
THE COMMUNITY FOUNDATION OF MISSISSAUGA
FINANCIAL STATEMENTS
DECEMBER 31, 2014

INDEPENDENT AUDITORS' REPORT

To the Members of The Community Foundation of Mississauga

We have audited the accompanying financial statements of The Community Foundation of Mississauga, which comprise the statement of financial position as at December 31, 2014, and the statements of operations and changes in net assets 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 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 auditors consider internal control 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Foundation, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT
(continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Community Foundation of Mississauga as at December 31, 2014, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matters

As reported in note 12, the financial statements of The Community Foundation of Mississauga for the year ended December 31, 2013, were audited by another auditor who expressed an unqualified opinion on those statements on March 26, 2014.

BAZAR MCBEAN LLP

Bazar McBean LLP

Oakville, Ontario
March 25, 2015

Chartered Professional Accountants
Licensed Public Accountants

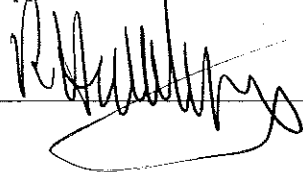
THE COMMUNITY FOUNDATION OF MISSISSAUGA
STATEMENT OF FINANCIAL POSITION

DECEMBER 31,	2014	2013
ASSETS		
Cash	\$ 620,673	\$ 443,851
Accounts receivable - note 2	77,020	64,018
Prepaid expenses	12,925	7,107
Investments - note 3	20,964,148	20,503,965
Capital assets - note 4	70,938	66,982
	\$ 21,745,704	\$ 21,085,923

LIABILITIES		
Accounts payable and accrued liabilities	\$ 20,029	\$ 16,022
Funds held for others - note 5	26,150	222,769
	46,179	238,791

NET ASSETS		
Endowment fund	19,863,808	19,300,891
Flow through fund	1,095,272	952,141
Special projects fund	50,000	-
Operating fund	269,507	277,118
Capital fund	70,938	66,982
Reserve fund	350,000	250,000
	21,699,525	20,847,132
	\$ 21,745,704	\$ 21,085,923

Approved on behalf of the board:


 _____ Director


 _____ Director

THE COMMUNITY FOUNDATION OF MISSISSAUGA
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31,

2014 2013

	Endowment Fund	Flow Through Fund	Special Projects Fund	Operating Fund	Capital Fund	Reserve Fund	Total	Total
REVENUE								
Donations	\$ 620,723	\$ 105,752	\$ -	\$ 87,736	\$ -	\$ -	\$ 814,211	\$ 1,529,748
Grants - note 6	-	-	25,000	681	-	-	25,681	36,137
Investment income - note 7	1,864,641	90,482	-	13,024	-	-	1,968,147	2,922,614
Management fees	-	-	-	294,758	-	-	294,758	245,850
Special events	-	-	-	157,483	-	-	157,483	331,892
	2,485,364	196,234	25,000	553,682	-	-	3,260,280	5,066,241
EXPENSES								
Administration	-	-	45,715	311,120	-	-	356,835	286,160
Amortization	-	-	-	-	18,437	-	18,437	14,346
Fund development	-	-	-	41,331	-	-	41,331	24,996
Grants	1,543,079	8,680	-	-	-	-	1,551,759	1,032,377
Management fees	244,525	44,423	-	64,706	-	-	353,654	309,064
Special events	-	-	-	85,871	-	-	85,871	89,772
Vital signs program	-	-	-	-	-	-	-	32,400
	1,787,604	53,103	45,715	503,028	18,437	-	2,407,887	1,789,115
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	697,760	143,131	(20,715)	50,654	(18,437)	-	852,393	3,277,126
NET ASSETS - beginning	19,300,891	952,141	-	277,118	66,982	250,000	20,847,132	17,570,006
Interfund transfers - note 8	(134,843)	-	70,715	41,735	22,393	-	-	-
Transfer to reserve fund - note 8	-	-	-	(100,000)	-	100,000	-	-
NET ASSETS - ending	\$19,863,808	\$1,095,272	\$ 50,000	\$ 269,507	\$ 70,938	\$ 350,000	\$ 21,699,525	\$ 20,847,132

Subject to accompanying notes to the financial statements

THE COMMUNITY FOUNDATION OF MISSISSAUGA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31,	2014	2013
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 852,393	\$ 3,277,126
Charges to income not requiring cash payments		
Amortization	18,437	14,346
Changes in non-cash working capital		
Accounts receivable	(13,002)	(2,345)
Prepaid expenses	(5,818)	7,036
Accounts payable and accrued liabilities	4,007	(15,686)
Deferred revenue	-	(18,000)
Funds held for others	(196,619)	35,293
	659,398	3,297,770
INVESTING ACTIVITIES		
Net change to investments	(460,183)	(3,348,539)
Purchase of capital assets	(22,393)	(24,233)
	(482,576)	(3,372,772)
NET INCREASE (DECREASE) IN CASH	176,822	(75,002)
CASH - beginning of year	443,851	518,853
CASH - end of year	\$ 620,673	\$ 443,851

Subject to accompanying notes to the financial statements

THE COMMUNITY FOUNDATION OF MISSISSAUGA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014

PURPOSE OF THE ORGANIZATION

The purpose of The Community Foundation of Mississauga (the "Foundation") is to create sustainable support for community needs in Mississauga. The Foundation provides cost effective, flexible options for donors to build their philanthropic legacy, makes grants that support the broadest range of programs and services for people in Mississauga and works to convene community resources in sharing knowledge and addressing community needs.

The Foundation is incorporated without share capital under the Canada Corporations Act and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes. The Registered Charitable Number is 892395112 RR0001.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, which is in accordance with generally accepted accounting principles.

b) Cash

The Foundation's policy is to disclose bank balances under cash.

c) Fund accounting

The Foundation follows the restricted fund method of accounting for contributions. The specific purpose of each fund is explained below:

Endowment Fund

Donations are allocated to the various funds which have been established by the Foundation. Allocations among the funds are determined on the basis of the donors' instructions. Amounts placed in the endowment fund are considered to be permanent in nature, pursuant to restrictions established at the time that donations are received, and generally only the investment income earned from the investment of such funds is disbursed to charitable organizations. Amounts are disbursed to qualified donee organizations that meet the criteria related to the purpose for which the endowment fund was established.

THE COMMUNITY FOUNDATION OF MISSISSAUGA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

c) Fund accounting - continued

Flow Through Fund

Flow through funds are gifts to the Foundation that are generally not expected to be held in perpetuity. The capital and investment income from the funds will be granted to qualified donees in accordance with the terms of the fund agreement.

Special Projects Fund

The special projects fund was created for specific projects funded by externally restricted grants. Over the history of the fund, the Foundation has solicited and spent funds on projects that expand the capacity of the Foundation and enhance community knowledge within Mississauga.

Operating Fund

The operating fund reports the general revenues and expenses from the Foundation's operations. The use of the operating fund is governed by the budget established annually by the Foundation's Board.

Capital Fund

The capital fund was established by transfers from the operating fund for the acquisition of capital assets that have been approved by the Foundation's Board.

Reserve Fund

The reserve fund is an internally restricted fund to provide for special purposes as approved by the Board of Directors.

d) Contributed services

The Board of Directors and other volunteers contribute services to the Foundation in carrying out its operating activities. Because of the difficulty in determining the fair value of these contributed services, they are not recognized in the financial statements.

THE COMMUNITY FOUNDATION OF MISSISSAUGA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

e) Capital assets

Capital assets are recorded at cost. Amortization is calculated based on the estimated useful life of the assets on straight line basis as follows:

Computer hardware	-	5 year straight line
Furniture and fixtures	-	5 year straight line
Computer software	-	5 year straight line

In the year of acquisition of an asset, the above rates are reduced by 50%.

f) Revenue recognition

Unrestricted fund additions, grants, donations and special events are recognized as revenue when received in the operating fund. Restricted and endowment contributions are recognized as revenue in the applicable restricted fund when received. Investment income and management fees are recognized as earned and recorded in the applicable fund.

g) Financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value. The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the applicable fund in the period incurred.

Financial instruments measured at amortized cost include cash, accounts receivable, accounts payable and accrued liabilities.

Financial instruments measured at fair value include investments and funds held for others. Management has elected to measure fixed income investments at fair value. Investment income includes interest and dividends received during the year, realized and unrealized gains and losses. Investment income is allocated to the investment pool containing the endowment fund, flow through fund, operating fund and funds held for others.

THE COMMUNITY FOUNDATION OF MISSISSAUGA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

h) Use of estimates

The Foundation's financial statements are prepared in conformity with Canadian accounting standards for not-for-profit organizations. This requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in operations in the period in which they become known. Actual results in the future may differ from those estimates made.

2. ACCOUNTS RECEIVABLE

	2014	2013
Accounts receivable from Investment Managers	\$ 58,319	\$ 51,623
Interest receivable	571	579
Sales tax recoverable	18,130	11,816
	\$ 77,020	\$ 64,018

3. INVESTMENTS

The funds within the Foundation Pool are subject to the Investment Management Policy of the Foundation. The asset mix of the Foundation Investment Pool is as follows:

Community Foundation of Mississauga

Pooled Funds				
Cash and cash equivalents	\$ (76,150)	(0.7)	\$ 285,448	2.6
Fixed income	3,010,454	26.3	2,437,944	22.5
Canadian equities	3,514,518	30.6	3,421,150	31.6
Global equities and other	5,026,217	43.8	4,699,667	43.3
	11,475,039	100.0	10,844,209	100.0

THE COMMUNITY FOUNDATION OF MISSISSAUGA
NOTES TO THE FINANCIAL STATEMENTS

3. INVESTMENTS - continued

	2014	%	2013	%
Investments managed by Personal Investment Advisors	9,489,109		9,659,756	
	\$ 20,964,148		\$ 20,503,965	

Pursuant to agreement with donors, investments managed by "personal investment advisors" are managed by investment professionals recommended by the donor. The personal investment advisors remain subject to the Investment Management Policy of the Foundation.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2014	2013
Computer hardware	\$ 15,662	\$ 2,915	\$ 12,747	\$ 3,500
Furniture and fixtures	15,802	4,024	11,778	2,253
Computer software	74,079	27,666	46,413	61,229
	\$ 105,543	\$ 34,605	\$ 70,938	\$ 66,982

5. FUNDS HELD FOR OTHERS

	2014	2013
REVENUE		
Investment income	\$ 19,182	\$ 37,292
EXPENSES		
Management fees	2,819	3,099
EXCESS OF REVENUE OVER EXPENSES	16,363	34,193
FUND ADDITIONS	-	1,100
FUND DISTRIBUTIONS	(212,982)	-
FUNDS HELD FOR OTHERS - beginning	222,769	187,476
FUNDS HELD FOR OTHERS - ending	\$ 26,150	\$ 222,769

THE COMMUNITY FOUNDATION OF MISSISSAUGA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014

5. FUNDS HELD FOR OTHERS - continued

Funds held for others represent community agency funds pooled with the Foundation for investment purposes. Investment income is allocated to the funds on a proportionate basis and the agencies are charged a cost recovery fee by the Foundation. The community agency funds can be withdrawn by the agencies with reasonable notice periods as defined in the fund agreement.

6. ONTARIO TRILLIUM FOUNDATION GRANT

The Foundation was awarded a grant from the Ontario Trillium Foundation ("OTF") in 2012 to implement a donor, grants and financial management database that will enhance accountability to donors and the broader community as well as increase efficiency and accuracy of administrative activities. The total amount of the grant is \$170,000 which is being received over a 3 year period. The grant funds may only be spent for the items and activities described in the agreement. Any unspent funds must be returned to OTF, unless prior written approval has been given for use of such funds to be spent on other items or activities that are consistent with the grant's purpose. During the year, \$25,000 (2013 - \$35,700) was received from the Ontario Trillium Foundation.

7. INVESTMENT INCOME

	2014	2013
Interest, dividend and other income	\$ 488,047	\$ 410,875
Realized and unrealized gains net of losses	1,480,100	2,511,739
	<u>\$ 1,968,147</u>	<u>\$ 2,922,614</u>

8. INTERFUND TRANSFERS

Transfers represent reallocations within the equity funds of the Foundation. Grants may be designated by fundholders from the Endowment Fund to the Operating Fund or Special Projects Fund. Transfers from the Operating Fund to the Capital Fund are based on the annual operation budget, while transfers to and from the Reserve Fund are based on the Board resolution at the time the reserve was established.

THE COMMUNITY FOUNDATION OF MISSISSAUGA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014

9. RELATED PARTY TRANSACTIONS

No remuneration was paid to Directors or Officers during the year.

10. FINANCIAL INSTRUMENTS

The significant financial risks to which the Foundation is exposed to are as follows:

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Foundation is exposed to currency risk and other price risk.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation enters into foreign currency purchase and sale transactions in its investment portfolio and has investment assets that are denominated in foreign currencies and thus are exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates and the degree of volatility of these rates.

Approximately 43.8% (2013 - 43.3%) of the Foundation's investments consists of global equity investments denominated in foreign currency. Gains/losses on foreign exchange are included in investment income. Risk exposure changes as the portfolio mix changes and also due to fluctuations in exchange rates.

(ii) Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Foundation's equity investments are exposed to other price risk. Equity investments amount to \$8,540,735 (2013 - \$8,120,817), which represents 74.4% (2013 - 74.9%) of total investments.

There has been no change to the above risks from the prior year.

THE COMMUNITY FOUNDATION OF MISSISSAUGA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014

11. MAJOR COMMITMENTS

The Foundation is committed to annual lease payments for its office space. The future minimum payments are as follows:

2015	\$	13,548
2016		13,548
2017		13,548
2018		9,032
		<hr/>
		\$ 49,676

12. COMPARATIVE FIGURES

Comparative figures were audited by Withey Addison LLP. Pursuant to the combination of Withey Addison LLP with the firm Bazar McBean LLP, the combined firm is operating under the name of Bazar McBean LLP.

Certain comparative figures have been reclassified in order to conform with the presentation adopted for the current year. The classification has no effect on previously reported results.