
The Community Foundation of Orillia and Area
Financial Statements
For the year ended December 31, 2016

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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, 2016, 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, 2016 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 15, 2017
Orillia, Ontario

Community Foundation of Orillia and Area

Balance Sheet

December 31, 2016	Operating Fund	Community Managed Funds	Endowment Funds	2016	2015
Assets					
Current					
Cash	\$ 39,895	\$ -	\$ -	\$ 39,895	\$ 28,612
HST Rebate Receivable	-	-	-	-	4,086
	39,895	-	-	39,895	32,698
Insurance Policy (Note 10)	-	-	45,065	45,065	45,065
Investments - CC & L (Note 4)	-	640,167	1,996,790	2,636,957	1,973,658
Investments - BMO (Note 4)	-	-	1,306,115	1,306,115	1,078,432
Investments - RBC (Note 4)	-	-	298,183	298,183	-
	\$ 39,895	\$ 640,167	\$ 3,646,153	\$ 4,326,215	\$ 3,129,853
Liabilities and Net Assets					
Current					
Accounts Payable	\$ 6,481	\$ -	\$ -	\$ 6,481	\$ 4,601
Community Managed Funds (Note 6)	-	640,167	-	640,167	400,583
Deferred Investment Income (Note 8)	-	-	460,207	460,207	246,591
	6,481	640,167	460,207	1,106,855	651,775
Net Assets					
Unrestricted	33,414	-	-	33,414	28,097
Endowments - at Cost (Note 7)	-	-	3,185,946	3,185,946	2,449,981
	33,414	-	3,185,946	3,219,360	2,478,078
	\$ 39,895	\$ 640,167	\$ 3,646,153	\$ 4,326,215	\$ 3,129,853

Community Foundation of Orillia and Area

Statement of Operations and Changes in Fund Balances

December 31, 2016	Operating Fund	Community Managed Funds	Endowment Funds	2016	2015
Revenue					
Administration Fees	\$ 31,761	\$ -	\$ -	\$ -	\$ -
Deferred Investment Income (Note 6)	-	5,830	-	5,830	4,894
Deferred Investment Income (Note 8)	-	-	124,637	124,637	187,085
Unrestricted Donations & Other	76,294	-	-	76,294	11,373
Total Revenue	108,055	5,830	124,637	206,761	203,352
Expenditures					
Restricted Fund Expenses					
Administration Fees - CFOA	-	2,258	29,502	-	-
Administration Fees - CC&L	-	3,572	13,410	16,981	15,840
Administration Fees - BMO	-	-	6,725	6,725	5,686
Insurance Premiums	-	-	-	-	27,226
Grants to the Community	-	-	75,000	75,000	113,724
	-	5,830	124,637	98,706	162,476
Overhead Expenses					
Flow Through Grants	67,105	-	-	67,105	4,000
Management Fees - CDC	25,035	-	-	25,035	24,306
Professional Fees	5,177	-	-	5,177	6,019
Insurance	3,142	-	-	3,142	1,687
Office	2,279	-	-	2,279	4,210
	102,738	-	-	102,738	40,222
Total Expenses	102,738	5,830	124,637	201,444	202,698
Surplus (Deficit) For The Year	5,317	-	-	5,317	654
Fund Balance - January 1, 2016	28,097	-	2,449,981	2,478,078	2,365,932
Interfund Transfers (Note 9)	-	-	-	-	-
Endowment Contributions (Note 7)	-	-	735,965	735,965	111,492
Fund Balance - December 31, 2016	\$ 33,414	\$ -	\$ 3,185,946	\$ 3,219,360	\$ 2,478,078

The Community Foundation of Orillia and Area

Cash Flow Statement

For the year ended December 31

2016

2015

Operating Activities

Net Surplus (Deficit) For the Year

\$ 5,317 \$ 654

Add (Deduct): Non-cash items

5,317 654

Changes in non-cash working capital balances

Accounts Receivable

4,086 (4,085)

Accounts Payable

1,880 -

11,283 (3,431)

Financing Activities

Deferred Contributions - Operating

- -

- -

Investing Activities

Transfers From Endowment Funds

- -

- -

Total change in cash

11,283 (3,431)

Cash, beginning of year

28,612 32,043

Cash, end of year

\$ 39,895 \$ 28,612

The Community Foundation of Orillia and Area

Notes to Financial Statements

December 31, 2016

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-Four 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, 2016

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, 2016

4. Investments

The endowment & managed funds are invested in a variety of publicly traded shares & pooled income funds, which include fixed income, equity, alternative investments, hedge strategies and shares. All investments are recorded at fair market value, except the insurance policy.

	2016	2015
BMO Nesbitt Burns	\$ 1,306,115	\$ 1,078,432
Connor, Clark & Lunn	2,636,957	1,973,658
RBC Dominion Securities	298,183	-
Insurance Policy (Note 10)	45,065	45,065
	<u>\$ 4,286,320</u>	<u>\$ 3,097,155</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 2016.

6. Community Managed Funds

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

	2016	2015
Kiwanis Club of Orillia	\$ -	\$ 17,014
Orillia Museum of Art & History	93,931	91,068
Mariposa Folk Foundation	266,741	282,358
Cellar Singers	10,708	10,143
Couchiching Conservancy	106,836	-
Couchiching Conservancy - Heartwood	161,951	-
	<u>\$ 640,167</u>	<u>\$ 400,583</u>

Managed Funds - Continuity

	2016	2015
Balance - Beginning of Year	\$ 400,583	\$ 352,018
Add: Investment Income	34,980	32,959
Less: Investment Administration Fees	(5,830)	(4,894)
Add: Contributions During Year	259,349	21,100
Less: Withdrawals	(48,915)	(600)
Balance - End of Year	<u>\$ 640,167</u>	<u>\$ 400,583</u>

The Community Foundation of Orillia and Area

Notes to Financial Statements

December 31, 2016

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.**

	2015	Donations	2016
Smart & Caring Community Fund	\$ 552,946	\$ -	\$ 552,946
YMCA Skid Watson	70,000	-	70,000
They Had a Dream Administration Endowment	60,861	-	60,861
OSMH Doctor Recruitment Fund	25,125	-	25,125
Couchiching Conservancy Steward	29,536	-	29,536
Volunteer Firefighters	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	50,814	60,814
St. Paul's Centre	-	111,657	111,657
Sharing Place Food Bank	-	10,000	10,000
Fish & Game Club	-	51,000	51,000
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
Apprentice Bursary Fletcher	22,595	500	23,095
Tom Parish Scholarship	18,375	-	18,375
Brian Adams	-	9,985	9,985
John Galt Fund	-	201,716	201,716
Our Ramara Endowment Fund	20,309	(20,309)	-
W.Scott & Jean Tudhope Endowment	1,143,459	30,524	1,173,983
Dale Family Fund	-	290,078	290,078
Total - Endowment Funds	\$ 2,449,981	\$ 735,965	\$ 3,185,946

The Our Ramara Endowment Fund was refunded during 2016.

The Community Foundation of Orillia and Area

Notes to Financial Statements

December 31, 2016

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.

	2016	2015
Balance - Beginning of Year	\$ 246,591	\$ 356,000
Add: Investment Income - Realized & Market Impact	345,921	86,824
Less: Recognized as Income	(124,637)	(187,085)
Less: Refunds Due to Closure of Funds	(7,668)	(9,148)
Balance - End of Year	<u>\$ 460,207</u>	<u>\$ 246,591</u>

9. Interfund Transfers

There were no inter-fund transfers during 2016.

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.
