

**ELGIN-ST. THOMAS
COMMUNITY FOUNDATION**

**Financial Statements
December 31, 2009**

ELGIN-ST. THOMAS COMMUNITY FOUNDATION

Financial Statements

For the Year Ended December 31, 2009

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AUDITORS' REPORT

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

We have audited the balance sheet of **Elgin-St. Thomas Community Foundation** as at December 31, 2009 and the statements of operations, changes in fund balances and cash flow for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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.

In our opinion, except for the effect of adjustments, if any, which might have been necessary had we been able to satisfy ourselves concerning the completeness of the donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Elgin-St. Thomas Community Foundation as at December 31, 2009 and the results of its operations, changes in fund balances and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

St. Thomas, Ontario
March 6, 2010

Graham Scott Enns LLP
CHARTERED ACCOUNTANTS
Licensed Public Accountants

ELGIN-ST. THOMAS COMMUNITY FOUNDATION

**Balance Sheet
As at December 31, 2009**

	2009	2008
	<u>\$</u>	<u>\$</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	4,624	8,911
Accounts receivable	<u>3,726</u>	<u>2,533</u>
	8,350	11,444
INVESTMENTS (PAGE 6)	<u>635,836</u>	<u>531,483</u>
	<u>644,186</u>	<u>542,927</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	<u>4,140</u>	<u>4,039</u>
	<u>4,140</u>	<u>4,039</u>
<u>FUND BALANCES</u>		
Restricted Funds (Pages 3 and 7)	635,836	531,483
General Fund		
Unrestricted net assets	<u>4,210</u>	<u>7,405</u>
	<u>640,046</u>	<u>538,888</u>
	<u>644,186</u>	<u>542,927</u>

On Behalf of the Board

Director

Director

See accompanying notes to the financial statements

ELGIN-ST. THOMAS COMMUNITY FOUNDATION

**Statement of Changes in Fund Balances
For the Year Ended December 31, 2009**

	General Fund Unrestricted Net Assets \$	Restricted Funds Flow-Through Funds \$	Endowment Funds \$	2009 \$	2008 \$
BALANCE, BEGINNING OF YEAR	7,405	8,756	522,727	538,888	565,477
Deficiency of revenue over expenditures for the year	(3,195)	-	-	(3,195)	(614)
Contributions	-	11,600	64,206	75,806	43,199
Investment income (loss)	-	-	9,471	9,471	17,137
Administration fee	-	-	(11,268)	(11,268)	(11,050)
Grants and distributions	-	(14,400)	(4,100)	(18,500)	(16,000)
	<u>4,210</u>	<u>5,956</u>	<u>581,036</u>	<u>591,202</u>	<u>598,149</u>
Accumulated gains and losses included directly in the statement of changes in fund balances					
Unrealized gains and losses on available-for-sale financial assets arising during the year	-	-	65,404	65,404	(63,032)
Reclassification adjustment for gains and losses recognized in investment income during the year	-	-	(16,560)	(16,560)	3,771
	-	-	48,844	48,844	(59,261)
BALANCE, END OF YEAR	<u>4,210</u>	<u>5,956</u>	<u>629,880</u>	<u>640,046</u>	<u>538,888</u>

See accompanying notes to the financial statements

ELGIN-ST. THOMAS COMMUNITY FOUNDATION

Statement of Operations For the Year Ended December 31, 2009

	2009	2008
	<u>\$</u>	<u>\$</u>
REVENUE		
Administration fees	11,268	11,050
Donations	2,550	3,845
Special event, sponsorships and other revenues	<u>6,580</u>	<u>8,196</u>
	<u>20,398</u>	<u>23,091</u>
EXPENDITURES		
Advertising and promotion	1,787	1,792
Amortization	-	426
Bank charges	3	40
Insurance	785	810
Membership	350	350
Office supplies	1,228	1,934
Printing	3,670	2,419
Professional services	5,350	5,605
Rent	1,174	900
Special events	4,104	2,066
Telephone	1,228	1,019
Training and travel	-	180
Wages and benefits	<u>3,914</u>	<u>6,164</u>
	<u>23,593</u>	<u>23,705</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES FOR THE YEAR	<u>(3,195)</u>	<u>(614)</u>

See accompanying notes to the financial statements

ELGIN-ST. THOMAS COMMUNITY FOUNDATION

Statement of Cash Flow For the Year Ended December 31, 2009

	2009	2008
	<u>\$</u>	<u>\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from operating revenues	17,898	23,091
Cash paid to suppliers and employees	<u>(22,185)</u>	<u>(22,859)</u>
Cash flows used in operating activities	<u>(4,287)</u>	<u>232</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Grants and distributions	(18,500)	(16,000)
Net transfer into investment accounts	<u>(57,306)</u>	<u>(27,294)</u>
Cash flows used in investing activities	<u>(75,806)</u>	<u>(43,294)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Endowment and flow-through contributions	<u>75,806</u>	<u>43,199</u>
Cash flows from financing activities	<u>75,806</u>	<u>43,199</u>
NET (DECREASE) INCREASE IN CASH	(4,287)	137
CASH, BEGINNING OF YEAR	<u>8,911</u>	<u>8,774</u>
CASH, END OF YEAR	<u><u>4,624</u></u>	<u><u>8,911</u></u>

See accompanying notes to the financial statements

ELGIN-ST. THOMAS COMMUNITY FOUNDATION

Schedule of Investments As at December 31, 2009

	2009	2008
	<u>\$</u>	<u>\$</u>
Investments consist of the following:		
<u>Canadian Assets</u>		
Cash	70,064	33,755
Mutual fund portfolio	104,301	129,271
Guaranteed Investment Certificate, 4.05%, maturing Jan. 2009	-	83,081
Guaranteed Investment Certificates, 4.50%, maturing Jan. 2010	174,288	166,816
Guaranteed Investment Certificate, 4.00%, maturing December 2011	62,455	60,053
Guaranteed Investment Certificate, 4.00%, maturing January 2012	88,195	-
Common stocks	<u>136,533</u>	<u>58,507</u>
	<u>635,836</u>	<u>531,483</u>

The above cash balances are classified as loans and receivables, and at December 31, 2009 were maintained in accounts bearing interest at between 0.125% and 0.8% per annum.

The above GICs and mutual funds have been classified as available for sale and measured at fair value.

ELGIN-ST. THOMAS COMMUNITY FOUNDATION

Schedule of Endowment Funds As at December 31, 2009

	2009	2008
	<u>\$</u>	<u>\$</u>
Donor Designated Funds	77,780	45,070
Field of Interest Funds	28,720	26,475
Donor Advised Funds	354,604	292,553
Agency Funds	70,605	64,628
Community Fund	<u>75,207</u>	<u>72,833</u>
	606,916	501,559
Funds Held for Others	<u>22,964</u>	<u>21,168</u>
	<u>629,880</u>	<u>522,727</u>

In 2015, the tenth anniversary of the establishment of the Family YMCA of St. Thomas funds (which comprise the Funds Held for Others above), the donor is to inform the Foundation of its intention to either continue the fund or withdraw the capital of the fund.

ELGIN-ST. THOMAS COMMUNITY FOUNDATION

Notes to the Financial Statements For the Year Ended December 31, 2009

1. 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:

To enhance the quality of life in Elgin County.

Mission:

To strengthen the community for the benefit of all by fostering the growth of community philanthropy; giving opportunities to benefactors to leave a lasting legacy for future generations; building and prudently managing community endowments; and addressing the needs of the community through strategic grant making and organizational support.

2. 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.

Capital Assets

Purchased capital assets are recorded at acquisition cost. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Computer equipment	3 years
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One half of the amortization calculated at the above rates is recorded in the year of addition.

Revenue Recognition

The Foundation follows the deferral method of accounting for contributions.

ELGIN-ST. THOMAS COMMUNITY FOUNDATION

Notes to the Financial Statements For the Year Ended December 31, 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

General 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 an increase in the applicable Endowment Fund.

General Fund

The general 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:

- Community Fund - unrestricted funds respond to the changing needs of our community.
- Operations Endowment Fund - fund established to support the ongoing operating and program costs of the Elgin-St. Thomas Community Foundation.
- Agency funds - funds established by charitable organizations as permanent funds to ensure an ongoing source of support for their programs and operations
- Donor designated funds - donors specify the area of interest or charitable activity they wish to support.
- Donor advised funds - donors recommend specific organizations to receive funds.
- 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

Donors entrust the Foundation with long-term management of funds.

ELGIN-ST. THOMAS COMMUNITY FOUNDATION

Notes to the Financial Statements For the Year Ended December 31, 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Financial Instruments

In April 2005, the Accounting Standards Board issued new Handbook sections on financial instruments. Section 3855 and Section 3861. Section 3855 Financial Instruments - Recognition and Measurement addresses when financial instruments should be recognized and how they should be measured. Section 3861 Financial Instruments - Disclosure and Presentation provides standards for how financial instruments should be classified on financial statements and the disclosure requirements.

3. FINANCIAL INSTRUMENTS

Foreign currency risk

The Foundation has no significant revenues or expenditures in foreign currencies.

Credit risk

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

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. CAPITAL DISCLOSURES

The Foundation's objectives when managing capital are to safeguard the foundation's ability to continue as a going concern in order to provide returns for their members and to maintain an optimal capital structure to reduce the cost of capital. The foundation's capital is comprised of the fund balances.

The foundation manages its capital and makes adjustments to it in light of economic conditions. The foundation will balance its overall capital structure by undertaking other activities as deemed appropriate under specific circumstances.