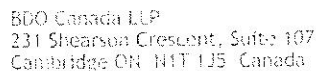


Sanderson Centre Foundation
Financial Statements
For the year ended May 31, 2016

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Basis for Qualified Opinion

In common with many charitable organizations, the entity 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 the organization. We were unable to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses and cash flows from operations for the years ended May 31, 2016 and 2015, and net assets as at June 1 and May 31 for both the 2016 and 2015 years. Our audit opinion on the financial statements for the year ended May 31, 2015 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the 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 Sanderson Centre Foundation as at May 31, 2016 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Brantford, Ontario
September 28, 2016

Sanderson Centre Foundation Balance Sheet

<u>As at May 31</u>	<u>2016</u>	<u>2015</u>
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Assets

Current

Cash (Note 2)	\$ 7,052	\$ 66,369
Temporary investments (Note 3)	246,234	128,137
Accounts receivable	6,511	871
	\$ 259,797	\$ 195,377

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 3,298	\$ 3,911
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Net Assets - unrestricted

256,499	191,466
\$ 259,797	\$ 195,377

By the Board of Directors:

_____, Director

_____, Director

Sanderson Centre Foundation Statement of Operations and Changes in Net Assets

For the year ended May 31	2016	2015
Revenues		
Donations (Note 4)	\$ 77,787	\$ 63,782
Investment income (Note 5)	4,523	4,183
HST Refunds	330	381
Unrealized gain on long-term investments	-	523
	<u>82,640</u>	<u>68,869</u>
Expenses		
Committee and sundry	2,274	2,487
Insurance	2,830	2,830
Office	329	3,175
Professional fees	3,408	3,549
Project to the Future	8,766	20,037
	<u>17,607</u>	<u>32,078</u>
Excess of revenues over expenses	65,033	36,791
Net assets, beginning of year	<u>191,466</u>	<u>154,675</u>
Net assets, end of year	<u>\$ 256,499</u>	<u>\$ 191,466</u>

Sanderson Centre Foundation Statement of Cash Flows

For the year ended May 31	2016	2015
Cash flows from operating activities		
Excess of revenues over expenses	\$ 65,033	\$ 36,791
Unrealized gain on long-term investments		(523)
Changes in non-cash working capital balances		
Accounts receivable	(5,640)	(523)
Accounts payable and accrued liabilities	(613)	705
	<u>58,780</u>	<u>36,450</u>
Cash flows from investing activities		
Purchase of investments	(155,196)	(25,504)
Proceeds on disposal of investments	37,755	24,450
Decrease (increase) in unearned interest	(656)	(526)
	<u>(118,097)</u>	<u>(1,580)</u>
(Decrease) increase in cash during the year	(59,317)	34,870
Cash, beginning of year	<u>66,369</u>	<u>31,499</u>
Cash, end of year	<u>\$ 7,052</u>	<u>\$ 66,369</u>

Sanderson Centre Foundation Notes to the Financial Statements

May 31, 2016

1. Summary of Significant Accounting Policies

Nature of Organization	The Sanderson Centre Foundation is an independent charitable corporation dedicated to the enhancement of the Sanderson Centre and the theatre experience of its patrons. The Foundation's goals are achieved primarily through fund raising for capital improvements that may not be funded by other means. It 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.
Revenue Recognition	The Foundation follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated.
Income Taxes	Sanderson Centre Foundation is a non-profit organization and, as such, no income taxes are applicable.
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 expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods.
Contributed Services	The work of the Foundation is dependent on the voluntary services of many people. Since their services are not normally purchased by the organization and because of the difficulty in determining their value, contributed services are not recognized in these financial statements.
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. In addition, all guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. 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.

Sanderson Centre Foundation Notes to the Financial Statements

May 31, 2016

2. Cash

The Foundation's bank balance consists of a non-interest bearing account held at a chartered bank and one account held at an investment firm which pays interest monthly, at graduated rates based on the average monthly balance, if calculated monthly interest exceeds \$5.

3. Temporary investments

	2016	2015
GIC, due February 15, 2016, 3.45% per annum	\$ -	\$ 22,220
GIC, due July 2, 2015, 3.55% per annum	-	16,266
Renaissance High Interest Savings	86,525	-
GIC, due April 9, 2018, 2.35% per annum	20,066	20,064
GIC, due April 8, 2019, 2.60% per annum	43,563	43,563
GIC, due August 13, 2019, 2.60% per annum	26,024	26,024
GIC, due June 4, 2020 2.35% per annum	35,814	-
GIC due June 6, 2016 1.75% per annum	15,258	-
GIC, due July 6, 2017, 1.86% per annum	18,984	-
	<u>\$ 246,234</u>	<u>\$ 128,137</u>

4. Related Party Transactions

During the year, approximately \$500 (2015 - \$800) was received from the Foundation's directors as donations. These transactions are in the normal course of business and are measured at the exchange amount.

5. Investment income

The investment income is comprised of interest income in the amount of \$4,240 (2015 - \$3,442) on GIC investments, dividend income of \$nil (2015 - \$547) and other investment income of \$98 (2015 - \$ nil) on high-interest savings account.

Sanderson Centre Foundation Notes to the Financial Statements

May 31, 2016

6. Financial Instrument Risk Exposure and Management

Management has established policies and procedures to manage risks related to financial instruments, with the objective of minimizing any adverse effects on financial performance. A brief description of management's assessments of these risks is as follows:

(a) General Objective, Policies and Processes:

The Board and management are responsible for the determination of the Foundation's risk management objectives and policies and designing operating processes that ensure the effective implementation of the objectives and policies. In general, the Foundation measures and monitors risk through the preparation and review of periodic reports by management.

(b) Credit Risk:

Financial instruments potentially exposed to credit risk include cash, temporary and long term investments. Management considers its exposure to credit risk over cash and to be remote as the Foundation holds cash deposits and investments at one major Canadian bank.

(c) Interest Rate Risk:

The Foundation is exposed to interest rate risk arising from fluctuations in interest rates depending on prevailing rates at renewal of investments. To manage interest rate exposure, the Foundation primarily invests in fixed income vehicles backed by a chartered bank.

(d) Liquidity Risk:

Liquidity risk is the risk the Foundation will not be able to meet its financial obligations as they come due. The Foundation has taken steps to ensure that it will have sufficient working capital available to meet its obligations.