

ST. ALBERT COMMUNITY FOUNDATION
Financial Statements
Year Ended December 31, 2019

ST. ALBERT COMMUNITY FOUNDATION
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Year Ended December 31, 2019

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August 5, 2020
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Directors of St. Albert Community Foundation

Report on the Financial Statements

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, 2019, 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, 2019, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from fundraising activities the completeness of which is not susceptible of 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 contributions, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation of scope.

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 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 these 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 ASNPO, 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 related 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.

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

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

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.

ST. ALBERT COMMUNITY FOUNDATION
Statement of Financial Position
December 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash and cash equivalents (Note 3)	\$ 81,140	\$ 80,192
Accounts receivable	27,423	-
Prepaid expenses	7,100	-
	\$ 115,663	\$ 80,192
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 7,273	\$ 6,972
NET ASSETS		
Restricted Fund	8,393	10,603
General Fund	99,997	62,617
	108,390	73,220
	\$ 115,663	\$ 80,192

ON BEHALF OF THE BOARD

 Director
 Director

ST. ALBERT COMMUNITY FOUNDATION
Statement of Changes in Net Assets
Year Ended December 31, 2019

	Restricted Fund	General Fund	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 10,603	\$ 62,617	\$ 73,220	\$ 58,248
(Deficiency) excess of revenue over expenditures	(2,210)	37,380	35,170	14,972
NET ASSETS - END OF YEAR	\$ 8,393	\$ 99,997	\$ 108,390	\$ 73,220

ST. ALBERT COMMUNITY FOUNDATION
Statement of Revenues and Expenditures
Year Ended December 31, 2019

	Restricted 2019	General 2019	Total 2019	Total 2018
REVENUE				
Donations received <i>(Note 5)</i>	\$ 776,079	\$ 6,233	\$ 782,312	\$ 171,159
Golf tournament	-	125,144	125,144	23,212
Mental Health event	-	44,161	44,161	-
Fund Administration fees	-	27,423	27,423	-
Interest and dividends	-	321	321	183
	776,079	203,282	979,361	194,554
EXPENDITURES				
Transfer to the Edmonton Community Foundation <i>(Note 4)</i>	719,112	25,000	744,112	81,829
Golf tournament	-	91,015	91,015	-
Donations made <i>(Note 6)</i>	59,177	-	59,177	56,500
Management contract fees	-	20,400	20,400	20,400
Professional fees	-	9,863	9,863	7,410
Mental Health event	-	9,646	9,646	-
Office	-	3,151	3,151	2,922
Advertising and promotion	-	2,949	2,949	2,099
Telephone	-	1,647	1,647	1,638
Meetings	-	1,562	1,562	672
Mileage	-	669	669	601
Rental	-	-	-	5,511
	778,289	165,902	944,191	179,582
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES	\$ (2,210)	\$ 37,380	\$ 35,170	\$ 14,972

ST. ALBERT COMMUNITY FOUNDATION
Statement of Cash Flow
Year Ended December 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 35,170	\$ 14,972
Changes in non-cash working capital:		
Accounts receivable	(27,423)	-
Accounts payable and accrued liabilities	301	-
Prepaid expenses	(7,100)	-
	(34,222)	-
INCREASE IN CASH	948	14,972
CASH - BEGINNING OF YEAR	80,192	65,220
CASH - END OF YEAR	\$ 81,140	\$ 80,192

ST. ALBERT COMMUNITY FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2019

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, 2019

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, 2019

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.

3. CASH

	2019	2018
Non-restricted cash	\$ 71,074	\$ 80,192
Restricted cash	10,066	-
	\$ 81,140	\$ 80,192

ST. ALBERT COMMUNITY FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2019

4. 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. During the year, the Foundation received funds of \$744,112 (2018 - \$81,829) from various donors that were transferred to the ECF.

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.

Restrictions relating to the distributions from endowment and non-endowment funds are described below:

Community - Donors indicate that distributions are to be made according to the Foundation's general distribution policies and guidelines, primarily in response to applications received from community agencies.

Field of Interest - Donor agreements indicate the area(s) of special interest for support.

Scholarships, bursaries and awards - Scholarships, bursaries and awards are granted to students for a wide range of continuing education opportunities.

Designated - Donors indicate one or more specific charities to support.

Donor-advised - Donors consult with the Foundation and regularly advise regarding the distributions from these funds.

Combined Purpose - Donors indicate that portions of the net proceeds are to be distributed using some different strategies including discretionary, donor advised and designated.

	Fund Balances Dec 31, 2018	Income and Donations Received	Grants Distributed and Fund Expenses	2019
<u>Community Funds</u>				
St. Albert Community Fund	\$ 173,156	\$ 19,169	\$ 10,133	\$ 182,192
St. Albert Help Society Fund	67,610	7,486	3,956	71,140

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ST. ALBERT COMMUNITY FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2019

4. ENDOWMENT FUNDS ADMINISTERED BY THE EDMONTON COMMUNITY FOUNDATION (continued)

	Fund Balances Dec 31, 2018	Income and Donations Received	Grants Distributed and Fund Expenses	2019
Petter Family Fund	23,765	2,631	1,389	25,007
Jackie & Ed Heitzman Family Fund	-	10,859	177	10,682
Fischer Family Fund	9,970	1,108	584	10,494
	274,501	41,253	16,239	299,515
<u>Field of Interest Funds</u>				
Thatcher Neonatal Care Fund	395,096	43,738	23,119	415,715
St. Albert Youth Mental Health Fund	75,978	34,564	4,781	105,761
Erin James Fund	35,191	14,360	2,201	47,350
Canadian Parents for French Alberta Branch Fund	14,934	2,519	886	16,567
St. Albert Youth Community Centre Fund	11,972	1,325	700	12,597
	533,171	96,506	31,687	597,990
<u>Scholarships, Bursaries and Awards Funds</u>				
St. Albert Humboldt Remembrance Award Fund	-	439,778	5,609	434,169
Constable David Wynn Fund	41,888	117,479	4,290	155,077
Stanley Dennis Memorial Fund	34,696	3,841	2,030	36,507
	76,584	561,098	11,929	625,753
<u>Designated Funds</u>				
Harder Fund	49,489	5,500	2,895	52,094
Jackie Heitzman Scholarship Fund	-	25,575	271	25,304
KDM Helping Hands Legacy Fund	9,820	11,344	702	20,462
St. Albert Library Future Fund	12,779	2,111	757	14,133
	72,088	44,530	4,625	111,993
<u>Donor-Advised Funds</u>				
Jamison Family Fund	496,496	158,653	30,179	624,970
Bruce and Cindy McPherson Fund	95,545	62,485	6,254	151,776
Rouse Family Fund	34,898	6,882	2,073	39,707
Brick Family Fund	-	30,695	388	30,307
	626,939	258,715	38,894	846,760

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ST. ALBERT COMMUNITY FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2019

4. ENDOWMENT FUNDS ADMINISTERED BY THE EDMONTON COMMUNITY FOUNDATION
(continued)

	Fund Balances Dec 31, 2018	Income and Donations Received	Grants Distributed and Fund Expenses	2019
Combined Purpose Funds				
Roger & Rose Hulet Legacy Fund	-	125,603	1,301	124,302
St. Albert Space Camp Fund	28,640	3,170	1,676	30,134
Ron Hodgson Family Fund	27,840	3,084	1,628	29,296
Shelemey Family Fund	21,426	2,372	1,254	22,544
Davidson Family Fund	15,090	1,671	884	15,877
Ken & Wendy Macrae Family Fund	-	10,882	177	10,705
	92,996	146,782	6,920	232,858
	\$ 1,676,279	\$ 1,148,884	\$ 110,294	\$ 2,714,869

ST. ALBERT COMMUNITY FOUNDATION**Notes to Financial Statements****Year Ended December 31, 2019****5. DONATIONS RECEIVED**

	2019	2018
City of St. Albert	\$ 470,280	\$ 50,000
Roger Hulet	125,000	-
Edmonton Community Foundation Endowment Fund Grants	66,967	54,479
Donner Canadian Foundation	40,000	-
Ed Heitzman	25,000	-
Humboldt Remembrance Committee Memorial Charity Tournament	15,000	-
KDM Helping hands	10,000	-
Torode Realty	10,000	-
Ken Macrae	10,000	-
Keldar Leadership Solutions	3,675	-
Neil Rouse Realty Inc.	3,000	-
William Bocock	2,000	-
Canadian Parents for French Alberta organization	830	14,824
Canada Helps	560	942
Jackie Heitzman	-	10,200
Rosana Fisher	-	10,000
KDM Management	-	10,000
Neil Rouse	-	5,000
Jeanne Rouse	-	5,000
Dale Klein	-	3,000
Kent Davidson	-	2,600
RBC	-	2,500
Dave Reidie	-	1,414
212609 Alberta Ltd.	-	1,200
	\$ 782,312	\$ 171,159

ST. ALBERT COMMUNITY FOUNDATION**Notes to Financial Statements****Year Ended December 31, 2019****6. GRANT ALLOCATIONS**

	2019	2018
Sturgeon Community Hospital Foundation	\$ 8,000	\$ 10,700
Royal Alexandra Hospital Foundation	7,892	7,000
St. Albert Sturgeon Hospice Association	6,000	-
Jessica Martel Memorial Foundation	5,490	10,086
St. Albert Family Resource Centre	5,197	2,174
KDM Helping Hands	3,500	2,500
Stop Abuse in Families Society	3,500	-
STAR Literacy	3,000	-
Transitions Rehabilitation Associations	2,600	-
Sidekicks Mentoring Program	2,000	-
Dreams Take Flight	2,000	-
Autism Society of Edmonton Area	1,500	2,500
St. Albert Bereavement Fellowship	1,500	2,000
KidSport St. Albert	1,500	500
St. Albert Community Village & Food Bank	1,500	-
CNIB	1,500	-
St. Albert Public Schools (Stanley Dennis)	1,000	-
St. Albert Rotary Music Festival Association	1,000	-
St. Albert Seniors Association	500	-
Big Lake Environment Support Society	500	-
Don Wheaton Family YMCA (Stanley Dennis)	381	-
Previous grants returned	(883)	-
Suicide Survivor Group	-	4,420
St. Albert Community Information and Volunteer Centre	-	3,000
Bissell Centre	-	2,500
St. Albert Humbolt Remembrance	-	2,383
Edmonton After School Care Association	-	2,090
Tetra Society of Alberta	-	2,000
Outloud	-	1,092
St. Albert Public Schools	-	1,000
St. Albert Library	-	555
	\$ 59,177	\$ 56,500

ST. ALBERT COMMUNITY FOUNDATION
Notes to Financial Statements
Year Ended December 31, 2019

7. RELATED PARTY TRANSACTIONS

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

	2019	2018
J&D Reidie Marketing Inc. <i>(Owner is the Executive Director)</i>		
Management contract fees	\$ 20,400	\$ 20,400
Board Member Contributions <i>(Board Members)</i>		
Mental Health event contributions	\$ 2,900	\$ -
Donations received	-	35,300
KDM Helping Hands <i>(Common Director)</i>		
Donations received	\$ 10,000	\$ -
Grant allocations	3,500	2,500
KDM Management <i>(Board Member with significant influence)</i>		
Donations received	\$ -	\$ 10,000

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.

8. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.