

**COMMUNITY FOUNDATION OF
GREATER PETERBOROUGH**

FINANCIAL STATEMENTS

December 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Members of Community Foundation of Greater Peterborough

Report on the Financial Statements

We have audited the accompanying financial statements of Community Foundation of Greater Peterborough, which comprise the statement of financial position as at December 31, 2015, 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 controls as management determines are 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 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 auditors' 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 controls 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 controls. 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 audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Community Foundation of Greater Peterborough as at December 31, 2015 and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 16, 2016

COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

STATEMENT OF FINANCIAL POSITION

As at December 31, 2015

	2015	2014
	\$	\$
ASSETS		
Current assets		
Cash	887,923	142,619
Accounts receivable	10,731	10,099
Prepaid expenses	4,415	840
	903,069	153,558
Investments (note 3)	4,918,828	4,822,832
Funds held in trust (note 4)	144,439	143,081
	5,966,336	5,119,471
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	10,221	11,203
Deferred revenue (note 6)	40,325	20,300
Deferred grant contributions (note 5)	-	21,500
	50,546	53,003
Funds held in trust (note 4)	144,439	143,081
	194,985	196,084
Fund balances		
Operating	557,487	532,788
Internally restricted	68,968	62,273
Externally restricted	5,144,896	4,328,326
	5,771,351	4,923,387
	5,966,336	5,119,471

The accompanying notes are an integral part of these financial statements

COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2015

	Operating Fund 2015 \$	Internally Restricted Fund 2015 \$	Externally Restricted Fund 2015 \$	Total 2015 \$	Total 2014 \$
Revenue					
Donations	31,786	17,230	1,003,072	1,052,088	255,236
Investment income	26,430	4,706	224,337	255,473	226,853
Events	100,210	-	-	100,210	101,283
Grants	21,500	-	-	21,500	46,922
Unrealized gain on investments	2,311	621	5,892	8,824	133,934
Administrative fee income	2,534	-	-	2,534	838
Total revenue	184,771	22,557	1,233,301	1,440,629	765,066
Expenses					
Wages and benefits	143,689	-	-	143,689	119,486
Investment management fees	1,251	450	33,730	35,431	37,755
Professional fees	25,064	-	-	25,064	17,082
Fundraising	23,925	-	-	23,925	31,686
Program	18,795	-	-	18,795	22,616
Occupancy costs	14,023	-	-	14,023	13,856
Office and administration	10,267	-	-	10,267	10,049
Training and development	7,176	-	-	7,176	3,630
Total expenses	244,190	450	33,730	278,370	256,160
Excess (Deficiency) of Revenue over Expenses for the Year before the Following	(59,419)	22,107	1,199,571	1,162,259	508,906
Grants paid	-	(14,758)	(299,537)	(314,295)	(285,769)
Fund transfers (note 8)	84,118	(654)	(83,464)	-	-
Excess of Revenue over Expenses for the Year	24,699	6,695	816,570	847,964	223,137
Fund balances					
- beginning of year	532,788	62,273	4,328,326	4,923,387	4,700,250
Fund balances - end of year	557,487	68,968	5,144,896	5,771,351	4,923,387

The accompanying notes are an integral part of these financial statements

COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2015

	2015	2014
	\$	\$
CASH PROVIDED FROM (USED FOR):		
Operating activities		
Excess of revenue over expenses for the year	847,964	223,137
Item not affecting cash		
Unrealized gain on investments	(8,824)	133,934
Changes in non-cash working capital items		
(Increase) decrease in accounts receivable	(632)	14,372
Decrease in prepaid expenses	(3,575)	-
Increase in accounts payable and accrued liabilities	(982)	2,444
Increase (decrease) in deferred grant contributions	(21,500)	15,500
Increase (decrease) in deferred revenue	20,025	(11,256)
Net Increase in cash from operating activities	832,476	378,131
Investing activities		
Purchase of investments	(334,818)	(806,333)
Redemption of investments	247,646	-
Net decrease in cash from investing activities	(87,172)	(806,333)
Increase (decrease) in cash	745,304	(428,202)
Cash - beginning of year	142,619	570,821
Cash - end of year	887,923	142,619

The accompanying notes are an integral part of these financial statements

COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2015

1. NATURE OF OPERATIONS

Community Foundation of Greater Peterborough ("the Foundation") is a not-for-profit charitable organization providing philanthropic funds for social, cultural, educational, environmental and other community purposes, to enhance the quality of life in the Greater Peterborough region.

The organization was incorporated March 21, 2002 without share capital under Part II of the Canada Corporations Act and was continued November 6, 2013 under the Canada Not-for-profit Corporations Act. The Foundation is registered as a charitable organization pursuant to Section 149.1 of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Significant aspects of the accounting policies are as follows:

(a) Revenue recognition

The Foundation uses the deferral method of accounting for contributions. Grant revenues are recognized as revenue in the year in which the related expenses are incurred. Donations are recognized when received. Investment income and unrealized gains on investments are recognized as revenue when earned. Event income and sponsorship income is recognized as revenue when the event occurs.

(b) Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Foundation, the accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting purposes into funds that are in accordance with particular activities or objectives specified.

These funds are classified as follows:

- (i) Operating fund - includes results of day-to-day operating transactions;
- (ii) Externally Restricted Funds - includes contributions for special purposes as designated by external parties.
- (iii) Internally Restricted Funds - includes contributions for special purposes as designated by the Board of the Foundation.

(c) Capital assets

Capital assets are recorded at cost. The organization provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The Foundation has no significant capital assets and there were no items capitalized during the year.

COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) *Deferred grant contributions*

Deferred grant contributions represents grants which have been collected but for which the related expenses have not been incurred. These amounts will be recognized as revenues in the fiscal year when the expenses have been incurred.

(e) *Financial instruments*

The Foundation initially measures its financial assets and financial liabilities at fair value.

The Foundation subsequently measures its financial assets and financial liabilities at amortized cost, except for investments quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include investments.

(i) *Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations.

(f) *Contributed services*

The Foundation relies on many volunteers to carry out its mandate. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(g) *Management 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 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.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, accounts receivable, accounts payable and accrued liabilities, the fair value of certain assets, impairments of assets and grant revenues. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

3. INVESTMENTS

Investments of the Foundation are managed by Richardson GMP, Jarislowsky Fraser and RBC Dominion Securities. Investment policies for each portfolio include guidelines specifying the balance of domestic and international equities, fixed income and alternative investments designed to generate a total investment return that supports the Foundation's granting, recovers the cost of managing and administering the funds, protects the purchasing power of the capital component and establishes a reserve for potential market declines. Investments are stated at market value.

The Foundation's Social Finance Fund is invested in bonds issued by the Mount Community Centre.

	2015	2014
	\$	\$
Richardson GMP	2,333,540	2,318,170
Jarislowsky Fraser	2,222,090	1,902,214
Mount Bond, 3%, maturing June 30, 2019 to January 15, 2020	305,000	300,000
RBC Dominion Securities	58,198	54,802
BMO Harris Private Banking	-	247,646
	4,918,828	4,822,832

4. FUNDS HELD IN TRUST

The funds held in trust are held and invested on behalf of other organizations. The funds contributed are not owned by the Foundation, but managed for these organizations.

5. DEFERRED GRANT CONTRIBUTIONS

	2015	2014
	\$	\$
Trillium	-	21,500

The continuity of deferred grant contributions is as follows:

	2015	2014
	\$	\$
Balance - beginning of year	21,500	6,000
Add amounts received:		
Funds received during the year	-	53,300
Less transfer to operations:		
Amounts recognized as revenue	21,500	37,800
Balance - end of year	-	21,500

COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2015

6. DEFERRED REVENUE

Deferred revenue consists of prepaid tickets and sponsorships that were received in 2015 for events occurring in 2016.

7. ACCOUNTS PAYABLE

Accounts payable consists of the following:

	2015	2014
	\$	\$
Accounts payable and accrued liabilities	8,498	9,883
Payroll remittances	1,723	1,320
	10,221	11,203

8. FUND TRANSFERS

An amount of \$83,464 has been transferred from the externally restricted fund to the operating fund in accordance with specific funding agreements, including Philanthropic Advisory Service Fees of \$18,269. In addition, \$654 was transferred to the operating fund from the internally restricted fund for Philanthropic Advisory Service Fees.

9. FINANCIAL INSTRUMENTS

The Foundation is exposed to the following risks in respect of certain of the financial instruments held:

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income securities will generally rise if interest rates fall and conversely fall when rates rise. This risk is mitigated by the Foundation's investment policies.

(b) Market risk

The Foundation's financial instruments that are exposed to concentrations of market risk consist of investments associated with bonds and equity securities. The value of these investments is affected by market conditions and general economic outlook. The risk is mitigated by the Foundation's investment policies.

10. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year fund balances.