Cash flows from operating activities</b>					
Excess of revenue over expenditures	\$ (7,275)	\$ 483,206	\$ 21,837	\$ 497,768	\$ 236,811
Adjustment for:					
Realized and unrealized (gains) losses	-	(223,265)	-	(223,265)	(128,463)
Interfund transfers	-	-	-	-	-
	<b>(7,275)</b>	<b>259,941</b>	<b>21,837</b>	<b>274,503</b>	<b>108,348</b>
<b>Changes in non-cash working capital balances:</b>					
Accounts receivable	2,303	-	-	2,303	(4,771)
HST recoverable	(4,444)	-	-	(4,444)	403
Prepaid expenses	(1,033)	-	-	(1,033)	54
Interfund receivable (payable)	9,882	6,308	(16,190)	-	-
Accounts payable	7,039	-	-	7,039	2,716
Funds in trust	-	10,712	-	10,712	7,272
Deferred revenue	-	-	-	-	-
Grants payable	-	-	(8,000)	(8,000)	2,500
	<b>6,472</b>	<b>276,961</b>	<b>(2,353)</b>	<b>281,080</b>	<b>116,522</b>
<b>Cash flows from investing activities</b>					
Purchase of investments	-	(383,573)	-	(383,573)	(165,851)
Proceeds on sale of investments	-	106,612	-	106,612	54,350
	<b>-</b>	<b>(276,961)</b>	<b>-</b>	<b>(276,961)</b>	<b>(111,501)</b>
<b>Change in cash and cash equivalents during the year</b>	<b>6,472</b>	<b>-</b>	<b>(2,353)</b>	<b>4,119</b>	<b>5,023</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>23,759</b>	<b>-</b>	<b>2,353</b>	<b>26,112</b>	<b>21,089</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 30,231</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,231</b>	<b>\$ 26,112</b>

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# Stratford and Perth County Community Foundation

## Notes to the Financial Statements

August 31, 2014

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### 1. Significant Accounting Policies

#### **Basis of Accounting**

These financial statements were prepared in accordance with the 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 the Foundation's administrative and operational revenues and expenses. Net expenditures of this fund are financed primarily by donor contributions directed to general operations, fundraising events and unrestricted investment income earned on endowment funds. The distribution of income for granting purposes is determined by the Board of Directors each year according to the most pressing needs of the community.

##### **Endowment Fund**

This fund reports amounts that are required to be maintained by the Foundation on a permanent basis, including investment income needed to preserve the purchasing power of the endowed capital.

##### **Funds for Distribution**

This fund represents amounts, including unendowed contributions and restricted investment income on endowment funds, that are available to be used for purposes specified by donors. Donors may specify the charitable organization(s) to receive grants or may identify the particular area of interest to be supported for these funds.

#### **Revenue Recognition**

The Foundation follows the restricted method of accounting for contributions. All donations and bequests are recorded as revenue only as received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.



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# Stratford and Perth County Community Foundation Notes to the Financial Statements

August 31, 2014

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## 1. Significant Accounting Policies (continued)

<b>Contributed Services</b>	Volunteers contribute many hours per year to assist the Foundation in carrying out its fundraising and granting activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.
<b>In-kind Contributions</b>	Throughout the year, the Foundation receives in-kind contributions. Significant contributions are recorded in the financial statements at their fair market value at the date of the contribution.
<b>Capital Assets</b>	In common with many not-for-profit organizations, capital assets are not required to be recorded on the balance sheet. Expenditures for capital assets are recorded in the Statement of Operations and Changes in Fund Balances and disclosed separately in the notes to the financial statements.
<b>Financial Instruments</b>	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. Financial Instruments are recorded at fair value when acquired or issued. In subsequent periods, the organization's financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired.
<b>Foreign Currency Translation</b>	Foreign currency transactions are translated at the rates of exchange in effect at the dates of the transaction. Resulting foreign currency denominated monetary assets and liabilities are translated at the rates of exchange in effect at the balance sheet date. Gains and losses on translation of monetary assets and liabilities are included in the determination of net revenue for the current year.

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## Stratford and Perth County Community Foundation Notes to the Financial Statements

August 31, 2014

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### 2. Purpose of Organization

The purpose of the organization is to receive and maintain funds, to apply all or part of the principal and income therefrom, from time to time, for giving grants to qualified donees who meet charitable purposes, and more particularly:

- (a) to advance education at the primary, secondary and post-secondary levels;
- (b) to promote and advance social welfare and health programs and activities that contribute to the development of healthy communities;
- (c) to relieve poverty;
- (d) to preserve and protect the environment through hands on projects, as well as, through courses and seminars directed at educating the public;
- (e) to advance the arts through the presentation of performances and exhibitions of an artistic nature, instructional seminars and workshops related to the arts;
- (f) to prevent and address problems of delinquency and substance abuse amongst youth;
- (g) to relieve loneliness and isolation, and provide health services to, the elderly.

The Foundation is a registered charity and is classified as a public foundation under Section 149.1(1) of the Income Tax Act. As such, it is exempt from income taxes and may issue donation receipts for income tax purposes. The Foundation must meet certain requirements to maintain its status as a public foundation registered under the Act. In the opinion of the Board of Directors, these requirements have been met.

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### 3. Financial Instruments

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant credit risks arising from its financial instruments, and the carrying amounts of instruments reported at cost approximate their fair values.

The Foundation is exposed to market, interest and currency risks with respect to its equity investments. Fluctuations in these rates will impact the fair values of these financial instruments.

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## Stratford and Perth County Community Foundation Notes to the Financial Statements

**August 31, 2014**

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### 4. Investments

Investments, which are carried at market value, are comprised of:

	2014	2013
Equity securities	\$ 1,492,725	\$ 1,076,654
Bonds	588,847	504,692
	<u>\$ 2,081,572</u>	<u>\$ 1,581,346</u>

The Foundation has pooled its investment funds with other Community Foundations to improve the returns on investments.

Investments include \$83,294 which the Foundation manages for the literacy and building funds of the Stratford Public Library Foundation.

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### 5. Endowment Fund Balance

The Endowment Fund's balance is comprised of contributed capital and the cumulative realized and unrealized investment income, reduced by the annual administration fees charged to cover the Foundation's costs of managing the endowment funds. The annual administration fee of \$39,108 (2013 - \$29,564) is shown in the Statement of Operations and Changes in Fund Balances.

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### 6. Leasehold Improvements

During the year the Foundation renovated the board room for a cost of \$9,968. Operating fund donations were received to cover this cost.

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## Stratford and Perth County Community Foundation Notes to the Financial Statements

August 31, 2014

### 7. Grants and Distributions

Grants and distributions made during the year were as follows:

<u>Organization</u>	<u>Project</u>	<u>Amount</u>
<b>Arts, culture and heritage</b>		
Multi-Cultural Association of Perth Huron	Office equipment	\$ 2,500
North Perth firefighter's monument	Firefighter's monument	3,000
St. Marys Museum	Furniture and marketing materials	3,500
Stratford Int. Children's Theatre Festival	14th World Festival Children's Theatre	5,000
Stratford Perth Museum	Update archival system	12,000
Stratford Symphony Orchestra	Kettledrums	<u>3,700</u>
		<u>29,700</u>
<b>Children and youth</b>		
Gallery Stratford	The Community project	4,000
GoalsBreakfast program	Breakfast program	5,000
Hidden Acres	Camper subsidies	<u>1,000</u>
		<u>10,000</u>
<b>Education and literacy</b>		
Junior Achivement	Making sense of money	2,000
St. Marys Public Library	StoryMakers Camp	2,000
North Perth Library	Designated grant	1,000
Ian Garner Scholarship Fund	Scholarship	500
Peter and Lisa Hyde Family Fund	Scholarships	700
Peter Donaldson Memorial Fund	Scholarships	3,000
Ray Walter Memorial Scholarship Fund	Scholarship	2,000
Scott Diamond Legacy Fund	Scholarship	500
Stratford Chefs School	Mayor's Gala culinary experience	3,000
University of Waterloo	2013 Student design competition	<u>1,000</u>
		<u>15,700</u>
<b>Environment and agriculture</b>		
Avon Trail	Boardwalk project	1,000
Habitat for Humanity	E-waste collection program	1,200
Maitland Valley Conservation Authority	Building resiliency through naturalization	1,100
Perth County Historical Foundation	Designated grant	1,000
West Perth Forestry Committee	The Wagg Project	1,500
Upper Thames Conservation Area	West Perth - Campbell	1,200
Upper Thames Conservation Area	St. Pauls - Coert	600
Upper Thames Conservation Area	Perth South - Prichard	1,300
Upper Thames Conservation Area	Upper Avon conservation	<u>400</u>
		<u>9,300</u>

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## Stratford and Perth County Community Foundation Notes to the Financial Statements

August 31, 2014

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### 7. Grants and Distributions (continued)

<u>Organization</u>	<u>Project</u>	<u>Amount</u>
<b>Health</b>		
Emily Murphy Centre	Healthy habits food program	4,500
Stratford Perth YMCA	Food preparation and cooking program	1,000
Stratford Perth YMCA	Youth workshops	2,000
The Local Community Food Centre	Safe food handling area	4,000
Wellspring Cancer Support Centre	Educational and marketing materials	4,500
Stratford General Hospital	Designated grant	5,000
VON Perth-Huron/Wellspring	Designated grant	500
Stratford General Hospital	Patient care enhancement	1,000
		<u>22,500</u>
<b>Recreation and sports</b>		
Listowel Minor Hockey - The Zone	Training program	4,500
House of Blessing	Designated grant	2,500
Salvation Army North Perth	Designated grant	4,000
Salvation Army Stratford	Designated grant	1,000
		<u>12,000</u>
<b>Seniors</b>		
Knollcrest Lodge	Wireless network upgrade	3,500
Community Living	Patient in home support/care	1,000
		<u>4,500</u>
<b>Social services</b>		
House of Blessing	Teaching tools	1,500
Optimism Place - Accessibility Project	Sustainability project	2,000
Optimism Place	LINK conference	2,000
PF Solutions	Technology enhancement	2,000
United Way Perth-Huron	Research paper	5,000
North Perth Community Hospice	Designated grant	500
SPCF	Designated grant	2,000
Family Services Perth-Huron	Provide support for those in need	500
		<u>15,500</u>
Total grants and distributions		<u>\$ 119,200</u>

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## Stratford and Perth County Community Foundation Notes to the Financial Statements

August 31, 2014

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### 8. Commitments

The Foundation has an operating lease for its premises at \$13,560 annually until March 31, 2015.

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### 9. Use of Estimates

The preparation of financial statements in conformity 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 revenue and expenses during the reporting period. Actual results could differ from those estimates as additional information becomes available.

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