
The Community Foundation of Orillia and Area

Financial Statements

For the year ended December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To The Members of The Community Foundation of Orillia and Area :

Report on the Financial Statements

I have audited the accompanying financial statements of The Community Foundation of Orillia and Area, which comprise the balance sheet as at December 31, 2015, the statement 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 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2015 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.

Ben Cole

Ben T. Cole, CPA, CA Professional Corporation
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario.

May 13, 2016
Orillia, Ontario

Community Foundation of Orillia and Area

Balance Sheet

December 31, 2015	Operating Fund	Community Managed Funds	Endowment Funds	2015	2014
Assets					
Current					
Cash	\$ 28,612	\$ -	\$ -	\$ 28,612	\$ 32,043
HST Rebate Receivable	4,086	-	-	4,086	-
Interfund Balance	-	-	-	-	-
	<u>32,698</u>	<u>-</u>	<u>-</u>	<u>32,698</u>	<u>32,043</u>
Insurance Policy (Note 10)	-	-	45,065	45,065	45,065
Investments - CC & L (Note 4)	-	400,583	1,573,075	1,973,658	1,961,695
Investments - BMO (Note 4)	-	-	1,078,432	1,078,432	1,039,747
	<u>\$ 32,698</u>	<u>\$ 400,583</u>	<u>\$ 2,696,572</u>	<u>\$ 3,129,853</u>	<u>\$ 3,078,550</u>
Liabilities and Net Assets					
Current					
Accounts Payable	\$ 4,601	\$ -	\$ -	\$ 4,601	\$ 4,600
Interfund Balance	-	-	-	-	-
	<u>4,601</u>	<u>-</u>	<u>-</u>	<u>4,601</u>	<u>4,600</u>
Community Managed Funds (Note 6)	-	400,583	-	400,583	352,018
Deferred Investment Income (Note 8)	-	-	246,591	246,591	356,000
	<u>4,601</u>	<u>400,583</u>	<u>246,591</u>	<u>651,775</u>	<u>712,618</u>
Net Assets					
Unrestricted	28,097	-	-	28,097	27,443
Endowments - at Cost (Note 7)	-	-	2,449,981	2,449,981	2,338,489
	<u>28,097</u>	<u>-</u>	<u>2,449,981</u>	<u>2,478,078</u>	<u>2,365,932</u>
	<u>\$ 32,698</u>	<u>\$ 400,583</u>	<u>\$ 2,696,572</u>	<u>\$ 3,129,853</u>	<u>\$ 3,078,550</u>

Community Foundation of Orillia and Area

Statement of Operations and Changes in Fund Balances

December 31, 2015	Operating Fund	Community Managed Funds	Endowment Funds	2015	2014
Revenue					
Administration Fees	\$ 29,503	\$ -	\$ -	\$ -	\$ -
Deferred Investment Income (Note 6)	-	4,894	-	4,894	1,942
Deferred Investment Income (Note 8)	-	-	187,085	187,085	147,465
Unrestricted Donations & Other	11,373	-	-	11,373	13,771
Total Revenue	40,876	4,894	187,085	203,352	163,178
Expenditures					
Restricted Fund Expenses					
Administration Fees - CFOA	-	1,895	27,608	-	-
Administration Fees - CC&L	-	2,999	12,841	15,840	14,052
Administration Fees - BMO	-	-	5,686	5,686	5,205
Insurance Premiums	-	-	27,226	27,226	-
Grants to the Community	-	-	113,724	113,724	99,795
	-	4,894	187,085	162,476	119,052
Overhead Expenses					
Flow Through Grants	4,000	-	-	4,000	7,048
Management Fees - CDC	24,306	-	-	24,306	23,052
Professional Fees	6,019	-	-	6,019	6,095
Insurance	1,687	-	-	1,687	1,566
Office	4,210	-	-	4,210	3,544
	40,222	-	-	40,222	41,305
Total Expenses	40,222	4,894	187,085	202,698	160,357
Surplus (Deficit) For The Year	654	-	-	654	2,821
Fund Balance - January 1, 2015	27,443	-	2,338,489	2,365,932	2,091,281
Interfund Transfers (Note 9)	-	-	-	-	-
Endowment Contributions (Note 7)	-	-	111,492	111,492	271,830
Fund Balance - December 31, 2015	\$ 28,097	\$ -	\$ 2,449,981	\$ 2,478,078	\$ 2,365,932

The Community Foundation of Orillia and Area

Cash Flow Statement

For the year ended December 31

2015

2014

Operating Activities

Net Surplus (Deficit) For the Year	\$	654	\$	2,821
Add (Deduct): Non-cash items				

		654		2,821
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Changes in non-cash working capital balances

Accounts Receivable		(4,085)		1,847
Accounts Payable		-		193

		(3,431)		4,861
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Financing Activities

Investing Activities

Transfers From Endowment Funds		-		-
Other Transfers		-		(2,374)

		-		(2,374)
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Total change in cash		(3,431)		2,487
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Cash, beginning of year		32,043		29,556
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Cash, end of year	\$	28,612	\$	32,043
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The Community Foundation of Orillia and Area

Notes to Financial Statements

December 31, 2015

1. Nature of Organization

The company was incorporated without share capital, by Letters Patent, on February 17, 1999 & designated as a Public Foundation. The mission of the Foundation is to provide for the enrichment of the quality of life throughout Orillia and area by developing and maintaining permanent endowment funds through responsible leadership and demonstration of philanthropic leadership in the community.

The company is a registered charity and, as such, is exempt from paying income taxes.

2. Significant Accounting Policies

Basis of Accounting

The Community Foundation of Orillia and Area prepares its financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, (Part III of the CPA Handbook).

Fund Accounting

The Operating Fund reports the administrative costs of operating the Foundation. Operating grants and unrestricted donations are recorded in this fund.

The Community Managed Funds report assets invested by the Foundation on behalf of other organizations. These funds must be returned to the donors if requested.

The Endowment Funds report assets that must be held in perpetuity for the benefit of the Community. The Funds are comprised of Twenty Individual endowment funds that have been established by various community donors. The Foundation must award grants from these funds in accordance with the individual restrictions stipulated by each endowment fund.

Investments

Investments in equity instruments that are quoted in an active market are recorded at fair market value. Other investments that are not quoted in an active market are recorded at amortized cost.

The Community Foundation of Orillia and Area

Notes to Financial Statements

December 31, 2015

2. Significant Accounting Policies - Continued

Revenue Recognition

The organization has adopted the deferral method of accounting for contributions. Restricted contributions are recorded 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.

Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized initially as a deferred contribution, then as revenue in the year the related expenses are incurred. Investment losses on restricted funds are recognized as a reduction in the deferred contribution balance.

Donations, administration fees and special event revenues are recognized at the time the amounts to be received can be reasonably estimated and collection is reasonably assured.

Property, Plant and Equipment

The company records purchases as an expense in the year of acquisition.

Contributed Services

Volunteers contribute services throughout the year to assist the Foundation in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Cash Equivalents

Cash and cash equivalents consist of bank balances and term deposits with a maturity of three months or less from the date of acquisition.

3. Financial Instruments

The company has various financial instruments. Unless otherwise noted, it is management's opinion that the fair values of these financial instruments approximate their carrying values.

Credit Risk: The company does not provide credit to other entities.

Interest Rate Risk: The company is exposed to interest rate risk on the Fixed Income portion of its investment portfolio.

Currency Risk: The company is exposed to fluctuations in various foreign currencies on the portion of its investment portfolio that is invested in International Equities.

The Community Foundation of Orillia and Area

Notes to Financial Statements

December 31, 2015

4. Investments

The endowment funds are invested in pooled income funds which include fixed income, equity, alternative investments, hedge strategies and shares. All investments are recorded at fair market value.

	2015	2014
BMO Nesbitt Burns	\$ 1,078,432	\$ 1,039,747
Connor, Clark & Lunn	1,973,658	1,961,695
	<u>\$ 3,052,090</u>	<u>\$ 3,001,442</u>

5. Property, Plant and Equipment

The company's property, plant and equipment consists of computers, software and office furniture. There were no purchases in 2015.

6. Community Managed Funds

Included in investments, (Note 4), are funds being held and invested on behalf of four local organizations. The CFOA invests the funds on behalf of these organizations. The organizations can request that their funds be returned at any time.

	2015	2014
Kiwanis Club of Orillia	\$ 17,014	\$ 15,774
Orillia Museum of Art & History	91,068	74,474
Mariposa Folk Foundation	282,358	261,770
Cellar Singers	10,143	-
	<u>\$ 400,583</u>	<u>\$ 352,018</u>

Managed Funds - Continuity

	2015	2014
Balance - Beginning of Year	\$ 352,018	\$ 19,167
Add: Investment Income	32,959	17,788
Less: Investment Administration Fees	(4,894)	(1,942)
Add: Contributions During Year	21,100	322,005
Less: Withdrawals	(600)	(5,000)
	<u>\$ 400,583</u>	<u>\$ 352,018</u>

The Community Foundation of Orillia and Area

Notes to Financial Statements

December 31, 2015

7. Net Assets Restricted for Endowment Purposes

The net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating that the resources be maintained permanently. Investment income earned on these assets is restricted to the terms of each endowment fund. **The figures below represent the original value of the donations for each fund.**

	2014	Donations	2015
Smart & Caring Community Fund	\$ 552,310	\$ 636	\$ 552,946
YMCA Skid Watson	70,000	-	70,000
Administration Endowment	60,861	-	60,861
Doctor Recruitment Fund	25,125	-	25,125
Couchiching Conservancy Steward	29,536	-	29,536
Firefighters Disaster Relief Fund	14,647	-	14,647
Carol Ivey Victim Services	11,806	-	11,806
Orillia Vocal Ensemble	11,000	-	11,000
Orillia Museum of Art & History	10,000	-	10,000
Big Brothers Big Sisters	10,000	-	10,000
Ethel Patti Cox Estate Fund - Children	147,125	-	147,125
Ethel Patti Cox Estate Fund - Seniors	149,205	-	149,205
Ontario Endowment for Children	89,372	-	89,372
Casino Rama Festive Fund	18,620	-	18,620
Orillia Y's Men's Fund	45,000	-	45,000
Simcoe College Scholarship	50,000	(50,000)	-
Fletcher Apprentice Bursary	22,595	-	22,595
Tom Parish Scholarship	18,375	-	18,375
Our Ramara Endowment Fund	20,309	-	20,309
W.Scott & Jean Tudhope Endowment	982,603	160,856	1,143,459
Total - Endowment Funds	\$ 2,338,489	\$ 111,492	\$ 2,449,981

The Simcoe College Scholarship Fund was refunded to Georgian College during 2015.

The Community Foundation of Orillia and Area

Notes to Financial Statements

December 31, 2015

8. Deferred Investment Income

Deferred investment income represents unspent resources that have been externally restricted to fund future grants and administrative expenses of the Foundation's Endowment Funds.

	2015	2014
Balance - Beginning of Year	\$ 356,000	\$ 267,060
Add: Investment Income - Realized & Market Impact	86,824	236,405
Less: Recognized as Income	(187,085)	(147,465)
Less: Refund of Simcoe College Scholarship Fund	(9,148)	-
Balance - End of Year	<u>\$ 246,591</u>	<u>\$ 356,000</u>

9. Interfund Transfers

There were no inter-fund transfers during 2015.

10. Insurance Policy

The corporation received a donation of a life insurance policy during 2014. The policy has a death benefit of \$ 100,000. The policy has been recognized at fair market value on the date of the donation, (\$ 42,805), plus the cost of the appraisal, (\$ 2,260), total \$ 45,065.

Subsequent transaction costs of \$ 27,226 have been recognized as an expense in 2015. This represented a payment to Manulife Insurance. No further premium payments will be necessary as the policy is considered fully paid up.
