

**COMMUNITY FOUNDATION OF
GREATER PETERBOROUGH**

FINANCIAL STATEMENTS

December 31, 2017

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INDEPENDENT AUDITOR'S 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, 2017, 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.

Auditor's 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 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 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, 2017 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 Kawartha LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
May 14, 2018

COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

STATEMENT OF FINANCIAL POSITION

As at December 31, 2017

	2017	2016
	\$	\$
ASSETS		
Current assets		
Cash	213,687	79,583
Accounts receivable	6,079	5,947
Prepaid expenses	2,670	3,959
	222,436	89,489
Investments (note 3)	6,657,761	6,298,902
Funds held in trust (note 4)	138,815	131,823
	7,019,012	6,520,214
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	12,557	17,592
Deferred revenue (note 6)	56,475	47,100
Deferred grant contributions	12,500	-
	81,532	64,692
Funds held in trust (note 4)	138,815	131,823
	220,347	196,515
Fund balances		
Operating	395,263	372,641
Internally restricted	69,187	75,204
Externally restricted (note 7)	6,334,215	5,875,854
	6,798,665	6,323,699
	7,019,012	6,520,214

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, 2017

	Operating Fund 2017 \$	Internally Restricted Fund 2017 \$	Externally Restricted Fund 2017 \$	Total 2017 \$	Total 2016 \$
Revenue					
Donations	42,049	27,668	676,194	745,911	668,896
Investment income (note 8)	170,876	4,049	253,201	428,126	304,974
Events	108,815	-	-	108,815	95,900
Grants	51,250	-	57,000	108,250	47,800
Program income	-	-	-	-	18,805
Administrative fees	1,693	-	-	1,693	1,587
Total revenue	374,683	31,717	986,395	1,392,795	1,137,962
Expenses					
Wages and benefits	207,601	-	-	207,601	153,448
Professional fees	21,772	447	50,448	72,667	57,689
Fundraising	37,553	-	-	37,553	29,087
Program	24,263	-	-	24,263	49,451
Occupancy costs	14,445	-	-	14,445	14,267
Office and administration	38,660	-	-	38,660	25,365
Training and development	7,767	-	-	7,767	2,032
Total expenses	352,061	447	50,448	402,956	331,339
Excess of Revenue over Expenses for the Year before the Following	22,622	31,270	935,947	989,839	806,623
Grants paid	-	(11,801)	(503,072)	(514,873)	(254,275)
Excess of Revenue over Expenses for the Year	22,622	19,469	432,875	474,966	552,348
Fund balances - beginning of year	372,641	75,204	5,875,854	6,323,699	5,771,351
Fund transfers (note 9)	-	(25,486)	25,486	-	-
Fund balances - end of year	395,263	69,187	6,334,215	6,798,665	6,323,699

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, 2017

	2017	2016
	\$	\$
CASH PROVIDED FROM (USED FOR):		
Operating activities		
Excess of revenue over expenses for the year	474,966	552,348
Item not affecting cash		
Realized and unrealized gain on investments	(187,901)	(72,743)
Changes in non-cash working capital items		
(Increase) decrease in accounts receivable	(132)	4,784
Decrease in prepaid expenses	1,289	456
Increase (decrease) in accounts payable and accrued liabilities	(5,035)	7,372
Increase in deferred grant contributions	12,500	-
Increase in deferred revenue	9,375	6,775
Increase in cash from operating activities	305,062	498,992
Investing activities		
Purchase of investments	(916,971)	(3,936,026)
Proceeds on disposal of investments	746,013	2,628,694
Decrease in cash from investing activities	(170,958)	(1,307,332)
Increase (decrease) in cash	134,104	(808,340)
Cash - beginning of year	79,583	887,923
Cash - end of year	213,687	79,583

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, 2017

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, known at the time as the Peterborough Affordable Housing Foundation, was incorporated April 12, 2002 without share capital under Part II of the Canada Corporations Act. Supplementary Letters Patent amending the organization's charitable objects and changing the name to Community Foundation of Greater Peterborough were issued April 23, 2008 and continued November 6, 2013 under the Canada Not-for-profit Corporations Act. The Foundation is registered as a charitable organization, and is designated as a public foundation 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 restricted fund method of accounting. Grants and donations are recognized in the respective fund when received or receivable if collection is reasonably assured. Investment income is recognized as revenue when earned. Event revenue 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 and endowment contributions; and
- (iii) Internally Restricted Funds - includes contributions for special purposes as designated by the Board of the Foundation.

(c) *Tangible capital assets*

Tangible 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 tangible capital assets over their estimated useful lives. The Foundation has no significant tangible capital assets.

COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2017

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 payable and accrued liabilities, 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, 2017

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.

	2017	2016
	\$	\$
Richardson GMP	2,393,190	2,348,901
Jarislowsky Fraser	3,835,028	3,586,714
RBC Dominion Securities	380,043	363,287
RBC CKLFCC Fund	49,500	-
	6,657,761	6,298,902

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.

The Organization has a corresponding liability for the funds held in trust which offsets the asset balance in the amount of \$138,815. (2016 - \$131,823.)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consists of the following:

	2017	2016
	\$	\$
Accounts payable and accrued liabilities	8,817	14,857
Payroll remittances	3,740	2,735
	12,557	17,592

6. DEFERRED REVENUE

Deferred revenue consists of sponsorships and ticket sales received in advance of the Gala.

7. EXTERNALLY RESTRICTED FUND

The Externally Restricted Fund includes endowments of \$3,132,426 (2016 - \$2,983,688.)

COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2017

8. INVESTMENT INCOME

Investment income consists of:

	Operating Fund 2017 \$	Internally Restricted Fund 2017 \$	Externally Restricted Fund 2017 \$	Total 2017 \$	Total 2016 \$
Dividends and interest	13,205	3,141	223,879	240,225	232,231
Realized gain on investments	-	-	44,115	44,115	130,872
Unrealized gain (loss) on investments	5,626	1,617	136,543	143,786	(58,129)
Transfer of investment income	152,045	(709)	(150,336)	-	-
	170,876	4,049	254,201	428,126	304,974

The transfers of investment income are in accordance with specific fund agreements.

9. FUND TRANSFERS

The Board of Directors has approved transfers of \$25,486 from the internally restricted fund to the externally restricted fund.

10. 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.

11. 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.