

**Stratford and Perth  
County Community Foundation**

**Financial Statements**  
For the year ended December 31, 2015

**Stratford and Perth County Community Foundation**  
**Financial Statements**  
For the year ended December 31, 2015

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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 December 31, 2015, 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 December 31, 2015 and the results of its operations and its cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants, Licensed Public Accountants

Stratford, Ontario  
March 31, 2016

## Stratford and Perth County Community Foundation Balance Sheet

December 31	Operating Fund	Endowment Fund	Funds for Distribution	2015	2014
<b>Assets</b>					
<b>Current</b>					
Cash	\$ 69,581	\$ -	\$ -	\$ 69,581	\$ 31,681
Accounts receivable	22,249	-	-	22,249	6,144
HST recoverable	8,372	-	-	8,372	11,934
Prepaid expenses	1,411	-	-	1,411	7,368
Investments (Note 4)	-	2,759,122	-	2,759,122	2,412,656
Interfund receivable (payable)	(13,752)	24,812	(11,060)	-	-
	<b>\$ 87,861</b>	<b>\$ 2,783,934</b>	<b>\$ (11,060)</b>	<b>\$ 2,860,735</b>	<b>\$ 2,469,783</b>

### Liabilities and Fund Balances

<b>Current</b>					
Accounts payable	\$ 8,672	-	-	\$ 8,672	\$ 20,871
Deferred revenue (Note 6)	10,125	-	-	10,125	9,000
Funds held in trust (Note 4)	-	249,778	-	249,778	259,699
Grants payable	-	-	-	-	500
	<b>18,797</b>	<b>249,778</b>	<b>-</b>	<b>268,575</b>	<b>290,070</b>
<b>Fund balances</b>					
Endowment funds (Note 5)	-	2,534,156	-	2,534,156	2,073,771
Funds for distribution	-	-	(11,060)	(11,060)	90,347
Unrestricted funds	69,064	-	-	69,064	15,595
	<b>69,064</b>	<b>2,534,156</b>	<b>(11,060)</b>	<b>2,592,160</b>	<b>2,179,713</b>
	<b>\$ 87,861</b>	<b>\$ 2,783,934</b>	<b>\$ (11,060)</b>	<b>\$ 2,860,735</b>	<b>\$ 2,469,783</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	Operating Fund	Endowment Fund	Funds for Distribution	2015	2014
<b>Revenue</b>					
Donation revenue	\$ 55,933	\$ 441,616	\$ 42,900	\$ 540,449	\$ 213,423
Municipal grant	5,000	-	-	5,000	-
Corporate sponsorship	68,250	-	-	68,250	27,000
Ontario Trillium Foundation (Note 11)	49,200	-	-	49,200	-
Event revenue	54,440	-	-	54,440	1,505
Investment income	-	75,020	-	75,020	(29,147)
Fund administration fees	56,250	(56,250)	-	-	-
	<b>289,073</b>	<b>460,386</b>	<b>42,900</b>	<b>792,359</b>	<b>212,781</b>
<b>Expenditures</b>					
Administration support	8,332	-	-	8,332	5,556
Community outreach and marketing	6,754	-	-	6,754	4,778
Computer	2,650	-	-	2,650	1,347
Event expenses	19,084	-	-	19,084	96
Fundraising	1,851	-	-	1,851	509
Granting	4,158	-	-	4,158	-
Insurance	1,746	-	-	1,746	834
Membership fees	1,108	-	-	1,108	-
Miscellaneous	6,289	-	-	6,289	5,295
Office, printing, and postage	11,855	-	-	11,855	1,046
Office rent	12,473	-	-	12,473	4,158
Professional fees	5,456	-	-	5,456	6,500
Salaries and benefits	146,449	-	-	146,449	31,755
Special projects	3,439	-	-	3,439	621
Telephone	1,556	-	-	1,556	392
Travel and conferences	2,404	-	-	2,404	136
	<b>235,604</b>	<b>-</b>	<b>-</b>	<b>235,604</b>	<b>63,023</b>
<b>Grants and Distributions (Note 7)</b>					
Arts, culture, and heritage	-	-	24,400	24,400	-
Children and youth	-	-	12,200	12,200	-
Education and literacy	-	-	23,350	23,350	5,950
Environment	-	-	10,758	10,758	-
Health and wellness	-	-	34,300	34,300	-
Recreation and sports	-	-	22,100	22,100	-
Seniors	-	-	2,000	2,000	-
Social services	-	-	15,200	15,200	3,000
	<b>-</b>	<b>-</b>	<b>144,308</b>	<b>144,308</b>	<b>8,950</b>
<b>Excess of revenue over expenditures</b>	<b>53,469</b>	<b>460,386</b>	<b>(101,408)</b>	<b>412,447</b>	<b>140,808</b>
<b>Fund balance, opening</b>	<b>15,595</b>	<b>2,073,770</b>	<b>90,348</b>	<b>2,179,713</b>	<b>2,038,905</b>
<b>Fund balance, ending</b>	<b>\$ 69,064</b>	<b>\$ 2,534,156</b>	<b>\$ (11,060)</b>	<b>\$ 2,592,160</b>	<b>\$ 2,179,713</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	Operating Fund	Endowment Fund	Funds for Distribution	2015	2014
<b>Cash flows from operating activities</b>					
Excess of revenue over expenditures	\$ 53,469	\$ 460,386	\$ (101,408)	\$ 412,447	\$ 140,808
Adjustment for:					
Realized and unrealized (gains) losses	-	(20,576)	-	(20,576)	43,697
	<b>53,469</b>	<b>439,810</b>	<b>(101,408)</b>	<b>391,871</b>	<b>184,505</b>
Changes in non-cash working capital balances:					
Accounts receivable	(16,105)	-	-	(16,105)	7,824
HST recoverable	3,562	-	-	3,562	(2,161)
Prepaid expenses	5,955	-	-	5,955	(5,538)
Interfund receivable (payable)	2,091	(103,999)	101,908	-	-
Accounts payable	(12,197)	-	-	(12,197)	6,197
Funds held in trust	-	(9,920)	-	(9,920)	176,405
Deferred revenue	1,125	-	-	1,125	9,000
Grants payable	-	-	(500)	(500)	-
	<b>37,900</b>	<b>325,891</b>	<b>-</b>	<b>363,791</b>	<b>376,232</b>
<b>Cash flows from investing activities</b>					
Purchase of investments	-	(441,614)	-	(441,614)	(379,432)
Proceeds on sale of investments	-	115,723	-	115,723	4,650
	<b>-</b>	<b>(325,891)</b>	<b>-</b>	<b>(325,891)</b>	<b>(374,782)</b>
<b>Change in cash and cash equivalents during the year</b>	<b>37,900</b>	<b>-</b>	<b>-</b>	<b>37,900</b>	<b>1,450</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>31,681</b>	<b>-</b>	<b>-</b>	<b>31,681</b>	<b>30,231</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 69,581</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 69,581</b>	<b>\$ 31,681</b>

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

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

December 31, 2015

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## 1. Significant Accounting Policies

### **Basis of Accounting**

These financial statements were prepared in accordance with 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

December 31, 2015

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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**

**December 31, 2015**

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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. Change of Year-end and Comparative Figures**

During 2014, the Foundation changed its fiscal year-end to December 31 from August 31. As a result, the 2015 financial statements reflect activities for a full year whereas the comparative column is for a 4 month period.

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

**December 31, 2015**

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#### 4. Investments

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

	<u>2015</u>	<u>2014</u>
Equity securities	\$ 1,970,913	\$ 1,715,509
Bonds	788,209	697,147
	<u>\$ 2,759,122</u>	<u>\$ 2,412,656</u>

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

Investments include \$249,778 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 administration fee of \$56,250 (4 month period ending December 31, 2014 - \$11,531) is shown in the Statement of Operations and Changes in Fund Balances.

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#### 6. Deferred Revenue

Deferred revenue represents advance ticket sales for the Mayor's Gala event in January 2016.

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

**December 31, 2015**

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### 7. Grants and Distributions

Grants and distributions made during the period were as follows:

<u>Organization</u>	<u>Project</u>	<u>Amount</u>
<b>Arts, culture, and heritage</b>		
Gallery Stratford	Creative Connections	\$ 5,400
Milverton Agricultural Society	MAC heating project	5,000
St. Marys Community Players	Renovation of Town Hall Theatre	5,000
The Friends of the St. Marys Museum	Outreach programming for seniors	1,500
Stratford International Children's Theatre Festival	Designated grant	<u>7,500</u>
		<u>24,400</u>
<b>Children and youth</b>		
Municipality of North Perth	Community of Character initiative	2,500
Romeo Public School	Playground: Project Phoenix	7,000
Shelterlink	Appliance and computer materials	1,700
Stratford Perth Family YMCA	Youth Leadership Project	<u>1,000</u>
		<u>12,200</u>
<b>Education and literacy</b>		
Junior Achievement	Financial literacy	2,500
Little Falls Public School	Forest School program	4,500
Stratford Public Library Foundation	Public Library on Wheels van	5,000
North Perth Public Library	Designated grant	650
Peter Donaldson Memorial Fund	Scholarship	1,500
Ian Garner Scholarship Fund	Scholarship	1,000
Peter and Lisa Hyde Family Fund	Scholarships	700
Scott Diamond Legacy Fund	Scholarship	1,000
Gordon and Elaine Steed Family Fund	Scholarships	1,500
Ray Walter Memorial Scholarship Fund	Scholarship	2,000
Chefs School	Special grant	<u>3,000</u>
		<u>23,350</u>
<b>Environment</b>		
Avon Trail	Cedar Bush Boardwalk, Phase II	1,000
Municipality of North Perth	Memorial Park rehabilitation	4,500
Upper Thames Conservation Authority	Windbreak / tree plantings	<u>5,258</u>
		<u>10,758</u>

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

December 31, 2015

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### 7. Grants and Distributions (continued)

<u>Organization</u>	<u>Project</u>	<u>Amount</u>
<b>Health and wellness</b>		
Advanced Coronary Treatment Fdtn.	CPR & AED Training Program	3,500
VON	Professional development	500
Wellspring	Volunteer prof. development	500
Huron-Perth Centre for Children & Youth	Youth suicide prevention plan	5,000
St. Joseph's Health Care Foundation	Parkwood planning & pacing app	17,500
North Perth Community Hospice	Designated grant	600
Stratford General Hospital Foundation	Designated grant	5,000
Stratford General Hospital Foundation	Designated grant	1,000
Family Services Perth Huron - Respite	Designated grant	500
Community Living	Designated grant	200
		<u>34,300</u>
<b>Recreation and sports</b>		
Brodhagen & District Chbr. of Commerce	New generator installation	5,000
Milverton Public School	New playground equipment	2,000
St. Marys Ringette Association	Everyone Can Play	4,000
House of Blessing	Stratford Sports for Kids Fund	2,500
Salvation Army Stratford	John Mavity Hockey Legacy Fund	1,000
Salvation Army North Perth	North Perth Sports for Kids Fund	7,600
		<u>22,100</u>
<b>Seniors</b>		
ONE CARE	Meals on Wheels training	<u>2,000</u>
<b>Social services</b>		
Optimism Place	Expanding Our Horizons group	2,200
Stratford House of Blessing	Food bank operations	3,500
Stratford Perth Family YMCA	Youth Centre rejuvenation project	2,500
Stratford-Perth Humane Society	Animal welfare centre	5,000
SPCF Operating Support	Designated grant	1,000
United Way Huron Perth	Designated grant	1,000
		<u>15,200</u>
Total grants and distributions		<u>\$ 144,308</u>

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

**December 31, 2015**

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### **8. Commitments**

The Foundation has an operating lease for its premises at \$13,560 annually until March 31, 2020.

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### **9. Use of Estimates**

The preparation of financial statements in accordance 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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### **10. 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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### **11. Ontario Trillium Foundation Revenue**

The Foundation was awarded Trillium funding for \$92,100 to be received over 36 months commencing in 2015. The proceeds are to be used for operational activities. Revenue is recognized as the funds are received provided that the related operational activities have occurred.

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