

**FINANCIAL STATEMENTS OF**

**COMMUNITY FOUNDATION OF  
GREATER PETERBOROUGH**

**December 31, 2010**

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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, 2010, and the statements of changes in fund balances, operations 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 generally accepted accounting principles, 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 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 the Foundation as at December 31, 2010 and the results of its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Collins Barrow Kawarthas LLP*Chartered Accountants  
Licensed Public AccountantsPeterborough, Ontario  
March 25, 2011

**COMMUNITY FOUNDATION OF GREATER PETERBOROUGH**  
**STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2010**

	2010	2009
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and short-term investments (note 3)	347,277	138,604
Accounts receivable	2,417	247
Prepaid expenses	840	-
	<b>350,534</b>	<b>138,851</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	7,370	3,704
Deferred revenue (note 4)	146,686	45,649
	<b>154,056</b>	<b>49,353</b>
<b>Fund balances</b>		
Restricted (note 5)	134,535	40,750
Operating fund	61,943	48,748
	<b>196,478</b>	<b>89,498</b>
	<b>350,534</b>	<b>138,851</b>

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

**COMMUNITY FOUNDATION OF GREATER PETERBOROUGH**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**For the year ended December 31, 2010**

	Operating \$	Restricted (note 5) \$	Total 2010 \$	Total 2009 \$
<b>Balances - beginning of year</b>	48,748	40,750	89,498	68,749
Excess of revenues over expenses for the year	13,195	93,785	106,980	21,449
<b>Balances - end of year</b>	61,943	134,535	196,478	89,498

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

**COMMUNITY FOUNDATION OF GREATER PETERBOROUGH**  
**STATEMENT OF OPERATIONS**  
For the year ended December 31, 2010

	2010	2009
	\$	\$
<b>Revenues</b>		
Grant revenue	117,463	11,802
Restricted donations	93,785	20,750
Other donations	7,455	300
Event revenue	7,090	-
Interest income	1,850	399
	<u>227,643</u>	<u>33,251</u>
<b>Expenses</b>		
Event expenses	6,702	-
Advertising and promotion	2,188	3,434
Insurance	2,166	-
Office and administration	82,557	337
Professional fees	7,815	6,820
Rent	6,598	-
Sponsorships and grants	8,500	-
Telephone	1,332	1,169
Training and development	2,805	42
	<u>120,663</u>	<u>11,802</u>
<b>Excess of revenues over expenses for the year</b>	<u>106,980</u>	<u>21,449</u>
<b>Designated to:</b>		
Operating fund	13,195	699
Restricted funds	93,785	20,750
	<u>106,980</u>	<u>21,449</u>

*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, 2010

	2010	2009
	\$	\$
<b>CASH PROVIDED FROM (USED FOR)</b>		
<b>Operating activities</b>		
Excess of revenues over expenses for the year	106,980	21,449
Change in non-cash working capital items		
Decrease (increase) in accounts receivable	(2,170)	3,025
Decrease (increase) in prepaid expenses	(840)	250
Increase in accounts payable and accrued liabilities	3,666	704
Increase in deferred revenue	101,037	30,649
<b>Increase in cash and short-term investments</b>	<b>208,673</b>	<b>56,077</b>
<b>Cash and short-term investments - beginning of year</b>	<b>138,604</b>	<b>82,527</b>
<b>Cash and short-term investments - end of year (note 3)</b>	<b>347,277</b>	<b>138,604</b>

*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, 2010**

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**1. NATURE OF OPERATIONS**

The 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. The Foundation is registered as a charitable organization pursuant to Section 149.1 of the Income Tax Act.

During 2008, the name of the Foundation changed from Peterborough Affordable Housing Foundation to Community Foundation of Greater Peterborough.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The significant policies are detailed as follows:

*(a) Revenue and expense recognition*

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue when earned.

*(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:

Operating Fund - includes results of day to day operating transactions;

Externally Restricted Funds - as designated by external parties;

Internally Restricted Funds - as designated by the Board.

**COMMUNITY FOUNDATION OF GREATER PETERBOROUGH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2010**

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**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

*(c) Capital assets*

The Foundation's average annual revenues for the preceding two years was less than \$500,000 and, as a result, it is not required to record capital assets and amortize the cost over the estimated useful life. Capital assets are reported as expenses on the Statement of Operations in the year of acquisition.

*(d) Financial instruments*

The Foundation utilizes various financial instruments. All transaction costs related to financial instruments are separated into one of the following categories based on the purpose for which the asset was acquired. The Foundation's accounting policy for each category is as follows:

*Held-for-trading:*

This category is comprised of cash and short-term investments which are carried in the statement of financial position at fair value with changes in fair value recognized in the income statement.

*Loans and receivables:*

These assets are non-derivative financial assets arising principally through service delivery or HST rebates which will be collected after returns/reports have been submitted and approved.

*Other financial liabilities:*

This category includes financial liabilities other than those classified as held-for-trading and comprises trade payables. These liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method.

*(e) 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.

*(f) Management estimates*

The preparation of financial statements in accordance with 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, the fair value of certain assets, impairment 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, 2010

**3. CASH AND SHORT-TERM INVESTMENTS**

	2010 \$	2009 \$
Externally restricted fund balance	103,800	20,750
Internally restricted fund balance	20,000	20,000
Internally restricted - environmental projects	7,000	15,000
<b>Total restricted cash</b>	<b>130,800</b>	<b>55,750</b>
<b>Unrestricted cash</b>	<b>216,477</b>	<b>82,854</b>
	<b>347,277</b>	<b>138,604</b>

The balance includes \$85,795 cash and \$261,482 of term deposits. The investments consist of a number of cashable term deposits which mature on December 16, 2013 and bear interest rates which vary from 1.25% to 1.40%.

**4. DEFERRED REVENUE**

During 2009 and 2010, the organization received funding to support its programs and operational costs. Deferred revenue related to funding received and not yet spent include the following:

	2010 \$	2009 \$
CFC Environmental Program	7,000	15,000
The Ontario Trillium Foundation	38,686	29,649
City of Peterborough	100,000	-
Ontario Land Trust Alliance	1,000	1,000
	<b>146,686</b>	<b>45,649</b>

Details of the changes in deferred revenue balances are as follows:

	2010 \$	2009 \$
Balance, beginning of the year	45,649	15,000
Funds received during the year	218,500	42,451
Amounts recognized as revenue	(117,463)	(11,802)
	<b>146,686</b>	<b>45,649</b>

**COMMUNITY FOUNDATION OF GREATER PETERBOROUGH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2010

5. **RESTRICTED FUND BALANCES**

	2010 \$	2009 \$
<b>Externally Restricted</b>		
Lake Field Music	70,650	20,000
The Trent Centre for Community Based Education	8,050	750
Hallpike Fund (endowed)	20,000	-
Cavan Monaghan & Millbrook Legacy Fund (endowed)	5,000	-
Cavan Monaghan & Millbrook Legacy Fund	4,105	-
Kawartha Heritage Conservancy Stewardship Fund (endowed)	100	-
	107,905	20,750
<b>Internally Restricted</b>		
Kairos Non-profit Housing of Peterborough	20,000	20,000
Directors' Fund	6,630	-
<b>Restricted Fund Balances</b>	<b>134,535</b>	<b>40,750</b>

2010, was a formative year for the Foundation; endowment funds were established in the latter part of the year and therefore did not accrue sufficient interest for distribution.

6. **FINANCIAL INSTRUMENTS**

The Foundation's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities.

(a) Fair value

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to their short maturities. The value of the investments approximate their fair value since the interest rates are at rates readily available for other similar investments.

(b) Credit risk

The Foundation's financial instrument that is exposed to concentrations of credit risk consist of cash. Cash is in place with major financial institutions.

**COMMUNITY FOUNDATION OF GREATER PETERBOROUGH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2010**

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**7. CAPITAL DISCLOSURE**

The Foundation considers its capital to be the balance retained in the Fund Balance, which is generally the difference between its assets and liabilities as reported on its Statement of Financial Position. The Foundation's objectives when managing capital are to safeguard the organization's ability to continue as a going concern, so that it can provide delivery of its services and programs to the public.

**8. 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.