

**THOMPSON COMMUNITY FOUNDATION**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2016**

**THOMPSON COMMUNITY FOUNDATION  
YEAR ENDED DECEMBER 31, 2016  
TABLE OF CONTENTS**

---

**INDEPENDENT AUDITOR'S REPORT**

STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF CHANGES IN EQUITY	3
STATEMENT OF REVENUE & EXPENDITURES	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6

## INDEPENDENT AUDITOR'S REPORT

**To the Directors of Thompson Community Foundation:**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Thompson Community Foundation, which comprises the statement of financial position as at December 31, 2016, the statement of revenue and expenditures, changes in equity 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 controls 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**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material aspects, the financial position of the Thompson Community Foundation, as at December 31, 2016 and its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**THOMPSON COMMUNITY FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
YEAR ENDED DECEMBER 31, 2016**

<b>CURRENT ASSETS</b>	<u>2016</u>	<u>2015</u>
Cash	\$ 59,459	\$ 32,353
Marketable Securities	32,343	52,368
Accounts, Pledges, and Interest Receivable	<u>2,314</u>	<u>2,275</u>
	<u>94,116</u>	<u>86,996</u>
<b>INVESTMENTS (Note 3)</b>	<u>1,798,455</u>	<u>1,676,485</u>
	<u>\$ 1,892,571</u>	<u>\$ 1,763,481</u>
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	<u>\$ 5,342</u>	<u>\$ 5,845</u>
<b>EQUITY</b>		
Surplus Restricted for Operating - Purposes (Note 4)	\$ 35,344	\$ 35,926
Surplus Restricted for Community Allocations - (Note 4)	87,690	86,237
Surplus Restricted for Endowment - Purposes (Note 4)	<u>1,764,195</u>	<u>1,635,473</u>
	<u>\$ 1,887,229</u>	<u>\$ 1,757,636</u>
	<u>\$ 1,892,571</u>	<u>\$ 1,763,481</u>

Approved on behalf of the Board:

See accompanying notes.

**THOMPSON COMMUNITY FOUNDATION**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED DECEMBER 31, 2016**

	<u>Operating Purpose</u>	<u>Community Allocations</u>	<u>Endowment Purpose</u>	<u>Total 2016</u>
<b>Balance, beginning of year</b>	\$ 35,926	\$ 86,237	\$ 1,635,473	\$ 1,757,636
Contributions	-	53,053	123,974	177,027
Community Allocations	-	(99,426)	-	(99,426)
Other Disbursements	-	-	-	-
Surplus (Deficit) for the Year	(582)	-	-	(582)
Interest and Investment Losses	-	-	(51,563)	(51,563)
Interest and Investment Gains	-	47,826	56,311	104,137
<b>Balance, end of year</b>	<u>\$ 35,344</u>	<u>\$ 87,690</u>	<u>\$ 1,764,195</u>	<u>\$ 1,887,229</u>

	<u>Operating Purpose</u>	<u>Community Allocations</u>	<u>Endowment Purpose</u>	<u>Total 2015</u>
<b>Balance, beginning of year</b>	\$ 40,318	\$ 80,458	\$ 1,581,331	\$ 1,702,107
Contributions	-	53,532	72,687	126,219
Community Allocations	-	(96,686)	-	(96,686)
Other Disbursements	-	(357)	(8,595)	(8,952)
Surplus (Deficit) for the Year	(4,392)	-	-	(4,392)
Interest and Investment Losses	-	-	(62,849)	(62,849)
Interest and Investment Gains	-	49,290	52,899	102,189
<b>Balance, end of year</b>	<u>\$ 35,926</u>	<u>\$ 86,237</u>	<u>\$ 1,635,473</u>	<u>\$ 1,757,636</u>

See accompanying notes.

**THOMPSON COMMUNITY FOUNDATION  
STATEMENT OF REVENUE AND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2016**

<b>REVENUE</b>	<u>2016</u>	<u>2015</u>
Administration Fee	\$ 21,423	\$ 21,310
Christmas Tree Project	-	990
Fall Gala Fundraiser	17,940	22,135
Interest	501	631
Operating Grant	4,000	4,000
Other Revenue	1,100	1,611
Wine Tasting Fundraiser	6,075	-
	<u>\$ 51,039</u>	<u>\$ 50,677</u>
 <b>EXPENDITURES</b>		
Administration Fee	\$ 19,646	\$ 21,736
Advertising and Promotion	663	1,484
Bank Charges and Interest	110	-
GST	1,039	1,275
Insurance	1,728	2,031
Marketing / Branding	319	673
Meeting Expenses	753	631
Membership Dues and Subscriptions	769	723
Printing and Events (Wine Tasting, Fall Gala)	1,248	2,398
Professional Fees	4,644	5,122
Rent	3,960	3,900
Seminars and Events (Wine Tasting, Fall Gala)	14,999	13,508
Travel	131	-
Telephone, Fax and Internet	1,612	1,588
	<u>\$ 51,621</u>	<u>\$ 55,069</u>
 <b>SURPLUS (DEFICIT) FOR YEAR</b>	 <u><u>\$ (582)</u></u>	 <u><u>(4,392)</u></u>

See accompanying notes.

**THOMPSON COMMUNITY FOUNDATION  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2016**

---

**FUNDS PROVIDED BY (USED IN) OPERATING ACTIVITIES**

	2016	2015
Cash receipts from donations, grants, and fundraising	\$ 50,499	\$ 48,770
Cash paid to suppliers and employees	(52,130)	(54,254)
Interest received	501	631
	(1,130)	(4,853)

**FUNDS PROVIDED BY (USED IN) INVESTING ACTIVITIES**

Increase (Decrease) in long-term investments	\$ (121,964)	\$ (63,331)
--	--------------	-------------

**FUNDS PROVIDED BY (USED) IN FINANCING ACTIVITIES**

Increase (Decrease) in Endowment Fund	\$ 128,722	\$ 54,142
Increase (Decrease) in Community allocations	1,453	5,779
	\$ 130,175	\$ 59,921
Increase (Decrease) in cash during the year	\$ 7,081	\$ (8,263)
Cash and cash equivalents at beginning of year	84,721	92,984
Cash and cash equivalents at end of year	\$ 91,802	\$ 84,721
Cash	\$ 59,459	\$ 32,353
Marketable Securities	32,343	52,368
	\$ 91,802	\$ 84,721

See accompanying notes.

**THOMPSON COMMUNITY FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

---

**1 ENTITY DEFINITION**

The Thompson Community Foundation is an unincorporated community fund established to support cultural, educational, recreational and charitable activities within the City of Thompson and surrounding area. This organization is exempt from income tax pursuant to paragraph 149 of the Income Tax Act.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements were prepared in accordance with Part III of the CICA Handbook accounting standards for not-for-profit organizations.

**INVESTMENTS**

Investments are carried on the statement of financial position at market value. Both realized and unrealized gains and losses on investments are recognized each year to reflect market values presented by the Winnipeg Foundation and other trust companies for investments held. Investment income, gains and losses are stated net of administration and management fees.

**FINANCIAL INSTRUMENTS**

Financial assets and liabilities are initially recorded at fair value. Measurement in subsequent periods depends on the financial instrument's classification. Financial instruments are classified into one of the following five categories: held for trading; available for sale; held to maturity; loans and receivables; and other financial liabilities. All financial instruments classified as held for trading or available for sale are subsequently measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost.

The organization has designated its financial instruments as follows:

Cash and marketable securities are classified as a financial asset held for trading and its measured at fair value with gains and losses recognized in net earnings.

Accounts, pledges and interest receivable are classified as loans and receivables. These financial assets are recorded at their amortized cost using the effective interest rate method.

Accounts payable and accrued liabilities, unearned income are classified as other financial liabilities. These financial liabilities are recorded at their amortized cost using the effective interest rate method.

The organization has continued to apply Section 3861 - Financial Instruments - Disclosure and Presentation in place of Sections 3862 and 3863.



**THOMPSON COMMUNITY FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

---

The fair value of cash, accounts receivable, marketable securities, accounts payable and accrued liabilities and unearned income approximates their carrying values due to their short-term maturity.

i. Impairment

At the end of each reporting period, Thompson Community Foundation assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that come to the attention of the organization, including but not limited to the following events: significant financial difficulty of the issuer, a breach of contract such as a default or delinquency in interest or principal payments, bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the organization determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

When the organization identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the asset to the highest of the following:

- i) the present value of the cash flow expected to be generated by holding the asset discounted using the current market rate of interest appropriate to the asset.
- ii) the amount that could be realized by selling the asset at the statement of financial position date and
- iii) the amount the organization expects to realize by exercising its rights to any collateral held to secure repayment of the asset net of all costs necessary to exercise those rights.

The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the reduction is recognized as an impairment loss in the statements of operations.

When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement directly or by adjusting the allowance account. The amount of the reversal is recognized in the statement of operations in the period the reversal occurs.

The organization's activities are exposed to a variety of financial risks, which include:

**a) Interest Rate Risk**

The organization's main interest rate risk arises from short-term deposits raised for ongoing operations. The organization has no interest bearing debt. The organization periodically monitors the investment it makes and is satisfied with the credit rating of its banks.

**b) Credit Risk**

Credit risk arises from non-performance by counterparties of contractual financial obligations and is managed on a group basis. Credit risk arise from cash and deposits with banks, as well as credit exposures to customers for committed transactions. The organization does not have a significant concentration of credit risk with any one group.

**c) Liquidity Risk**

As at December 31, 2016 the organization had \$94,116 in cash, marketable securities and accounts receivable and \$5,341 in accounts payable. Prudent liquidity risk management implies maintaining sufficient cash through available funding via an adequate amount of committed credit facilities and the ability to close out financing positions. The organization manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**THOMPSON COMMUNITY FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016**

---

**d) Concentration of Credit Risk**

Exposure to credit risk arises through the failure of a customer or third party to meet its contractual obligations to the organization. The organization's maximum exposure to credit risk as at December 31, 2016 is its accounts receivable of \$2,314.

**USE OF ESTIMATES**

The preparation of financial statements 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 statement, 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.

**REVENUE RECOGNITION**

The organization follows the restricted method of accounting for contributions. Donations are reported when received. Donations of material and equipment are reported at fair market value.

**CAPITAL ASSETS**

Capital assets are expensed in the statement of revenue and expenditures in the year of purchase.

**3 INVESTMENTS**

	<u>Cost</u>	<u>2016 FMV</u>	<u>Cost</u>	<u>2015 FMV</u>
The Winnipeg Foundation	<b>\$1,497,819</b>	<b>\$1,798,455</b>	\$1,497,819	\$1,676,485

Funds held by the Winnipeg Foundation to invest in a blend of investment holdings.

**THOMPSON COMMUNITY FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**4. RESTRICTION ON SURPLUS**

Restricted for operating purposes- the surplus restricted for operating purposes consists of grant revenues, and income earned on the portion of the endowment surplus that has been externally restricted for operations. For the current year the amount is \$57,053 (2015-\$58,332). The income earned on the operating endowment surplus for the current year is \$12,964 (2015-\$9,813). Interest income earned on endowments is included on the statement of operations.

Restricted for community allocations- the surpluses restricted for community allocations represent income earned on the endowment surplus for community projects.

Balances as at December 31, 2016 :

	General Community Fund	Scholarships & Bursary Fund	Youth (YIP & BJCC) Fund	Agency Fund	Thompson Health Fund	Operating Expense Fund	Troy Anand Fund	2016 Total	2015 Total
<b>Balance, beginning of year</b>	\$ 51,437	\$ 20,347	\$ 7,046	\$ 858	\$ 5,823	-	\$ 726	\$ 86,237	\$ 80,458
Investment and interest gains/ (losses)	36,075	8,025	400	460	2,097	-	769	47,826	49,290
Direct contributions	53,053	-	-	-	-	-	-	53,053	53,532
Disbursement for community projects	(89,544)	(8,293)	(456)	(534)	-	-	(600)	(99,426)	(96,686)
Other disbursements	-	-	-	-	-	-	-	-	(357)
<b>Balance, end of year</b>	\$ 51,022	\$ 20,079	\$ 6,990	\$ 785	\$ 7,920	-	\$ 895	\$ 87,690	\$ 86,237

Note: The Scholarships & Bursary fund is comprised of the Arnold Morberg Scholarship fund; the Kerrie Brown Memorial bursary; the CIM Scholarship fund, and the Northern Social Work Fund. The Agency fund comprises the Thompson Science Fair fund.

**THOMPSON COMMUNITY FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016**

**4. A RESTRICTION ON SURPLUS**

Restricted for endowment purposes- the surplus restricted for endowment represents income earned on the general endowments. The surplus restricted for endowment purposes must be maintained permanently by the foundation. Allocations of earned income on endowment investments is determined by the Winnipeg Foundation, and is based on the individual funds' restrictions.

Balances as at December 31, 2016 :

	General Community Fund	Scholarships & Bursary Fund	Youth (VIP & BJCC) Fund	Agency Fund	Thompson Health Fund	Operating Expense Fund	Troy Anand Fund	2016 Total	2015 Total
<b>Balance, beginning of year</b>	\$ 1,074,687	\$ 231,340	\$ 12,360	\$ 14,435	\$ 65,138	\$ 221,151	\$ 16,362	\$ 1,635,473	\$ 1,581,332
Investment and interest gains/ (losses)	(55,410)	(541)	(22)	(43)	(104)	6,926	(2,369)	(51,563)	(62,849)
Direct contributions	61,301	91	-	-	-	60,013	2,569	123,974	72,687
Investment and interest gain allocations:	37,909	8,296	441	509	2,316	6,038	802	56,311	52,899
Other disbursements	-	-	-	-	-	-	-	-	(8,595)
<b>Balance, end of year</b>	<b>\$ 1,118,487</b>	<b>\$ 239,186</b>	<b>\$ 12,779</b>	<b>\$ 14,901</b>	<b>\$ 67,350</b>	<b>\$ 294,128</b>	<b>\$ 17,364</b>	<b>\$ 1,764,195</b>	<b>\$ 1,635,474</b>

Note: The Scholarships & Bursary fund is comprised of the Arnold Morberg Scholarship fund; the Kerrie Brown Memorial bursary; the CIM Scholarship fund, and the Northern Social Work Fund. The Agency fund comprises the Thompson Science Fair fund.