

**Huronia Community Foundation /  
La Fondation Communautaire De La Huronie**

**Financial Statements**

**Year Ended March 31, 2011**

**Hurononia Community Foundation /  
La Fondation Communautaire De La Huronie**

**Financial Statements**

**March 31, 2011**

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**Tony V. Hsiung**  
**CHARTERED ACCOUNTANT**

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**Independent Auditor's Report**

**To the Directors of**

**The Huronia Community Foundation/La Fondation Communautaire De La Huronie**

I have audited the statement of financial position of Huronia Community Foundation/La Fondation Communautaire De La Huronie as at March 31, 2011 and the statements of operations and changes in fund balance and cashflow for the year then ended.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

**Auditors' responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 disclosure 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 Foundation derives the majority of its revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to donation revenues, excess of revenue over expenses, assets and fund balances.

I believe that the audit evidence I have obtain in my audit is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2011 and the results of its operations and changes in fund balances and its cash flow for the year then ended in accordance with Canadian generally accounting principles.

Toronto, Ontario  
September 8, 2011

Tony V. Hsiung, CA  
Licensed Public Accountant

**Huronia Community Foundation /  
La Fondation Communautaire De La Huronie**

**Statement of Financial Position**

**March 31, 2011**

(with comparatives as at March 31, 2010)

	Operating Fund	Restricted Endowment Funds	Flow- Through Funds	2011	2010
<b>Assets</b>					
Current assets					
Cash and term deposits (note 2)	\$ 18,078	\$ 1,432	\$ 131,307	\$ 150,817	\$ 251,729
Other receivable and prepaids	6,195			6,195	1,722
Investments, managed funds (notes 2 and 8)	101,372			101,372	89,375
	125,645	1,432	131,307	258,384	342,826
Investments (notes 2 and 8)	88,117	1,459,328		1,547,445	1,181,256
	\$ 213,762	\$ 1,460,760	\$ 131,307	\$ 1,805,829	\$ 1,524,082
<b>Liabilities</b>					
Current liabilities					
Accounts payable and accrued liabilities	4,000			4,000	4,000
Deferred contributions - other	47,050			47,050	20,500
Deferred flow-through funds (note 7)			131,307	131,307	131,178
Deferred investment income (note 9)		243,062		243,062	153,549
Managed funds (notes 2 and 8)	101,372			101,372	89,375
	152,422	243,062	131,307	526,791	398,602
<b>Funds balances</b>					
Restricted for endowment purposes (note 10)		1,217,698		1,217,698	1,055,146
Unrestricted	61,340			61,340	70,334
	61,340	1,217,698	-	1,279,038	1,125,480
	\$ 213,762	\$ 1,460,760	\$ 131,307	\$ 1,805,829	\$ 1,524,082

The auditor's opinion and notes to financial statements form an integral part of this statement.

**APPROVED ON BEHALF OF THE BOARD:**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**Huronia Community Foundation /  
La Foundation Communautaire De La Huronie**

**Statement of Operations and Changes in Fund Balances**

**Year Ended March 31, 2011**

(with comparatives as at March 31, 2010)

	Operating Fund	Restricted Endowment Funds	Flow- Through Funds	2011	2010
<b>Revenues</b>					
Donations	\$ 5,286	\$ 162,552		\$ 167,838	\$ 100,175
Special events	40,120			40,120	53,790
Other income	20,675			20,675	19,779
Grants (note 2)	-			-	9,779
	66,081	162,552	-	228,633	183,523
Flow-through donations (note 7)			18,655	18,655	39,631
	66,081	162,552	18,655	247,288	223,154
<b>Operating expenses</b>					
Insurance - liability	1,202			1,202	1,231
- life (note 6)	6,561			6,561	3,543
Special events expenses	9,705			9,705	9,530
Office and general	2,961			2,961	3,323
Training and development	1,385			1,385	1,421
Office supplies	664			664	961
Printed materials	1,708			1,708	360
Professional services	4,577			4,577	11,160
Seminars	1,881			1,881	2,831
Wages and benefits	44,015			44,015	39,692
Capital assets additions	416			416	-
	75,075	-	-	75,075	74,052
Flow-through donations (note 7)			18,655	18,655	39,631
	75,075	-	18,655	93,730	113,683
<b>Excess (deficit) revenue over expenditure</b>					
	\$ (8,994)	\$ 162,552	\$ -	\$ 153,558	\$ 109,471
Fund balances, beginning of year	70,334	1,055,146		1,125,480	1,016,009
Fund balances, end of year	\$ 61,340	\$ 1,217,698	\$ -	\$ 1,279,038	\$ 1,125,480

The auditor's opinion and notes to financial statements form an integral part of this statement.

**Huronia Community Foundation /  
La Foundation Communautaire De La Huronie**

**Statement of Cashflow**

**Year Ended March 31, 2011**

(with comparatives as at March 31, 2010)

	<b>2011</b>	<b>2010</b>
Cash provided by (used in):		
Operations		
Excess (deficit) revenue over expenditure for the year	\$ 153,558	\$ 109,471
Change in non-cash balances		
Other receivable and prepaids	(4,473)	1,499
Accounts payable and accrued liabilities	-	-
Deferred contributions - other	26,550	(27,734)
Deferred flow-through funds	129	(14,944)
Deferred investment income	89,513	153,549
Managed funds	11,997	15,080
	<u>123,716</u>	<u>127,450</u>
Cash generated from (used in) operations:	277,274	236,921
Investing Activities		
Investments	(378,186)	(275,240)
Net increase (decrease) in cash	(100,912)	(38,319)
Cash position, beginning of year	251,729	290,048
Cash position, end of year	<u>\$ 150,817</u>	<u>\$ 251,729</u>
Cash is made up of:		
Cash at bank	149,903	148,654
Term deposits	914	103,075
	<u>\$ 150,817</u>	<u>\$ 251,729</u>

The auditor's opinion and notes to financial statements form an integral part of this statement.

# Huronia Community Foundation / La Fondation Communautaire De La Huronie

## Notes to Financial Statements

Year Ended March 31, 2011

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### 1. Purpose of the organization

Huronia Community Foundation/La Fondation Communautaire de la Huronie (the Foundation) is a registered charitable organization under the Income Tax Act designated as a Public Foundation. The mission of the Foundation is to provide for the enrichment of the quality of life through the community by developing and demonstration of philanthropic leadership. The Foundation was incorporated under Articles of Incorporation dated March 2, 2000 and commenced operations at that time.

### 2. Significant accounting policies

#### Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions related to expenses of future periods are deferral and recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in net assets. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

#### Cash and term deposits

Cash and cash equivalents includes cash on hand, balances with banks and term deposits with maturities of one year or less.

#### Capital assets

Capital assets acquired are expensed in the year of acquisition and accordingly no amortization is recognized in the accounts.

#### Financial instruments

In accordance with Section 3855 of the CICA Handbook, Financial Instruments - Recognition and Measurement, financial instruments are classified into one of five categories; held for trading, held to maturity, loans and receivables, available for sale or other financial liabilities. The classification determines the accounting treatment of the instrument. The classification is determined by the Foundation when the financial instrument is initially recorded, based on the underlying purpose of the instrument.

The financial assets and financial liabilities of the Foundation are classified and measured as follows;

Financial assets / liabilities	Category	Measurement
Cash	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Investments	Held for trading	Fair value
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

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**Notes to Financial Statements**

**Year Ended March 31, 2011**

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**2. Significant accounting policies (continued)**

**Financial instruments (continued)**

Financial instruments measured at amortized cost are initially recognized at fair value and then subsequently at amortized cost with gains and losses recognized in the statements of operations in the period in which the gain or loss occurs.

Financial instruments classified as held for trading are measured at fair value with capital appreciation (depreciation) being reported on the statement of operations.

**Fair value of financial instruments**

The fair value of a financial instrument is the estimated amount that the Foundation would receive or pay to settle a financial asset or financial liability as at the reporting date.

The fair values of amounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their nature or capacity for prompt liquidation.

The fair values of investment are determined by reference to published bid price quotations in an active market at year-end for fixed income and by reference to transactional net asset value for index pooled funds.

**Risk management**

The Foundation's principal financial instruments comprise cash, short-term deposits and investments in shares. The main purpose of these financial instruments is to either raise finance, or maintain finance for the Foundation's operations. The Foundation does not use derivative financial instruments to manage its risks. The Foundation has exposure to the following risks associated with its financial instruments;

**(i) Credit risk**

The credit risk on financial assets of the Foundation which have been recognized on the Statement of Financial Position, other than investments in shares, equates to the carrying amount, net of any provisions for non-recovery. With respect to credit risk arising from other financial assets, which comprise cash and cash equivalents, the Foundation's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amounts of these instruments. The Foundation only deals with Canadian chartered banks in matters relating to its cash and short-term deposits.

**(ii) Interest rate risk**

The Foundation's exposure to the risk of changes in market interest rates relates primarily to the Foundation's cash and short-term deposits with floating interest rates. These financial assets with variable rates expose the Foundation to cash flow interest rate risk. All other financial assets and liabilities, in form of receivables, investments in shares, payables and accruals are non-interest bearing.

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**Notes to Financial Statements**

**Year Ended March 31, 2011**

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**2. Significant accounting policies (continued)**

**Risk management (continued)**

(iii) Market risk

The Foundation is exposed to market risk through the fluctuation of financial instrument fair value due to changes in market prices.

(iv) Price risk

In the opinion of management, the Foundation is not exposed to any significant price risk.

(v) Liquidity risk

In the opinion of management, the Foundation is not exposed to any significant liquidity risk.

(vi) Currency risk

In the opinion of management, the Foundation is not exposed to any significant currency risk.

**Accounting estimates**

The preparation of financial statement in accordance with Canadian generally accepted accounting principles 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 management's best estimates as additional information becomes available in the future.

**Managed funds**

Managed funds are those funds managed and invested by the Foundation on behalf of other organizations. The funds remain the sole property of these organizations and are to be used for the purposes designated by them. Investment income, net of management fees, is credited to these management funds and paid to them on an annual basis.

**Investments and investment income**

Investments are recorded at year-end market values. Investment income includes dividends, interest and unrealized gains ( loss) net of management fees. The investments are managed for the foundation by the Toronto Community Foundation ( TCF).

**3. Comparatives**

Certain comparatives have been reclassified to adhere to current year's presentation.

**Huronia Community Foundation /  
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**Notes to Financial Statements**

**Year Ended March 31, 2011**

**4. Donations in kind**

The Foundation received various donations in kind during the year. These donations included telephone services, use of office equipment, advertising and discounted invoices for a variety of services. Due to the difficulty in determining the fair value of these amounts, they have not been reflected in the financial statements. The amounts have been estimated as follows;

	<b>2011</b>	<b>2010</b>
Office services	\$ 10,400	\$ 10,400
Advertising	8,750	8,750
Other volunteer services	20,000	18,000

**5. Government funding**

The Trillium Foundation had committed a \$176,900 grant over a thirty month period, which began in November 2010. The purpose of the grant is to increase organizational capacity by developing collaborative marketing and communications strategies with three other Community Foundations. Initial payment of \$ 38,700 has been received in the current fiscal year.

**6. Insurance - life**

The Foundation holds three life insurance policies in which it is named as the beneficiary of the policies. Donations made to the foundation to cover the cost of these policies are included in donations on the Statement of Operations and Changes in Fund Balances. The donation amounted to \$6,561 (2110: \$ 3,543)

**7. Deferred flow-through funds**

The Foundation administers the payment of donations in the community on behalf of other organizations and individuals.

	<b>2011</b>	<b>2010</b>
Opening balance	\$ 131,178	\$ 146,122
Donations received	153,750	187,477
Other income	8,000	6,984
	<u>292,928</u>	<u>340,583</u>
Donations paid	(18,655)	(39,631)
Expenses and funds transferred	(142,966)	(169,774)
	<u>\$ 131,307</u>	<u>\$ 131,178</u>

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**Notes to Financial Statements**

**Year Ended March 31, 2011**

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**8. Investments**

As at March 31, 2011 the fair market value of the investments was \$ 1,648,817 ( 2010 - \$ 1,270,631). The investment includes an Administration Reserve Fund of \$88,117, accumulated through investment of prior years' operating surpluses and related returns. This Administration Reserve Fund is available for future operating costs of the Foundation.

**9. Deferred investment income**

The Foundation's deferred contributions represent unspent resources that have been externally restricted to carry out donors' wishes.

	<b>2011</b>	<b>2010</b>
Opening balance	\$ 153,549	\$ -
Investment income (loss)	133,842	181,185
Grants and disbursements	(44,329)	(27,636)
Charged to Endowment funds (note 8)	-	-
	<b>\$ 243,062</b>	<b>\$ 153,549</b>

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**Notes to Financial Statements**

**Year Ended March 31, 2011**

**10. Funds restricted for endowment purposes**

	Balance, beginning of year	Contributions	Charge from Deferred Investment Income (loss)	Total
J.J. Gignac Memorial Fund	\$ 54,896	\$ -	\$ -	\$ 54,896
Wyevale Scholastic Fund	7,807	1,000	-	8,807
Midland in Motion Fund	4,048	-	-	4,048
Community Fund	5,028	680	-	5,708
REACH Fund	26,679	-	-	26,679
Bondar Nursing Fund	6,651	-	-	6,651
Tom & Lucille Gay Fund	197,372	-	-	197,372
Professional Advisor's Fund	9,548	-	-	9,548
MSS Bill Barnett Fund	15,259	-	-	15,259
Youth Endowment Fund	39,614	-	-	39,614
MSS Moss Fund	20,725	-	-	20,725
MSS Jas Roberts Fund	4,855	-	-	4,855
MSS Endowment Fund	8,461	-	-	8,461
Stanley R. Redman Fund	8,540	-	-	8,540
Jake Just Fund	9,826	2,500	-	12,326
Stow Fund	10,170	2,100	-	12,270
Lynda Zuidema Fund	4,935	300	-	5,235
John M.Gammell Family Fund	40,750	150	-	40,900
HGR Endowment Fund	17,898	5,000	-	22,898
CRCP Endowment Fund	81,934	-	-	81,934
Penetanguishene Library Fund	15,935	25,075	-	41,010
David/Delva Finch Youth Endowment	73,542	-	-	73,542
James Bartleman Endowment Fund	107,216	-	-	107,216
Music Endowment Fund	2,808	-	-	2,808
Helen Redman Endowment Fund	8,451	-	-	8,451
Askennonia Endowment Fund	17,210	-	-	17,210
Leah P. Gignac Fund Grants	20,808	-	-	20,808
J Arpin Music Endowment Fund	4,666	1,000	-	5,666
Barber & Haskill Endowment Fund	23,453	25,000	-	48,453
H Dubeau Family Endowment Fund	6,303	3,300	-	9,603
Penetanguishene Youth Endowment Fund	40,251	-	-	40,251
OSPCA Endowment Fund	10,322	-	-	10,322
Jack Beauchamp Endowment Fund	6,851	4,610	-	11,461
Gil Robillard Family Endowment	43,589	4,610	-	48,199
Environmental Fund	26,452	100	-	26,552
Penetanguishene Community Fund	9,675	-	-	9,675
Jim McCready Memorial Fund	27,959	200	-	28,159
PAK Endowment Fund	3,062	1,197	-	4,259
Vaughan Family Endowment Fund	3,749	1,250	-	4,999
Cliff Pendlebury Fund	27,848	3,437	-	31,285
A Brunelle Endowment Fund	-	10,000	-	10,000
D McLaren Endowment Fund	-	12,000	-	12,000
Georgian Bay Land Trust	-	7,043	-	7,043
B LaFrance GBLT Fund	-	2,000	-	2,000
Community Living Huronia Endowment	-	50,000	-	50,000
	\$ 1,055,146	\$ 162,552	\$ -	\$ 1,217,698

The above contributions are shown as the fund balances which are restricted for endowment purposes.