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**THE COMMUNITY FOUNDATION OF MISSISSAUGA**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

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## **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, 2011, the statements of operations and operating fund, endowment fund, long-term flow through fund, capital fund and special projects reserve fund for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Foundation's 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 control as the Foundation's management determines is 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 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, 2011, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

**WITHEY ADDISON LLP**

Mississauga, Canada  
DATE

Chartered Accountants  
Licensed Public Accountants

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**THE COMMUNITY FOUNDATION OF MISSISSAUGA**  
**STATEMENT OF FINANCIAL POSITION**

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DECEMBER 31,	2011	2010
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 535,038	\$ 193,635
Accounts receivable - note 3	103,910	55,879
Prepaid expenses	3,193	6,268
Investments - note 2(e), 4	15,804,043	16,370,433
	<b>\$16,446,184</b>	<b>\$16,626,215</b>
<b>FIXED ASSETS</b> - note 2(f), 5	<b>2,927</b>	<b>4,036</b>
	<b>\$16,449,111</b>	<b>\$16,630,251</b>

<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable - note 6	\$ 32,614	\$ 10,888
Deferred revenue - note 2(g)	-	32,600
Funds held for Others - note 2(c), note 7	168,266	169,941
	<b>\$ 200,880</b>	<b>\$ 213,429</b>

<b>NET ASSETS</b>		
<b>ENDOWMENT FUND</b>	<b>15,113,583</b>	<b>16,227,923</b>
<b>LONG-TERM FLOW THROUGH FUNDS</b>	<b>887,368</b>	<b>2,900</b>
<b>CAPITAL FUND</b>	<b>2,927</b>	<b>4,036</b>
<b>SPECIAL PROJECTS RESERVE FUND</b>	<b>-</b>	<b>10,000</b>
<b>OPERATING FUND</b>	<b>244,353</b>	<b>171,963</b>
	<b>\$16,248,231</b>	<b>\$16,416,822</b>
	<b>\$16,449,111</b>	<b>\$16,630,251</b>

**APPROVED ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See accompanying Notes to the Financial Statements

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**THE COMMUNITY FOUNDATION OF MISSISSAUGA**  
**STATEMENT OF ENDOWMENT FUND**

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<b>FOR THE YEAR ENDED DECEMBER 31,</b>	<b>2011</b>	<b>2010</b>
<b>ENDOWMENT FUND</b> - beginning of year	<b>\$16,227,923</b>	\$14,525,333
Donations	<b>139,280</b>	351,471
Investment (loss) income	<b>(14,226)</b>	2,163,847
	<b>\$16,352,977</b>	\$17,040,651
<b>EXPENSES</b>		
Investment management fees	<b>168,927</b>	135,673
Grants	<b>1,070,467</b>	677,055
	<b>\$ 1,239,394</b>	\$ 812,728
<b>ENDOWMENT FUND</b> - end of year	<b>\$15,113,583</b>	\$16,227,923

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**THE COMMUNITY FOUNDATION OF MISSISSAUGA**  
**STATEMENT OF LONG-TERM FLOW THROUGH FUNDS**

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<b>FOR THE YEAR ENDED DECEMBER 31,</b>	<b>2011</b>	<b>2010</b>
<b>FUND</b> - beginning of year	<b>\$ 2,900</b>	\$ -
Donations, Flow Through	<b>1,017,082</b>	2,900
Investment (loss) income	<b>(21,147)</b>	-
	<b>\$ 998,835</b>	\$ 2,900
<b>EXPENSES</b>		
Investment management fees	<b>33,687</b>	-
Grants	<b>77,780</b>	-
	<b>\$ 111,467</b>	\$ -
<b>LONG-TERM FLOW THROUGH FUND</b> - end of year	<b>\$ 887,368</b>	\$ 2,900

See accompanying Notes to the Financial Statements

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**THE COMMUNITY FOUNDATION OF MISSISSAUGA**  
**STATEMENT OF CAPITAL FUND**

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<b>FOR THE YEAR ENDED DECEMBER 31,</b>	<b>2011</b>	<b>2010</b>
<b>CAPITAL FUND</b> - beginning of year	\$ <b>4,036</b>	\$ 5,585
<b>EXPENSES</b>		
Depreciation	<b>1,109</b>	1,549
<b>CAPITAL FUND</b> - end of year	\$ <b>2,927</b>	\$ 4,036

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**THE COMMUNITY FOUNDATION OF MISSISSAUGA**  
**STATEMENT OF SPECIAL PROJECTS RESERVE FUND**

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<b>FOR THE YEAR ENDED DECEMBER 31,</b>	<b>2011</b>	<b>2010</b>
<b>SPECIAL PROJECTS RESERVE FUND</b> - beginning of year	\$ <b>10,000</b>	\$ -
Transfer (to) from Operating Fund - note 2(c)	<b>(10,000)</b>	10,000
<b>SPECIAL PROJECTS RESERVE FUND</b> - end of year	\$ -	\$ 10,000

See accompanying Notes to the Financial Statements

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**THE COMMUNITY FOUNDATION OF MISSISSAUGA**  
**STATEMENT OF OPERATIONS AND OPERATING FUND**

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<b>FOR THE YEAR ENDED DECEMBER 31,</b>	<b>2011</b>	<b>2010</b>
<b>REVENUE</b>		
Donations	\$ 76,496	\$ 54,073
Grants and other income	90,009	107,475
Investment income	6,763	1,827
Management fees	205,281	137,971
Special events	53,270	85,525
	<b>\$ 431,819</b>	<b>\$ 386,871</b>
<b>EXPENSES</b>		
Administration	\$ 242,323	\$ 208,154
Fund development	36,049	38,202
Investment management fees	59,679	45,024
Special events	32,510	36,170
	<b>\$ 370,561</b>	<b>\$ 327,550</b>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER INCOME (EXPENSES)</b>	<b>\$ 61,258</b>	<b>\$ 59,321</b>
<b>OTHER INCOME (EXPENSES)</b>		
Vital Signs program revenue	60,000	-
Vital Signs program expenses	(58,868)	-
	<b>\$ 1,132</b>	<b>\$ -</b>
<b>EXCESS OF REVENUE OVER EXPENSE</b>	<b>\$ 62,390</b>	<b>\$ 59,321</b>
<b>TRANSFER FROM (TO) SPECIAL PROJECTS RESERVE FUND</b>	<b>10,000</b>	<b>(10,000)</b>
<b>OPERATING FUND - beginning of year</b>	<b>171,963</b>	<b>122,642</b>
<b>OPERATING FUND - end of year</b>	<b>\$ 244,353</b>	<b>\$ 171,963</b>

See accompanying Notes to the Financial Statements

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# THE COMMUNITY FOUNDATION OF MISSISSAUGA

## NOTES TO THE FINANCIAL STATEMENTS

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**DECEMBER 31, 2011**

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### **1. PURPOSE OF THE ORGANIZATION**

The purpose of The Community Foundation of Mississauga 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 Community Foundation of Mississauga is incorporated without share capital under the Canada Corporations Act and is subject to the Charities Accounting Act and the Charities Gift Act. The Registered Charitable Number is 892395112 RR0001.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) Cash and cash equivalents**

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

#### **(b) Use of estimates**

These financial statements have been prepared by management using Canadian generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. 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 could differ from those estimates. These financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

#### **(c) Fund accounting**

The accounts of the Foundation are maintained in accordance with the principles of "fund accounting". The specific purpose of each fund is explained below:

##### **Operating Fund**

The operating fund reports the general revenues and expenditures from the Foundation's operations.



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# THE COMMUNITY FOUNDATION OF MISSISSAUGA

## NOTES TO THE FINANCIAL STATEMENTS

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DECEMBER 31, 2011

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

#### (c) Fund accounting - continued

##### **Funds Held for Others**

Funds Held for Others represent community agency funds on deposit with the Community Foundation of Mississauga 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 investment agreement.

##### **Long-Term Flow Through Fund**

Flow Through Funds are gifts to the Foundation that are generally expected to be held for a term from not less than one year and not more than ten years. The capital and investment income from the Funds will be granted to qualified donees in accordance with the terms of the Fund agreement.

##### **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.

##### **Capital Fund**

The Community Foundation of Mississauga established a Capital Fund. Transfers to the Capital Fund from the Operating Fund are for the purpose of acquisition of capital assets.

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**THE COMMUNITY FOUNDATION OF MISSISSAUGA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2011**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**(c) Fund accounting - continued**

**Special Projects Reserve Fund**

The Community Foundation of Mississauga established a Special Projects Reserve Fund. Transfers in 2010 to the Special Projects Reserve Fund from the Operating Fund were to be used for expenditures for the 10th anniversary of The Community Foundation of Mississauga. The amount was transferred back to the operating fund this year, to offset specified expenditures.

**(d) Revenue recognition**

Fund additions and unrestricted contributions are recognized as revenue when received. Event revenues are recognized on the date of the event. Grant revenues are recognized on completion of the requirements of the grant. Investment income and management fees are recognized as earned.

**(e) Investments**

Investments are valued at market value. Investment income includes interest and dividends received during the year, realized and unrealized capital gains, net of capital losses. Investment income is allocated to the pool of Endowment and Funds Held for Others.

**(f) Fixed assets**

Purchased assets are recorded at cost. Contributed assets are recorded at fair market value at the date of contribution.

Amortization is calculated based on the estimated useful life of the assets on a declining balance basis at the following annual rates -

Computer hardware	-	30%
Computer software	-	100%
Furniture and fixtures	-	20%

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**THE COMMUNITY FOUNDATION OF MISSISSAUGA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2011**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**(g) Deferred revenue**

Deferred revenue in 2010 represented grant revenues deferred until project completion, in 2011.

**(h) Donated 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.

**(i) Financial instruments**

Canadian Generally Accepted Accounting Principles requires the Foundation to classify its financial instruments into one of the following categories: Held-for-trading investments, Available-for-sale investments, Held-to-maturity investments or Other. The classification is based on the purpose for which the asset was acquired or liability incurred. The Foundation holds all its cash, accounts receivable, investments and accounts payable as "Held-for trading" financial instruments.

Held-for trading investments are reported at fair value at each statement of financial position date, and any changes to fair value is recognized in the statement of endowment fund or statement of operations and net assets in the period during which the changes occurs. Transaction costs are expenses when incurred.

**3. ACCOUNTS RECEIVABLE**

	<b>2011</b>	2010
Accounts receivable from Investment Managers	\$ <b>84,510</b>	\$ 48,442
Pledges and donations receivable	<b>4,000</b>	-
GST/HST receivable	<b>15,400</b>	7,437
	<b>\$ 103,910</b>	\$ 55,879

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**THE COMMUNITY FOUNDATION OF MISSISSAUGA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2011**

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**4. INVESTMENTS**

The funds within the Community Foundation of Mississauga Pool as well as the funds managed by Personal Investment Advisors are subject to the Investment Management Policy of the Foundation. The asset mix of the Community Foundation of Mississauga Investment Pool was as follows:

	2011	%	2010	%
<b>Community Foundation of Mississauga</b>				
<b>Pooled Funds</b>				
Cash & cash equivalents	\$ 206,508	2.8	\$ 71,764	1.6
Fixed Income	2,684,601	36.4	1,493,589	33.3
Canadian Equities	1,954,449	26.5	1,251,385	27.9
Global Equities	2,529,720	34.3	1,668,514	37.2
	\$ 7,375,278	100.0	\$ 4,485,252	100.0
<b>Investments managed by Personal</b>				
<b>Investment Advisors</b>				
	8,428,765		11,885,181	
	\$ 15,804,043		\$ 16,370,433	

**5. FIXED ASSETS**

	Cost	Accumulated Amortization	2011	2010
Computer hardware	\$ 6,255	\$ 4,141	\$ 2,114	\$ 3,019
Furniture and fixtures	2,800	1,987	813	1,017
	\$ 9,055	\$ 6,128	\$ 2,927	\$ 4,036

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**THE COMMUNITY FOUNDATION OF MISSISSAUGA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2011**

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**6. ACCOUNTS PAYABLE**

	<b>2011</b>	<b>2010</b>
Accounts payable and accrued liabilities	\$ <b>28,276</b>	\$ 6,906
Withholding taxes payable	4,338	3,982
	\$ <b>32,614</b>	\$ 10,888

The accounts payable and accrued liabilities amounts noted above all have normal credit and payment terms.

**7. FUNDS HELD FOR OTHERS**

	<b>2011</b>	<b>2010</b>
<b>FUNDS HELD FOR OTHERS</b> - beginning of year	\$ <b>169,941</b>	\$ 159,712
Additions	1,500	-
Investment (loss) income	(509)	14,688
Reserves and fund available for granting	-	(2,162)
	\$ <b>170,932</b>	\$ 172,238
<b>EXPENSES</b>		
Investment management fees	2,666	2,297
	\$ <b>2,666</b>	\$ 2,297
<b>FUNDS HELD FOR OTHERS</b> - end of year	\$ <b>168,266</b>	\$ 169,941

**8. STATEMENT OF CASH FLOWS**

A statement of cash flows has not been included as management considers that no additional information would be provided.

**9. RELATED PARTY TRANSACTIONS**

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

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# THE COMMUNITY FOUNDATION OF MISSISSAUGA

## NOTES TO THE FINANCIAL STATEMENTS

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**DECEMBER 31, 2011**

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### **10. FINANCIAL INSTRUMENTS**

The Foundation is subject to market risk, foreign currency risk and interest rate price risk with respect to its investment portfolio. To manage these risks, the Foundation has established through its policies, a target mix of investments types designed to achieve the optimal return within risk tolerances.

### **11. MAJOR COMMITMENTS**

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

2012	\$	6,834
2013		4,556

### **12. EXPENSE ALLOCATIONS OF FUNDRAISING COSTS**

Canadian generally accepted accounting principles for not-for-profit organizations requires disclosure of allocated Expenses, disclosure of an entity's policy on the allocation of fundraising and general support expenses, the nature of expenses being allocated, the basis on which such allocations have been made, and the amounts that have been allocated.

Fundraising expenditures allocated on the Registered Charity Information Return amounts to \$16,255 (2010 - \$18,085). There are no fundraising expenses that have been allocated to Administration or Fund Development. No salary or overhead costs have been allocated to fundraising.

### **13. CAPITAL DISCLOSURES**

#### **Endowment Capital**

The Foundation manages the Endowment Funds and Long-Term Flow Through Funds to achieve optimal investment returns within reasonable risk tolerances.

#### **Operating Capital**

The Foundation defines operating capital as the sum of net assets for Operating Fund, the Capital Fund and the Special Projects Reserve Fund. The Foundation's objective in managing operating capital is to hold sufficient net assets to maintain stability of the Foundation in the occurrence of an unexpected negative financial event.

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**THE COMMUNITY FOUNDATION OF MISSISSAUGA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**DECEMBER 31, 2011**

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**14. COMPARATIVE FIGURES**

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

**15. FUTURE CHANGES TO SIGNIFICANT ACCOUNTING POLICIES**

In March 2011, the Canadian Institute of Chartered Accountants issued a set of new Canadian accounting standards for not-for-profit organizations, effective for fiscal periods beginning on or after January 1, 2012, with earlier adoption being permitted. The Foundation does not expect the transition to these new standards to result in a significant change to its financial statements.