

**Altona Community Foundation
Inc.
Financial Statements
For the Year Ended September 30, 2014**

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Tel: 204 325 4787
Tel: 204 822 5486
Tel: 204 324 8653
Fax: 204 325 8040
www.bdo.ca

BDO Canada LLP
P.O. Box 1357
Unit 3 23111 Hwy 14
Winkler, MB R6W 4B3

Independent Auditor's Report

To the Board of Directors of Altona Community Foundation Inc.

We have audited the accompanying financial statements of Altona Community Foundation Inc., which comprise the statement of financial position as at September 30, 2014 and the statements of operations and changes in fund balances and cash flows for the year then ended, and 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 audits. We conducted our audits 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 not-for-profit organizations, the Altona Community Foundation Inc. derives 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 Altona Community Foundation Inc. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenue over expenditures, and cash flows from operations for the year ended September 30, 2014, current assets and fund balances as at September 30, 2014.

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 Altona Community Foundation Inc. as at September 30, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

The financial statements of the Altona Community Foundation Inc., for the year ended September 30, 2013 were audited by another auditor who expressed a qualified opinion for the completeness of donations on those statements on January 9, 2014.

BDO Canada LLP

Chartered Accountants

**RM of Stanley, Manitoba
January 6, 2015**

**Altona Community Foundation Inc.
Statement of Financial Position**

September 30	2014	2013
Assets		
Current		
Cash	\$ 63,534	\$ 47,124
Accrued interest receivable	18,958	22,732
GST receivable	176	95
Current portion of long term investments (Note 2)	74,429	374,206
	157,097	444,157
Long term investments (Note 2)	1,035,744	698,765
	\$ 1,192,841	\$ 1,142,922

Liabilities and Fund Balances

Current		
Accounts payable and accrued liabilities	\$ 5,000	\$ 2,500
Grants payable	30,000	21,800
	35,000	24,300
Fund Balances		
Operating	4,579	3,340
Curtis Klassen Memorial	6,789	6,205
Undistributed income	20,617	30,758
Contributed Capital	1,125,856	1,078,319
	1,157,841	1,118,622
	\$ 1,192,841	\$ 1,142,922

Approved on behalf of the Board:

_____, Director

_____, Director

**Altona Community Foundation Inc.
Statement of Income and Retained Earnings**

For the year ended December 31	2014	2013
Revenue -***** SEE H3A*****		
Expenditures		
Administration	\$ 704	\$ 4,557
Fundraising	1,052	3
Membership dues	501	450
WCF grants	45,413	44,750
	47,670	49,760
Interest income	35,289	39,336
Other revenue	820	-
Net excess of revenues over expenditures (excess of expenditures over revenues)	(11,561)	(10,424)
Retained Earnings (Deficit) - Beginning , beginning of year	3,342	4,362
Retained earnings (deficit) , end of year	\$ (8,219)	\$ (6,062)

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

Altona Community Foundation Inc. Statement of Cash Flows

For the year ended December 31	2014	2013
Cash from operating activities:		
Excess of revenue over expenditures for the year	\$ 39,219	\$ 16,126
Changes in non-cash working capital balances		
Accrued interest receivable	3,774	2,300
GST receivable	(82)	54
Accounts payable and accrued liabilities	2,500	2,500
Grants payable	8,200	(6,835)
	53,611	14,145
Cash flows from investing activities:		
Long term investments	(37,201)	(24,842)
Change in cash during the year	16,410	(10,697)
Cash, beginning of year	47,124	57,821
Cash, end of year	\$ 63,534	\$ 47,124

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

Altona Community Foundation Inc. Notes to the Financial Statements

September 30, 2014

1. Significant Accounting Policies

Purpose of Organization	Altona Community Foundation Inc. (the "Foundation") is a self-funded organization, which raises funds to provide funding through grants for projects relating to youth, education, health and other local community development initiatives for the area of Altona, Manitoba including Gretna, Rosenfeld and Rhineland. The foundation utilizes the interest and donations received in funds to make the grants. The Foundation was incorporated in the Province of Manitoba as a not-for-profit organization and is a registered charity under the Income Tax Act.
Basis of Accounting	The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.
Fund Accounting	<p>The Foundation follows the restricted fund method of accounting for contributions.</p> <p>The Operating Fund consists of contributions for which donors have not designated a specific purpose as well as revenue related to general fundraising. This fund is utilized for general operations, website and related expenses.</p> <p>The Curtis Klassen Memorial Fund consists of restricted contributions designated to be used for specific youth activities and bursaries.</p> <p>Capital funds are contributions designated by donors to remain in perpetuity. The interest income earned and donations received by these funds are either restricted by the donor for specific use, or used by the Foundation for granting purposes. The Foundation has two main capital funds:</p> <p>The Undistributed Income Fund represents the interest income generated by contributed capital held for endowment purposes less grants that are approved for disbursement by the board.</p> <p>The Contributed Capital Fund is solely an endowment fund which holds designated contributions from donors in perpetuity for purposes of generating interest income for granting purposes by the board.</p>

Altona Community Foundation Inc.

Notes to the Financial Statements

September 30, 2014

1. Significant Accounting Policies (continued)

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates and may have impact on future periods.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in operations, other than financial instruments related to endowment funds. In addition, all bonds and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations, other than financial instruments related to endowment funds. Changes in fair value of financial instruments related to the endowment fund are recorded directly in net assets. All other 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. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Revenue Recognition

Contributions for endowment are recognized as revenue in the Endowment Fund.

Contributions restricted for the Curtis Klassen Memorial Fund are recognized as revenue in the Curtis Klassen Memorial Fund.

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

Investment income earned on Endowment Fund resources is recognized in the Undistributed Income Fund. Investment income earned in the Curtis Klassen Memorial Fund is recognized in the Curtis Klassen Memorial Fund.

Altona Community Foundation Inc. Notes to the Financial Statements

September 30, 2014

1. Significant Accounting Policies (continued)

Grants

Grants are expensed in the fiscal year for which they are approved. Grants that are approved but unpaid as at year end are recorded as a liability (grants payable). Approved grants are disbursed when all the guideline requirements have been met.

2. Long term investments

	<u>2014</u>	<u>2013</u>
Access Credit Union guaranteed investment certificates maturing between October 2014 - and September 2019, bearing interest at various rates between 2.70% - 4.00% per annum.	\$ 1,107,539	\$ 1,070,045
Access Credit Union surplus shares	<u>2,634</u>	<u>2,926</u>
	1,110,173	1,072,971
Less: current portion of long term investments	<u>(74,429)</u>	<u>(374,206)</u>
	<u>\$ 1,035,744</u>	<u>\$ 698,765</u>