

ST. ALBERT COMMUNITY FOUNDATION
Financial Statements
Year Ended December 31, 2018

ST. ALBERT COMMUNITY FOUNDATION
Index to Financial Statements
Year Ended December 31, 2018

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Revenues and Expenditures	5
Statement of Cash Flow	6
Notes to Financial Statements	7 - 12



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June 27, 2019
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Directors of St. Albert Community Foundation

Qualified Opinion

We have audited the financial statements of St. Albert Community Foundation (the Foundation), which comprise the statement of financial position as at December 31, 2018, and the statements of changes in net assets, revenues and expenditures and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2018, and the results of its operations and its cash flow for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, St. Albert Community Foundation derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of St. Albert Community Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2018, current assets and net assets as at December 31, 2018

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

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Independent Auditor's Report to the Directors of St. Albert Community Foundation
(continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Kingston Ross Pasnak LLP

Chartered Professional Accountants

ST. ALBERT COMMUNITY FOUNDATION
Statement of Financial Position
December 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 80,192	\$ 65,220
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 6,972	\$ 6,972
NET ASSETS		
Restricted Fund	10,603	1,254
General Fund	62,617	56,994
	73,220	58,248
	\$ 80,192	\$ 65,220

ON BEHALF OF THE BOARD

_____ Director
 _____ Director

ST. ALBERT COMMUNITY FOUNDATION
Statement of Changes in Net Assets
Year Ended December 31, 2018

	Restricted Fund	General Fund	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 1,254	\$ 56,994	\$ 58,248	\$ 75,197
Excess (deficiency) of revenue over expenses	9,349	5,623	14,972	(16,949)
NET ASSETS - END OF YEAR	\$ 10,603	\$ 62,617	\$ 73,220	\$ 58,248

ST. ALBERT COMMUNITY FOUNDATION
Statement of Revenues and Expenditures
Year Ended December 31, 2018

	Restricted 2018	General 2018	Total 2018	Total 2017
REVENUE				
Donations received (Note 4)	\$ 140,406	\$ 30,753	\$ 171,159	\$ 190,748
Golf tournament (net)	-	23,212	23,212	27,336
Interest and dividends	-	183	183	120
Book sales	-	-	-	190
	140,406	54,148	194,554	218,394
EXPENSES				
Donations made (Note 5)	131,057	7,272	138,329	179,136
Management contract fees	-	20,400	20,400	20,400
Professional fees	-	7,410	7,410	7,088
Rental	-	5,511	5,511	6,937
Office	-	2,922	2,922	17,500
Advertising and promotion	-	2,099	2,099	1,660
Telephone	-	1,638	1,638	1,680
Meetings	-	672	672	188
Mileage	-	601	601	754
	131,057	48,525	179,582	235,343
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES				
	\$ 9,349	\$ 5,623	\$ 14,972	\$ (16,949)

ST. ALBERT COMMUNITY FOUNDATION
Statement of Cash Flow
Year Ended December 31, 2018

	2018	2017
OPERATING ACTIVITY		
Excess (deficiency) of revenue	\$ 14,972	\$ (16,949)
INCREASE (DECREASE) IN CASH FLOW	14,972	(16,949)
Cash and cash equivalents - beginning of year	65,220	82,169
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 80,192	\$ 65,220

ST. ALBERT COMMUNITY FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2018

1. PURPOSE OF THE FOUNDATION

St. Albert Community Foundation (the "Foundation") is a not-for-profit organization incorporated provincially under the Societies Act of Alberta. As a registered charity the Foundation is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO). Significant accounting policies observed in the preparation of the financial statements are summarized below.

Financial instruments

All financial instruments are initially measured at fair value, and, unless otherwise noted, the Foundation subsequently measures its financial instruments at amortized cost.

The Foundation is exposed to risk due to the fluctuations in the market prices of equities and fixed income investments, interest and exchange rates and credit risk on fixed income investments. The risks associated with the Foundation's investments administered by the Edmonton Community Foundation are managed by that foundation's Asset Management Plan and Investment Policies and Guidelines. These policies outline the objectives to ensure that the Foundation's investments are managed effectively, prudently and in compliance with all applicable requirements. The plan, policies and the investment portfolio are reviewed on a regular basis. The policies prescribe an investment asset mix including a degree of liquidity and concentration of limit of foreign content and ratings of debt issuers.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit plus highly liquid short term investments, less cheques issued and outstanding. Highly liquid short term investments consist of Guaranteed Investment Certificates with maturities at the date of purchase of ninety days or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

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ST. ALBERT COMMUNITY FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Revenue recognition

St. Albert Community Foundation follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund in the year which they are received or become receivable.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized on an accrual basis when earned.

Contributions received directly from endowment funds are administered by the Edmonton Community Foundation and are recognized as revenue, and also as expenditures, when the donation is transferred to the Edmonton Community Foundation.

Golf tournament revenue is recognized when the event has taken place and collectability is reasonably assured.

Fund accounting

The General Fund accounts for the Foundation's program delivery and administrative activities. This fund reports unrestricted resources and operating grants.

The Restricted Fund reports only externally restricted resources that are to be used for the enhancement of life for those living in St. Albert and Edmonton area and to respond to community priorities and emerging community needs.

Contributed services

The operations of the Foundation depend on the contribution of time by volunteers. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Income taxes

The Foundation is a registered charity under the Income Tax Act, and therefore is not subject to either Federal or Provincial income tax.

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ST. ALBERT COMMUNITY FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Significant management estimates pertain to the collectability of pledges and accrual of specific expenses.

ST. ALBERT COMMUNITY FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2018

3. ENDOWMENT FUNDS ADMINISTERED BY THE EDMONTON COMMUNITY FOUNDATION

The St. Albert Community Foundation has entered into a series of agreements with donors and the Edmonton Community Foundation (ECF) by which the ECF has agreed to administer the following funds including any additional contributions received by the Foundation or the ECF. These funds are pooled with the assets of the ECF and may consist of money market funds, bonds and debentures, mortgage funds, real estate investment trusts, or domestic and foreign equities.

Under the terms of the agreements the endowment funds are characterized as permanent endowments and are recorded in the accounts of the ECF along with any income earned on the funds. Accordingly, the endowment assets and income are not recognized in the financial statements of the St. Albert Community Foundation. A portion of the income from the funds is paid to the Foundation in the form of grants on an annual basis for administration by the Directors of the Foundation in accordance with the objectives set out in the original donation agreements.

These endowment funds may be transferred back to the Foundation with the consent of the original donor.

	Fund Balances Dec 31, 2017	Income and Donations Received	Grants Distributed and Fund Expenses	Fund Balances Dec 31, 2018
Jamison Family Fund	\$ 204,670	\$ 306,962	\$ 15,136	\$ 496,496
Thatcher Neonatal Care Fund	415,991	-	20,895	395,096
St. Albert Community Fund	181,797	500	9,141	173,156
Bruce and Cindy McPherson Fund	100,599	-	5,054	95,545
St. Albert Youth Mental Health Fund	79,998	-	4,020	75,978
St. Albert Help Society Fund	71,189	-	3,579	67,610
Harder Fund	-	50,000	511	49,489
Constable David Wynn Fund	44,105	-	2,217	41,888
Erin James Fund	36,346	675	1,830	35,191
Rouse Family Fund	26,287	10,000	1,389	34,898
Stanley Dennis Memorial Fund	36,530	-	1,834	34,696
St. Albert Space Camp Fund	30,155	-	1,515	28,640
Ron Hodgson Family Fund	29,315	-	1,475	27,840
Petter Family Fund	25,025	-	1,260	23,765
Shelemey Client Memorial Fund	22,558	-	1,132	21,426
Davidson Family Fund	15,890	-	800	15,090
Canadian Parents for French, Alberta Branch Fund	15,024	675	765	14,934
St. Albert Library Future Fund	13,865	-	1,086	12,779
St. Albert Youth Community Centre Fund	12,603	-	631	11,972
Fischer Family Fund	-	10,000	30	9,970
KDM Helping Hands Legacy Fund	-	10,000	180	9,820
Heitzman Family Fund	-	10,200	-	10,200
	\$ 1,361,947	\$ 399,012	\$ 74,480	\$ 1,686,479

ST. ALBERT COMMUNITY FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2018

4. DONATIONS RECEIVED

	2018	2017
Edmonton Community Foundation Endowment Fund		
Grants	\$ 54,479	\$ 42,559
City of St. Albert	50,000	2,513
Others	14,824	37,174
Jackie Heitzman	10,200	-
KDM Management	10,000	2,500
Rosana Fisher	10,000	-
Neil Rouse	5,000	5,000
Jeanne Rouse	5,000	-
Dale Klein	3,000	3,000
Kent Davidson	2,600	6,200
RBC	2,500	-
Dave Reidie	1,414	-
212609 Alberta Ltd.	1,200	-
Canada Helps	942	14,888
Roger Jackson	-	2,150
Scott Petter	-	25,000
Canadian Parents for French, Alberta Branch	-	15,000
Torode Realty	-	10,000
TD Bank	-	5,275
Duff Jamison	-	5,000
Rotary Club of St. Albert	-	2,500
Peter Moore Consultants	-	1,700
United Way	-	1,677
Norbert Van Wyk	-	1,500
Gaffney McGreer & Rowland	-	1,500
Rob James	-	1,212
Bruce McPherson	-	1,200
Scott Mockford	-	1,200
Norma Keating	-	1,000
Investors Group Financial Services	-	1,000
	\$ 171,159	\$ 190,748

Included in the above is \$35,300 received from seven individuals (2017 - ten) who sit on the Board of Directors.

ST. ALBERT COMMUNITY FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2018

5. GRANT ALLOCATIONS

	2018	2017
Transfers to Edmonton Community Foundation	\$ 81,829	\$ 136,601
Sturgeon Community Hospital Foundation	10,700	10,000
Jessica Martel Memorial Foundation	10,086	-
Royal Alexandra Hospital Foundation	7,000	6,000
Suicide Survivor Group	4,420	-
St. Albert Community Information and Volunteer Centre	3,000	1,000
Bisell Centre	2,500	1,000
KDM Helping Hands	2,500	-
Autism Society of Edmonton Area	2,500	-
St. Albert Humbolt Remembrance	2,383	-
St. Albert Family Resource Centre	2,174	4,000
Edmonton After School Care Association	2,090	-
St. Albert Bereavement Fellowship	2,000	-
Tetra Society of Alberta	2,000	-
Outloud	1,092	-
St. Albert Public Schools	1,000	1,840
St. Albert Library	555	510
KidSport St. Albert	500	3,145
St. Albert Stop Abuse in Families	-	3,900
STAR Literacy	-	3,000
Kids Help Phone	-	2,500
St. Vincent de Paul	-	2,000
Rivers Edge Counselling	-	1,600
Plugged In	-	1,200
St. Albert Catholic Board	-	840
	\$ 138,329	\$ 179,136

6. RELATED PARTY TRANSACTIONS

The following is a summary of the Foundation's related party transactions:

	2018	2017
J&D Reide Marketing Inc. (Owner is the Executive Director) Management contract fees	\$ 20,400	\$ 20,400

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year, the Foundation received legal services from a Board member with no consideration paid.