

**COMMUNITY FOUNDATION OF  
GREATER PETERBOROUGH**

**FINANCIAL STATEMENTS**

**December 31, 2014**

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GREATER PETERBOROUGH**

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**INDEPENDENT AUDITORS' REPORT**

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**To the Members of Community Foundation of Greater Peterborough**[www.collinsbarrowkawarthas.com](http://www.collinsbarrowkawarthas.com)*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, 2014, 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 qualified audit opinion.

*Basis for Qualified Opinion*

In common with most not-for-profit organizations, Community Foundation of Greater Peterborough derives revenue from donations, the completeness of which is not susceptible to satisfactory audit evidence. Accordingly, our verification of these revenues was limited to the amounts recorded by the Foundation and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and fund balances.

*Qualified Opinion*

Except as noted in the above paragraph, 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, 2014 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  
Peterborough, Ontario  
May 11, 2015

# COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2014

	2014	2013
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	142,619	570,821
Accounts receivable	10,099	24,471
Prepaid expenses	840	840
	153,558	596,132
<b>Investments</b> (note 3)	4,822,832	4,150,433
<b>Funds held in trust</b> (note 4)	143,081	109,232
	5,119,471	4,855,797
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 7)	11,203	8,759
Deferred grant contributions (note 5)	21,500	6,000
Deferred revenue (note 6)	20,300	31,556
	53,003	46,315
<b>Funds held in trust</b> (note 4)	143,081	109,232
	196,084	155,547
<b>Fund balances</b>		
Operating	532,788	468,046
Internally restricted	62,273	58,661
Externally restricted	4,328,326	4,173,543
	4,923,387	4,700,250
	5,119,471	4,855,797

*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, 2014

	Operating Fund 2014 \$	Internally Restricted Fund 2014 \$	Externally Restricted Fund 2014 \$	Total 2014 \$	Total 2013 \$
<b>Revenue</b>					
Donations	20,406	11,944	222,886	255,236	695,303
Investment income	5,891	4,350	216,612	226,853	147,751
Unrealized gain on investments	-	907	133,027	133,934	384,237
Events	101,283	-	-	101,283	171,479
Grants	47,760	-	-	47,760	138,221
<b>Total revenue</b>	<b>175,340</b>	<b>17,201</b>	<b>572,525</b>	<b>765,066</b>	<b>1,536,991</b>
<b>Expenses</b>					
Wages and benefits	119,486	-	-	119,486	130,140
Investment management fees	-	377	37,378	37,755	29,175
Program expenses	22,616	-	-	22,616	30,784
Events	17,099	-	-	17,099	31,722
Office and administration	16,320	-	-	16,320	12,207
Communications	14,587	-	-	14,587	8,691
Rent	10,997	-	-	10,997	10,914
Professional fees	10,810	-	-	10,810	9,337
Training and development	3,630	-	-	3,630	7,739
Insurance	2,860	-	-	2,860	2,834
<b>Total expenses</b>	<b>218,405</b>	<b>377</b>	<b>37,378</b>	<b>256,160</b>	<b>273,543</b>
<b>Excess (Deficiency) of Revenue over Expenses for the Year before the Following</b>	<b>(43,065)</b>	<b>16,824</b>	<b>535,147</b>	<b>508,906</b>	<b>1,263,448</b>
<b>Grants paid</b>	<b>-</b>	<b>(12,649)</b>	<b>(273,120)</b>	<b>(285,769)</b>	<b>(102,942)</b>
<b>Fund transfers (note 8)</b>	<b>107,807</b>	<b>(563)</b>	<b>(107,244)</b>	<b>-</b>	<b>-</b>
<b>Excess of Revenue over Expenses for the Year</b>	<b>64,742</b>	<b>3,612</b>	<b>154,783</b>	<b>223,137</b>	<b>1,160,506</b>
<b>Fund balances</b>					
- beginning of year	468,046	58,661	4,173,543	4,700,250	3,539,744
<b>Fund balances - end of year</b>	<b>532,788</b>	<b>62,273</b>	<b>4,328,326</b>	<b>4,923,387</b>	<b>4,700,250</b>

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, 2014

	2014	2013
	\$	\$
<b>CASH PROVIDED FROM (USED FOR):</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	223,137	1,160,506
Item not affecting cash		
Unrealized gain on investments	(133,934)	(384,237)
Changes in non-cash working capital items		
(Increase) decrease in accounts receivable	14,372	(12,073)
Decrease in prepaid expenses	-	123
Increase (decrease) in accounts payable and accrued liabilities	2,444	(2,904)
Increase (decrease) in deferred grant contributions	15,500	(51,000)
Increase (decrease) in deferred revenue	(11,256)	16,606
Net Increase in cash from operating activities	110,263	727,021
<b>Investing activities</b>		
Purchase of investments	(538,465)	(268,904)
<b>Increase (decrease) in cash</b>	(428,202)	458,117
<b>Cash - beginning of year</b>	570,821	112,704
<b>Cash - end of year</b>	142,619	570,821

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, 2014

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### 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, 2014

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### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) *Deferred Grant Contributions*

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

(e) *Financial Instruments*

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

The organization 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, 2014

### 3. INVESTMENTS

Investments of the Foundation are administered by BMO Harris Private Banking, National Bank and Richardson GMP and are invested in various cashable term deposits and equity funds and are stated at market value. Jarislowky Fraser Limited is the investment advisor for the funds administered by National Bank (2013 - TD Waterhouse).

	2014	2013
	\$	\$
Richardson GMP	2,318,170	2,254,959
National Bank	1,902,214	-
TD Waterhouse	-	1,501,362
BMO Harris Private Banking	247,646	331,815
RBC DS	54,802	62,297
Bond, 3%, maturity date June 30, 2019	300,000	-
	4,822,832	4,150,433

### 4. FUNDS HELD IN TRUST

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

### 5. DEFERRED GRANT CONTRIBUTIONS

	2014	2013
	\$	\$
CFC Environmental Program	-	6,000
Trillium	21,500	-
	21,500	6,000

The continuity of deferred grant contributions is as follows:

	2014	2013
	\$	\$
Balance - beginning of year	6,000	57,000
Add amounts received:		
Funds received during the year	53,300	-
Less transfer to operations:		
Amounts recognized as revenue	37,800	51,000
Balance - end of year	21,500	6,000

# COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2014

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### 6. DEFERRED REVENUE

Deferred revenue consists of prepaid tickets and sponsorships that were received in 2014 for events occurring in 2015.

### 7. ACCOUNTS PAYABLE

Accounts payable consists of the following:

	2014	2013
	\$	\$
Accounts payable and accrued liabilities	9,883	8,759
Payroll liabilities	1,320	-
	11,203	8,759

### 8. FUND TRANSFERS

An amount of \$107,244 has been transferred from the externally restricted fund to the operating fund in accordance with specific funding agreements, including Philanthropic Advisory Service Fees of \$15,857. In addition, \$563 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.