

Financial statements of

Burlington Community Foundation

March 31, 2016

Burlington Community Foundation

March 31, 2016

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Independent Auditor's Report

To the Members of the
Burlington Community Foundation

We have audited the accompanying financial statements of the Burlington Community Foundation, which comprise the statement of financial position as at March 31, 2016, and the statements 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

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 management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Burlington Community Foundation derives revenue from various sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue was limited to the amounts recorded in the accounts, and we were not able to determine whether any adjustments might be necessary to donations and special events revenue, (deficiency) excess of revenue over expenditures, assets and fund balances.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Burlington Community Foundation as at March 31, 2016 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.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants
Licensed Public Accountants
June 20, 2016

Burlington Community Foundation

Statement of operations and changes in fund balances year ended March 31, 2016

	Operating Fund	Endowment Fund	2016	2015
	\$	\$	\$	\$
Revenue				
Administration fees	129,624	-	129,624	117,199
Donations	283,166	477,446	760,612	989,383
Donations - flood relief (Note 10)	-	-	-	895,692
Flow through donations (Note 6)	-	208,256	208,256	228,007
Investment income	4,623	31,813	36,436	963,029
Special events	192,839	-	192,839	186,437
Corporate proud supporter program	188,124	-	188,124	225,833
	798,376	717,515	1,515,891	3,605,580
Expenditures				
Amortization	2,706	-	2,706	1,024
Awareness and education	28,952	-	28,952	24,642
Bank charges and interest	1,121	-	1,121	1,387
Computer equipment, software and website	62,755	-	62,755	7,476
Conferences and meetings	5,145	-	5,145	1,081
Fees and dues	3,282	-	3,282	3,078
Grants (Note 6)	-	774,137	774,137	885,168
Grants - flood relief (Note 10)	-	-	-	895,692
Insurance	2,773	-	2,773	2,558
Investment counsel fees	37,833	113,108	150,941	140,271
Marketing and communications	35,898	-	35,898	14,433
Office, printing and postage	7,720	-	7,720	9,438
Professional fees	40,974	-	40,974	46,897
Rent and utilities	41,525	-	41,525	40,002
Special events	135,327	-	135,327	160,657
Telephone	7,481	-	7,481	7,104
Travel and accommodations	62	-	62	122
Volunteer and donor recognition	4,534	-	4,534	10,716
Wages and benefits	245,255	-	245,255	218,149
	663,343	887,245	1,550,588	2,469,895
(Deficiency) excess of revenue over expenditures				
before the below noted item	135,033	(169,730)	(34,697)	1,135,685
Net reimbursements - flood relief (Note 10)	2,679	-	2,679	72,625
(Deficiency) excess of revenue over expenditures	137,712	(169,730)	(32,018)	1,208,310
Fund balances, beginning of year	138,813	8,829,349	8,968,162	7,759,852
Fund transfers (Note 8)	4,684	(4,684)	-	-
Fund balances, end of year	281,209	8,654,935	8,936,144	8,968,162

The accompanying notes to the financial statements are an integral part of this financial statement.

Burlington Community Foundation

Statement of financial position as at March 31, 2016

	Operating Fund	Endowment Fund	2016	2015
	\$	\$	\$	\$
Assets				
Current assets				
Cash	366,647	-	366,647	95,791
Restricted funds (Note 3)	-	309,525	309,525	350,596
Restricted funds - flood relief	-	-	-	338,900
Accounts receivable	90,000	-	90,000	93,632
Government remittances receivable	20,080	-	20,080	16,682
Prepaid expenses	20,683	-	20,683	10,243
	497,410	309,525	806,935	905,844
Investments (Note 4)	-	9,897,769	9,897,769	9,127,319
Inter fund balance	(44,615)	44,615	-	-
Fixed assets (Note 5)	7,318	-	7,318	2,699
	460,113	10,251,909	10,712,022	10,035,862
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	39,871	-	39,871	85,327
Deferred revenue	139,033	-	139,033	88,875
Funds held in trust - flood relief	-	-	-	338,900
Endowed funds held on behalf of others (Note 7)	-	1,596,974	1,596,974	554,598
	178,904	1,596,974	1,775,878	1,067,700
Fund balances				
Operating Fund	281,209	-	281,209	138,813
Endowment Fund	-	8,654,935	8,654,935	8,829,349
	281,209	8,654,935	8,936,144	8,968,162
	460,113	10,251,909	10,712,022	10,035,862

Approved by the Board

_____ Director

_____ Director

The accompanying notes to the financial statements are an integral part of this financial statement.

Burlington Community Foundation

Statement of cash flows year ended March 31, 2016

	2016	2015
	\$	\$
Operating activities		
(Deficiency) excess of revenue over expenditures	(32,018)	1,208,310
Items not affecting cash		
Amortization	2,706	1,024
Unrealized loss (gain) on investments	689,481	(395,923)
Changes in non-cash operating working capital items		
Accounts receivable	3,632	(13,882)
Government remittances receivable	(3,398)	(4,190)
Prepaid expenses	(10,440)	(911)
Accounts payable and accrued liabilities	(45,456)	54,301
Deferred revenue	50,158	(62,967)
	654,665	785,762
Investment activities		
Purchase of fixed assets	(7,325)	(3,723)
Increase in investments, net	(1,459,931)	(811,102)
Decrease (increase) in restricted funds	41,071	(2,181)
	(1,426,185)	(817,006)
Financing activity		
Increase in endowed funds held on behalf of others	1,042,376	42,328
Net change in cash	270,856	11,084
Cash, beginning of year	95,791	84,707
Cash, end of year	366,647	95,791

The accompanying notes to the financial statements are an integral part of this financial statement.

Burlington Community Foundation

Notes to the financial statements

March 31, 2016

1. Nature of organization

Burlington Community Foundation (the "Foundation") was incorporated without share capital in 2002. The Foundation actively serves the people of Burlington by attracting permanent charitable capital and providing grants, leadership and services that enhance the health and vitality of the community. The Foundation invests charitable gifts from a range of donors into a pooled income-earning fund. Grants from the fund's earnings support a broad range of registered charities and community initiatives.

The Foundation is a public foundation registered under the Income Tax Act (Canada) (the "Tax Act") and, as such, is exempt from income taxes and permitted to issue donation receipts for income tax purposes. To maintain its status as a public foundation registered under the Tax Act, the Foundation must meet certain requirements within the Tax Act. In the opinion of management, these requirements are being met.

2. Accounting policies

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies of the Foundation are as follows:

Fund accounting

The Foundation follows the Restricted Fund method for accounting for contributions. The Foundation ensures, as part of its fiduciary responsibilities, all funds received with a restricted purpose are expended for that purpose.

For financial reporting purposes, the accounts have been classified into the following funds:

Endowment Fund

The Endowment Fund reports resources that are required to be maintained by the Foundation on a permanent basis, or are designated for purposes specified by the donor or the Foundation's Board of Directors.

Operating Fund

The Operating Fund reports resources available for the Foundation's general operating activities. These activities include asset development, grant making and philanthropic services to the community. The general costs of supporting these activities are reported as expenses in the Operating Fund.

Revenue recognition

Contributions are recognized when received, except where amounts are received for specific community leadership projects. In these cases, contributions are deferred and recorded as revenue when the related expenses are incurred.

Investment income includes dividends, interest, realized gains (losses) and the net change in unrealized gains (losses) for the year.

Fixed assets

Fixed assets are recorded at cost. Amortization is recorded using the straight-line basis over 3 to 5 years.

Contributed goods and services

Volunteers contribute a substantial number of hours each year to assist the Foundation in carrying out its activities. Because of the difficulty of determining their fair value, contributions of such services are not recognized in the financial statements.

Burlington Community Foundation

Notes to the financial statements

March 31, 2016

2. Accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Key components of the financial statements requiring management to make estimates include those related to revenue recognition, the collectability of accounts receivable, useful life of fixed assets and accrued liabilities. Actual results could differ from these estimates.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Foundation becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost except for investments which are measured at fair value at the statement of financial position date.

Transaction costs related to financial instruments measured subsequent to initial recognition at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying amount of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in operations as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Foundation recognizes in operations an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to operations in the period the reversal occurs.

3. Restricted funds

The restricted fund balance consists of contributions received from donors who have requested that these funds be designated as term endowments, where all or a portion of the funds will be disbursed over a period of time based on the instructions of the donors.

4. Investments

	2016	2015
	\$	\$
Funds pooled with Hamilton Community Foundation	8,109,846	7,284,148
Funds managed directly	1,165,792	1,148,610
Other investments	622,131	694,561
	9,897,769	9,127,319

Investments are made in accordance with the Foundation's investment policy as developed by the Board of Directors. The goal of the policy is to ensure that funds grow while earning returns consistent with prudent investments. The investment policy includes guidelines regarding the minimum and maximum amount of equity holdings, foreign equity holdings and a maximum to be invested in any one related group or industry. Furthermore, all investments must qualify as investments which life insurance companies are permitted to invest in, according to Federal legislation.

Burlington Community Foundation

Notes to the financial statements

March 31, 2016

5. Fixed assets

	2016			2015
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Computers and equipment	6,516	3,277	3,239	2,699
Furniture	4,533	454	4,079	-
	11,049	3,731	7,318	2,699

6. Grants

	2016			
	Flow through	Donor designated	Board designated	Total
	\$	\$	\$	\$
Acclaim Health	-	-	1,500	1,500
Arthouse	630	4,971	-	5,601
Art Gallery of Burlington	-	20,000	-	20,000
Assumption High School	-	150	-	150
Big Brothers/Big Sisters of Hamilton & Burlington	-	-	1,500	1,500
Brock University	1,764	3,269	-	5,033
Burlington Central High School	-	-	1,500	1,500
Burlington Humane Society	-	1,646	-	1,646
Burlington Performing Arts Centre	-	1,524	-	1,524
Burlington Public Library	-	28,249	-	28,249
Burlington Teen Tour Band Boosters Inc.	-	25,271	-	25,271
Carpenter Hospice	-	180,896	-	180,896
City of Burlington	6,196	766	-	6,962
Community Conflict Resolution Services of Halton	-	-	1,500	1,500
Community Living Burlington	-	10,000	-	10,000
Community Youth Programs	-	4,170	-	4,170
Compassion Society of Halton	-	924	20,000	20,924
Easter Seals Ontario	2,194	2,806	-	5,000
Food4Kids Hamilton Halton	573	4,972	927	6,472
Food For Life Canada	8,506	3,760	7,735	20,001
Golf Canada Foundation	-	20,000	-	20,000
Good Shepherd Centre Hamilton	2,500	-	-	2,500
Halton Learning Foundation	4,000	-	-	4,000
Halton Women's Place	-	6,665	15,000	21,665
Joseph Brant Hospital Foundation	151,500	10,600	-	162,100
Balance carried forward	177,863	330,639	49,662	558,164

Burlington Community Foundation

Notes to the financial statements

March 31, 2016

6. Grants (continued)

	2016			
	Flow	Donor	Board	Total
	through	designated	designated	
	\$	\$	\$	\$
Balance carried forward	177,863	330,639	49,662	558,164
Liberty for Youth	-	10,000	-	10,000
Literacy Council of Burlington	1,340	-	-	1,340
McMaster University	-	500	-	500
Multiple Sclerosis Society of Canada	-	1,646	-	1,646
Nelson Youth Centres	-	4,972	-	4,972
Ontario Medical Foundation	-	1,631	-	1,631
Providence Healthcare Foundation	-	5,000	-	5,000
Queen's University	10,197	796	-	10,993
Reach Out Centre for Kids	3,300	-	1,500	4,800
Regional Municipality of Halton	-	6,474	-	6,474
Rotary Foundation Canada	-	2,600	-	2,600
Royal Botanical Gardens	-	107,000	-	107,000
Sheridan College Institute of Technology	-	500	-	500
Shifra Homes Inc.	-	5,240	14,760	20,000
Tetra Society of North America	1,500	-	-	1,500
Tim Hortons Children's Foundation	5,000	-	-	5,000
Tottering Biped Theatre	-	-	1,200	1,200
UNHCR Canada	-	925	-	925
UNICEF	5,000	-	-	5,000
United Way of Burlington & Greater Hamilton	3,806	7,682	-	11,488
University of Guelph	-	2,290	-	2,290
University of Ottawa	-	500	-	500
University of Toronto	-	1,656	-	1,656
University of Waterloo	-	656	-	656
University of Western Ontario	-	1,292	-	1,292
Wilfrid Laurier University	250	1,500	-	1,750
YMCA Hamilton, Burlington, Brantford	-	3,738	-	3,738
YWCA of Hamilton/Burlington	-	1,522	-	1,522
	208,256	498,759	67,122	774,137

Burlington Community Foundation

Notes to the financial statements

March 31, 2016

6. Grants (continued)

	Flow through	Donor designated	Board designated	2015 Total
	\$	\$	\$	\$
Arthouse	-	-	4,653	4,653
Bay Area Restoration Council	-	-	5,000	5,000
Brescia University College	-	780	-	780
Brock University	2,245	2,055	-	4,300
Burlington Community Foundation	-	4,286	-	4,286
Burlington Humane Society	-	1,622	-	1,622
Burlington Performing Arts Centre	-	2,988	-	2,988
Burlington Public Library	-	31,416	2,620	34,036
Burlington Teen Tour Band Boosters Inc.	-	27,957	-	27,957
Camp Maple Leaf	5,752	1,748	-	7,500
Canadian Cancer Society	2,500	-	-	2,500
Carleton University	10,000	-	-	10,000
Carpenter Hospice	-	200,947	-	200,947
Children's Aid Foundation of Halton	2,500	-	-	2,500
City of Burlington	25,541	5,978	-	31,519
Community Living Burlington	-	34,327	-	34,327
Compassion Society of Halton	3,087	-	913	4,000
Danielle's Place	-	500	-	500
Drew Hildebrand Teen Benefit Fund	-	-	3,000	3,000
Food4Kids Hamilton Halton Niagara	2,500	-	-	2,500
Good Shepherd Centre Hamilton	5,000	-	-	5,000
Halton Industry Education Council	4,900	-	-	4,900
Halton Learning Foundation	4,000	-	-	4,000
Halton Womens Place	-	7,443	-	7,443
Joseph Brant Hospital Foundation	150,000	5,000	-	155,000
Junior League of Hamilton Burlington Inc.	-	4,572	-	4,572
Liberty for Youth	-	10,000	-	10,000
McMaster University	233	767	-	1,000
Multiple Sclerosis Society of Canada	-	1,622	-	1,622
Ontario Medical Foundation	-	1,607	-	1,607
Providence Healthcare Foundation	-	7,835	-	7,835
Queen's University	-	2,504	-	2,504
Reach Out Centre for Kids	1,000	5,000	-	6,000
Ronald McDonald House Hamilton	-	4,384	-	4,384
Royal Botanical Gardens	-	215,000	-	215,000
Ryerson University	250	-	-	250
Sheridan College Institute of Technology	-	300	-	300
Shifra Homes Inc.	2,906	-	1,394	4,300
Start2Finish	-	-	2,470	2,470
The Breakfast Club of Canada	2,399	-	1,000	3,399
Balance carried forward	224,813	580,638	21,050	826,501

Burlington Community Foundation

Notes to the financial statements

March 31, 2016

6. Grants (continued)

	2015			
	Flow through	Donor designated	Board designated	Total
	\$	\$	\$	\$
Balance carried forward	224,813	580,638	21,050	826,501
The Equestrian Association (TEAD)	-	-	2,470	2,470
The Hospital for Sick Children Foundation	-	100	-	100
The Literacy Council of Burlington	-	-	1,200	1,200
The Princess Margaret Cancer Foundation	-	5,000	-	5,000
Trillium Health Partners	-	1,000	-	1,000
United Way of Burlington & Hamilton	2,194	11,645	17,806	31,645
University of Guelph	-	300	-	300
University of Ottawa	-	300	-	300
University of Waterloo	250	800	-	1,050
University of Western Ontario	-	1,100	-	1,100
Wilfrid Laurier University (Brantford)	250	-	-	250
YMCA Hamilton Burlington Brantford	500	2,795	9,457	12,752
YWCA of Hamilton/Burlington	-	1,500	-	1,500
	228,007	605,178	51,983	885,168

7. Endowed funds held on behalf of others

	2016	2015
	\$	\$
Art Gallery of Burlington	115,000	116,126
Conservation Halton	432,741	438,472
Burlington Museums Foundation	1,049,233	-
	1,596,974	554,598

The Foundation administers the above investments on behalf of third parties. Investment income earned, grants given and expenses related to the above amounts are not shown on the Foundation's statement of operations and changes in fund balances.

8. Fund transfers

During the current year the Board of Directors approved transfers totaling \$4,684 (2015 - \$49,700) from available Endowment Funds to the Operating Fund to cover operating expenses.

Burlington Community Foundation

Notes to the financial statements

March 31, 2016

9. Commitments

The Foundation is committed under operating leases for the rental of office premises until fiscal year 2021. Future minimum annual payments required over the next five years are as follows:

	\$
2017	36,550
2018	36,953
2019	37,088
2020	37,088
2021	9,272
	<hr/> 156,951

10. Burlington Flood Disaster Relief Committee

In August 2014, the Foundation entered into an agreement with the Corporation of the City of Burlington to lead the formation and immediate execution of the Burlington Flood Disaster Relief Committee (the "Committee"). The purpose of the Committee was to raise funds for the benefit of the flood victims and to receive and settle the eligible claims and distribution of approved funding to qualified applicants. The agreement was extended until May 31, 2015. In total, the Foundation raised \$895,692 in donations for the Committee, which has been completely remitted to the City of Burlington. As part of the agreement with the City of Burlington, the Foundation was reimbursed operating and out-of-pocket expenses related to managing the Committee. Net reimbursements of \$2,679 (2015 - \$72,625) represent \$11,479 (2015 - \$88,840) received from the City of Burlington for payroll and overhead costs less other direct costs incurred by the Foundation of \$8,800 (2015 - \$16,215).

11. Comparative figures

Certain comparative figures have been reclassified to conform with current year financial statement presentation.