

**FINANCIAL STATEMENTS OF  
COMMUNITY FOUNDATION OF  
GREATER PETERBOROUGH**

**December 31, 2012**

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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, 2012, December 31, 2011 and January 1, 2011, and the statement of operations, statement of changes in fund balances and statement of cash flows for the years ended December 31, 2012 and December 31, 2011, 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 control 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 organization'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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Community Foundation of Greater Peterborough as at December 31, 2012, December 31, 2011 and January 1, 2011, and its financial performance and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

*Collins Barrow Kawarthas LLP*Chartered Accountants  
Licensed Public AccountantsPeterborough, Ontario  
May 29, 2013

**COMMUNITY FOUNDATION OF GREATER PETERBOROUGH**  
**STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2012**

	December 31 2012 \$	December 31 2011 \$	January 1 2011 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	112,704	89,393	85,794
Accounts receivable	12,398	7,049	2,417
Prepaid expenses	963	840	840
	126,065	97,282	89,051
<b>Other assets</b>			
Investments (note 4)	3,497,292	1,281,310	261,482
Funds held in trust (note 5)	48,977	78,977	-
	3,672,334	1,457,569	350,533
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities (note 8)	11,663	9,834	7,369
Deferred grant contributions (note 6)	57,000	110,917	146,686
Deferred revenue (note 7)	14,950	32,100	-
	83,613	152,851	154,055
<b>Funds held in trust (note 5)</b>	48,977	78,977	-
	132,590	231,828	154,055
<b>Fund balances</b>			
Operating	246,730	108,896	61,943
Internally restricted	56,346	50,624	26,630
Externally restricted	3,236,668	1,066,221	107,905
	3,539,744	1,225,741	196,478
	3,672,334	1,457,569	350,533

The accompanying notes are an integral part of these financial statements

**COMMUNITY FOUNDATION OF GREATER PETERBOROUGH**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**For the years ended December 31, 2012**

	Operating 2012 \$	Internally restricted 2012 \$	Externally restricted 2012 \$	Total 2012 \$	Total 2011 \$
<b>Balance - beginning of year</b>	108,896	50,624	1,066,221	1,225,741	196,478
Excess of revenue over expenses for the year	137,834	19,722	2,273,540	2,431,096	1,090,854
Grants disbursed	-	(14,000)	(103,093)	(117,093)	(61,591)
<b>Balance - end of year</b>	<b>246,730</b>	<b>56,346</b>	<b>3,236,668</b>	<b>3,539,744</b>	<b>1,225,741</b>

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

# COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

## STATEMENT OF OPERATIONS

For the years ended December 31, 2012

	Operating Fund		Internally Restricted Fund		Externally Restricted Fund		Total	Total
	2012	2011	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>								
Grant revenue	102,797	94,269	-	-	-	-	102,797	94,269
Restricted donations	-	-	15,405	7,757	2,107,204	1,012,326	2,122,609	1,020,083
Other donations	19,598	75,573	-	-	-	-	19,598	75,573
Event revenue	185,913	28,265	-	-	-	-	185,913	28,265
Investment income	-	-	2,312	1,246	94,314	28,701	96,626	29,947
Advisory service fees	11,217	4,403	-	-	-	-	11,217	4,403
Interest income	3,176	3,675	-	-	-	-	3,176	3,675
Other income	903	-	-	-	-	-	903	-
Unrealized gain on investments	-	-	2,913	-	95,218	-	98,131	-
	<b>323,604</b>	<b>206,185</b>	<b>20,630</b>	<b>9,003</b>	<b>2,296,736</b>	<b>1,041,027</b>	<b>2,640,970</b>	<b>1,256,215</b>
<b>Expenses</b>								
Event expenses	38,268	16,082	-	-	-	-	38,268	16,082
Communications	5,061	5,061	-	-	-	-	5,061	5,061
Insurance	2,669	2,643	-	-	-	-	2,669	2,643
Program expenses	8,078	3,873	-	-	-	-	8,078	3,873
Office and administration	106,611	81,055	-	-	-	-	106,611	81,055
Professional fees	9,819	4,773	374	68	12,513	1,573	22,706	6,414
Rent	10,851	10,459	-	-	-	-	10,851	10,459
Training and development	4,413	6,666	-	-	-	-	4,413	6,666
Advisory service fees	-	-	534	225	10,683	4,178	11,217	4,403
Unrealized loss on investments	-	-	-	1,195	-	27,510	-	28,705
	<b>185,770</b>	<b>130,612</b>	<b>908</b>	<b>1,488</b>	<b>23,196</b>	<b>33,261</b>	<b>209,874</b>	<b>165,361</b>
<b>Excess of revenues over expenses</b>	<b>137,834</b>	<b>75,573</b>	<b>19,722</b>	<b>7,515</b>	<b>2,273,540</b>	<b>1,007,766</b>	<b>2,431,096</b>	<b>1,090,854</b>

The accompanying notes are an integral part of these financial statements

**COMMUNITY FOUNDATION OF GREATER PETERBOROUGH**  
**STATEMENT OF CASH FLOWS**  
**For the years ended December 31, 2012**

	2012	2011
	\$	\$
<b>CASH PROVIDED FROM (USED FOR)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	2,431,096	1,090,854
Change in non-cash working capital items		
Increase in accounts receivable	(5,349)	(4,632)
Increase in prepaid expenses	(123)	-
Increase in accounts payable and accrued liabilities	1,829	2,465
Decrease in deferred grant contributions	(53,917)	(35,769)
Increase/(decrease) in deferred revenue	(17,150)	32,100
Grants disbursed	(117,093)	(61,591)
	<u>2,239,293</u>	<u>1,023,427</u>
<b>Investing activities</b>		
Purchase of investments	(2,215,982)	(1,019,828)
<b>Increase in cash</b>	23,311	3,599
<b>Cash - beginning of year</b>	89,393	85,794
<b>Cash - end of year</b>	<u>112,704</u>	<u>89,393</u>

The accompanying notes are an integral part of these financial statements

**COMMUNITY FOUNDATION OF GREATER PETERBOROUGH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended December 31, 2012**

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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. 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 are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

*(a) Revenue recognition*

The Foundation follows 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 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 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.

*(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.

**COMMUNITY FOUNDATION OF GREATER PETERBOROUGH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended December 31, 2012**

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**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

*(e) Financial instruments*

*Held-for-trading:*

This category is comprised of cash and investments which are carried in the statement of financial position at fair value with changes in fair value recognized in the income statement. Transaction costs related to instruments classified as held-for-trading are expensed as incurred.

*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. These assets are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method.

*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.

*(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, 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 years ended December 31, 2012**

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**3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING**

Effective January 1, 2012, the Foundation elected to apply the standards in Part III of the CICA Accounting Handbook for not-for-profit organizations in accordance with Canadian Accounting Standards for Not-for-Profit (ASNPO). This framework is in accordance with Canadian GAAP.

These are the first financial statements prepared in accordance with this new framework which has been applied retrospectively. The accounting policies set out below have been applied in preparing the financial statements for the year ended December 31, 2012, the comparative information for the year ended December 31, 2011 and in the preparation of an opening statement of financial position as at January 1, 2011, which is the organization's date of transition.

The Foundation previously issued financial statements for the year ended December 31, 2011 using generally accepted accounting principles prescribed by Part V of the CICA Handbook.

The adoption of ASNPO has had no impact on the previously reported assets, liabilities and fund balances of the Foundation, and accordingly, no adjustments have been recorded in the comparative statement of financial position, statement of operations and statement of cash flow. Certain of the organization's presentation and disclosures included in these financial statements reflect the new presentation and disclosure requirements of ASNPO.

**4. INVESTMENTS**

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

	December 31 2012 \$	December 31 2011 \$	January 1 2011 \$
Richardson GMP	2,073,130	-	-
TD Waterhouse	1,210,733	1,080,498	-
BMO Harris Private Banking	262,406	279,789	261,482
Less: funds held in trust	(48,977)	(78,977)	-
	<b>3,497,292</b>	<b>1,281,310</b>	<b>261,482</b>

**5. FUNDS HELD IN TRUST**

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

**COMMUNITY FOUNDATION OF GREATER PETERBOROUGH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended December 31, 2012**

**6. DEFERRED GRANT CONTRIBUTIONS**

	December 31 2012 \$	December 31 2011 \$	January 1 2011 \$
CFC Environmental Program	7,000	7,000	7,000
Ontario Land Trust Alliance	-	1,000	1,000
Ontario Trillium Foundation	-	2,917	38,686
City of Peterborough	50,000	100,000	100,000
	<b>57,000</b>	<b>110,917</b>	<b>146,686</b>

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

	December 31 2012 \$	December 31 2011 \$	January 1 2011 \$
Balance, beginning of the year	110,917	146,686	45,649
Funds received during the year	25,000	58,500	218,500
Amounts recognized as revenue	(78,917)	(94,269)	(117,463)
	<b>57,000</b>	<b>110,917</b>	<b>146,686</b>

**7. DEFERRED REVENUE**

Deferred revenue consists of prepaid tickets and sponsorships that were received in 2012 for events occurring in 2013.

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consists of the following:

	December 31 2012 \$	December 31 2011 \$	January 1 2011 \$
Trade payables	401	3,413	2,102
Accrued liabilities	7,500	4,500	3,500
Payroll and withholding taxes	3,760	1,921	1,767
	<b>11,663</b>	<b>9,834</b>	<b>7,369</b>

**COMMUNITY FOUNDATION OF GREATER PETERBOROUGH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended December 31, 2012**

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**9. FINANCIAL INSTRUMENTS**

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 they are valued at market.

(b) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Certain investments held rely on interest rates for income.

(c) Credit risk

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

**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.