
THE COMMUNITY FOUNDATION OF MISSISSAUGA
FINANCIAL STATEMENTS
DECEMBER 31, 2015

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, 2015, 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.

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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, 2015, 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.

BAZAR MCBEAN LLP



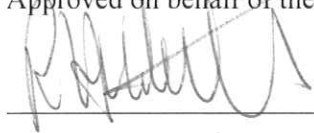
Oakville, Ontario
March 31, 2016

Chartered Professional Accountants
Licensed Public Accountants

THE COMMUNITY FOUNDATION OF MISSISSAUGA
STATEMENT OF FINANCIAL POSITION

| DECEMBER 31, | 2015 | 2014 |
|--|----------------------|----------------------|
| ASSETS | | |
| Cash | \$ 358,875 | \$ 620,673 |
| Accounts receivable - note 2 | 75,344 | 77,020 |
| Prepaid expenses | 11,432 | 12,925 |
| Investments - note 3 | 20,479,852 | 20,964,148 |
| Capital assets - note 4 | 50,261 | 70,938 |
| | \$ 20,975,764 | \$ 21,745,704 |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 18,438 | \$ 20,029 |
| Funds held for others - note 5 | 27,771 | 26,150 |
| | 46,209 | 46,179 |
| NET ASSETS | | |
| Endowment fund | 19,151,286 | 19,863,808 |
| Flow through fund | 1,001,618 | 1,095,272 |
| Special projects fund | - | 50,000 |
| Operating fund | 285,550 | 269,507 |
| Capital fund | 50,261 | 70,938 |
| Reserve fund | 440,840 | 350,000 |
| | 20,929,555 | 21,699,525 |
| | \$ 20,975,764 | \$ 21,745,704 |

Approved on behalf of the board:



Director



Director

Subject to accompanying notes to the financial statements

THE COMMUNITY FOUNDATION OF MISSISSAUGA

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31,

2015 2014

| | Endowment Fund | Flow Through Fund | Special Projects Fund | Operating Fund | Capital Fund | Reserve Fund | Total | Total |
|---|-------------------|----------------------|-----------------------------|-------------------|-----------------|--------------|---------------|---------------|
| REVENUE | | | | | | | | |
| Donations | \$ 400,309 | \$ 2,000 | \$ - | \$ 75,989 | \$ - | \$ - | \$ 478,298 | \$ 814,211 |
| Grants - note 6 | - | - | 10,000 | - | - | - | 10,000 | 25,000 |
| Investment income - note 7 | 149,029 | 81,435 | - | 8,342 | - | - | 238,806 | 1,968,147 |
| Management fees | - | - | - | 307,268 | - | - | 307,268 | 294,758 |
| Special events | - | - | - | 227,218 | - | - | 227,218 | 158,164 |
| | 549,338 | 83,435 | 10,000 | 618,817 | - | - | 1,261,590 | 3,260,280 |
| EXPENSES | | | | | | | | |
| Administration | - | - | 46,000 | 353,672 | - | - | 399,672 | 356,835 |
| Amortization | - | - | - | - | 20,677 | - | 20,677 | 18,437 |
| Fund development | - | - | - | 38,088 | - | - | 38,088 | 41,331 |
| Grants | 946,069 | 127,000 | - | - | - | - | 1,073,069 | 1,551,759 |
| Management fees | 256,751 | 50,089 | - | 68,667 | - | - | 375,507 | 353,654 |
| Special events | - | - | - | 90,387 | - | - | 90,387 | 85,871 |
| Vital signs program | - | - | - | - | - | 34,160 | 34,160 | - |
| | 1,202,820 | 177,089 | 46,000 | 550,814 | 20,677 | 34,160 | 2,031,560 | 2,407,887 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES | (653,482) | (93,654) | (36,000) | 68,003 | (20,677) | (34,160) | (769,970) | 852,393 |
| NET ASSETS - beginning | 19,863,808 | 1,095,272 | 50,000 | 269,507 | 70,938 | 350,000 | 21,699,525 | 20,847,132 |
| Interfund transfers - note 8 | (59,040) | - | 36,000 | 23,040 | - | - | - | - |
| Transfer to reserve fund - note 8 | - | - | (50,000) | (75,000) | - | 125,000 | - | - |
| NET ASSETS - ending | \$19,151,286 | \$1,001,618 | \$ - | \$ 285,550 | \$ 50,261 | \$ 440,840 | \$ 20,929,555 | \$ 21,699,525 |

Subject to accompanying notes to the financial statements

THE COMMUNITY FOUNDATION OF MISSISSAUGA
STATEMENT OF CASH FLOWS

| FOR THE YEAR ENDED DECEMBER 31, | 2015 | 2014 |
|---|--------------|-------------|
| <hr/> | | |
| CASH PROVIDED FROM (USED FOR) | | |
| OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenue over expenses | \$ (769,970) | \$ 852,393 |
| Charges to income not requiring cash payments | | |
| Amortization | 20,677 | 18,437 |
| Changes in non-cash working capital | | |
| Accounts receivable | 1,676 | (13,002) |
| Prepaid expenses | 1,493 | (5,818) |
| Accounts payable and accrued liabilities | (1,591) | 4,007 |
| Funds held for others | 1,621 | (196,619) |
| | <hr/> | <hr/> |
| | (746,094) | 659,398 |
| INVESTING ACTIVITIES | | |
| Net change to investments | 484,296 | (460,183) |
| Purchase of capital assets | - | (22,393) |
| | <hr/> | <hr/> |
| | 484,296 | (482,576) |
| NET (DECREASE) INCREASE IN CASH | <hr/> | <hr/> |
| | (261,798) | 176,822 |
| CASH - beginning of year | <hr/> | <hr/> |
| | 620,673 | 443,851 |
| CASH - end of year | <hr/> | <hr/> |
| | \$ 358,875 | \$ 620,673 |

Subject to accompanying notes to the financial statements

THE COMMUNITY FOUNDATION OF MISSISSAUGA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015

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 and expenses. 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, 2015

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, 2015

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, 2015

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

| | 2015 | 2014 |
|--|------------------|------------------|
| Accounts receivable from Investment Managers | \$ 58,478 | \$ 58,319 |
| Interest receivable | 278 | 571 |
| Sales tax recoverable | 16,588 | 18,130 |
| | \$ 75,344 | \$ 77,020 |

THE COMMUNITY FOUNDATION OF MISSISSAUGA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015

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:

| | 2015 | % | 2014 | % |
|--|----------------------|--------------|----------------------|--------------|
| Community Foundation of Mississauga | | | | |
| Pooled Funds | | | | |
| Cash and cash equivalents | \$ (77,189) | (0.6) | \$ (76,150) | (0.7) |
| Fixed income | 2,881,818 | 23.7 | 2,726,127 | 23.8 |
| Canadian equities | 3,627,860 | 29.8 | 3,798,845 | 33.1 |
| Global equities and other | 5,734,443 | 47.1 | 5,026,217 | 43.8 |
| | \$ 12,166,932 | 100.0 | \$ 11,475,039 | 100.0 |
| Investments managed by Personal | | | | |
| Investment Advisors | | | | |
| | \$ 8,312,920 | | \$ 9,489,109 | |
| | \$ 20,479,852 | | \$ 20,964,148 | |

Pursuant to agreement with donors, investments managed by "personal investment advisors" are managed by investment professionals recommended by the donor. These advisors remain subject to the Investment Management Policy of the Foundation. These investments consist of 58.1% (2014 - 59.0%) fixed income investments and 41.9% (2014 - 41.0%) equity investments.

4. CAPITAL ASSETS

| | Cost | Accumulated Amortization | 2015 | 2014 |
|------------------------|-------------------|-----------------------------|------------------|------------------|
| Computer hardware | \$ 15,662 | \$ 6,047 | \$ 9,615 | \$ 12,747 |
| Furniture and fixtures | 15,802 | 6,753 | 9,049 | 11,778 |
| Computer software | 74,079 | 42,482 | 31,597 | 46,413 |
| | \$ 105,543 | \$ 55,282 | \$ 50,261 | \$ 70,938 |

THE COMMUNITY FOUNDATION OF MISSISSAUGA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015

5. FUNDS HELD FOR OTHERS

| | 2015 | 2014 |
|-----------------------------------|-----------|-----------|
| Investment income | \$ 2,164 | \$ 19,182 |
| Management fees | (543) | (2,819) |
| Fund distributions | - | (212,982) |
| Funds held for others - beginning | 26,150 | 222,769 |
| Funds held for others - ending | \$ 27,771 | \$ 26,150 |

Funds held for others represent community agency funds pooled 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 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 enhanced accountability to donors and the broader community as well as increased efficiency and accuracy of administrative activities. The total amount of the grant of \$170,000 was received over a 3 year period. The grant funds were spent for the items and activities described in the agreement. During the year, \$10,000 (2014 - \$25,000) was received from the OTF.

7. INVESTMENT INCOME

| | 2015 | 2014 |
|---|------------|--------------|
| Interest, dividend and other income | \$ 583,567 | \$ 488,047 |
| Realized and unrealized gains net of (losses) | (344,761) | 1,480,100 |
| | \$ 238,806 | \$ 1,968,147 |

THE COMMUNITY FOUNDATION OF MISSISSAUGA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015

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.

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 47.1% (2014 - 43.8%) of the Foundation's investments in pooled funds 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.

THE COMMUNITY FOUNDATION OF MISSISSAUGA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015

10. FINANCIAL INSTRUMENTS - continued

Market risk - continued

(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 \$9,362,303 (2014 - \$8,825,062), which represents 76.9% (2014 - 76.9%) of total investments in pooled funds.

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

11. MAJOR COMMITMENTS

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

| | | |
|------|----|-----------|
| 2016 | \$ | 13,548 |
| 2017 | | 13,548 |
| 2018 | | 9,032 |
| | | <hr/> |
| | | \$ 36,128 |

12. COMPARATIVE FIGURES

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