

Financial statements of

Burlington Community Foundation

March 31, 2017

Burlington Community Foundation

March 31, 2017

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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, 2017, 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, excess (deficiency) 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, 2017 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.



Chartered Professional Accountants
Licensed Public Accountants
June 21, 2017

Burlington Community Foundation
Statement of operations and changes in fund balances
year ended March 31, 2017

	Operating Fund	Endowment Fund	2017	2016
	\$	\$	\$	\$
Revenue				
Administration fees	146,774	-	146,774	129,624
Donations	28,428	537,218	565,646	760,612
Flow through donations (Note 6)	-	335,286	335,286	208,256
Investment income	9,328	797,045	806,373	36,436
Special events	186,187	-	186,187	192,839
Corporate proud supporter program	235,208	-	235,208	188,124
	605,925	1,669,549	2,275,474	1,515,891
Expenditures				
Amortization	3,780	-	3,780	2,706
Awareness and education	18,841	-	18,841	28,952
Bank charges and interest	454	-	454	1,121
Computer equipment, software and website	40,548	-	40,548	62,755
Conferences and meetings	3,004	-	3,004	5,145
Fees and dues	3,900	-	3,900	3,282
Grants (Note 6)	-	531,293	531,293	774,137
Insurance	3,041	-	3,041	2,773
Investment counsel fees	42,488	118,159	160,647	150,941
Marketing and communications	40,655	-	40,655	35,898
Office, printing and postage	9,888	-	9,888	7,720
Professional fees	40,278	-	40,278	40,974
Rent and utilities	38,720	-	38,720	41,525
Special events	149,759	-	149,759	135,327
Telephone	6,821	-	6,821	7,481
Travel and accommodations	545	-	545	62
Volunteer and donor recognition	3,235	-	3,235	4,534
Wages and benefits	364,639	-	364,639	245,255
	770,596	649,452	1,420,048	1,550,588
Excess (deficiency) of revenue over expenditures before the below noted item	(164,671)	1,020,097	855,426	(34,697)
Net reimbursements - flood relief (Note 10)	-	-	-	2,679
Excess (deficiency) of revenue over expenditures	(164,671)	1,020,097	855,426	(32,018)
Fund balances, beginning of year	281,209	8,654,935	8,936,144	8,968,162
Fund transfers (Note 8)	49,700	(49,700)	-	-
Fund balances, end of year	166,238	9,625,332	9,791,570	8,936,144

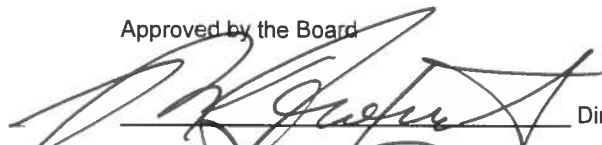
The accompanying notes to the financial statements are an integral part of this financial statement.

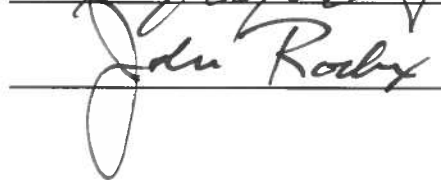
Burlington Community Foundation

Statement of financial position
as at March 31, 2017

	Operating Fund	Endowment Fund	2017	2016
	\$	\$	\$	\$
Assets				
Current assets				
Cash	260,255	-	260,255	366,647
Restricted funds (Note 3)	-	419,162	419,162	309,525
Accounts receivable	35,000	-	35,000	90,000
Government remittances receivable	16,691	-	16,691	20,080
Prepaid expenses	35,963	-	35,963	20,683
	347,909	419,162	767,071	806,935
Investments (Note 4)	-	10,891,009	10,891,009	9,897,769
Inter fund balance	(32,005)	32,005	-	-
Fixed assets (Note 5)	7,746	-	7,746	7,318
	323,650	11,342,176	11,665,826	10,712,022
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	54,663	-	54,663	39,871
Deferred revenue	102,749	-	102,749	139,033
Endowed funds held on behalf of others (Note 7)	-	1,716,844	1,716,844	1,596,974
	157,412	1,716,844	1,874,256	1,775,878
Fund balances				
Operating Fund	166,238	-	166,238	281,209
Endowment Fund	-	9,625,332	9,625,332	8,654,935
	166,238	9,625,332	9,791,570	8,936,144
	323,650	11,342,176	11,665,826	10,712,022

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, 2017

	2017	2016
	\$	\$
Operating activities		
Excess (deficiency) of revenue over expenditures	855,426	(32,018)
Items not affecting cash		
Amortization	3,780	2,706
Unrealized (gain) loss on investments	(358,993)	689,481
Changes in non-cash operating working capital items		
Accounts receivable	55,000	3,632
Government remittances receivable	3,389	(3,398)
Prepaid expenses	(15,280)	(10,440)
Accounts payable and accrued liabilities	14,792	(45,456)
Deferred revenue	(36,284)	50,158
	521,830	654,665
Investment activities		
Purchase of fixed assets	(4,208)	(7,325)
Increase in investments, net	(634,247)	(1,459,931)
(Increase) decrease in restricted funds	(109,637)	41,071
	(748,092)	(1,426,185)
Financing activity		
Increase in endowed funds held on behalf of others	119,870	1,042,376
Net change in cash	(106,392)	270,856
Cash, beginning of year	366,647	95,791
Cash, end of year	260,255	366,647

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, 2017

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, 2017

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

	2017	2016
	\$	\$
Funds pooled with Hamilton Community Foundation	8,657,661	8,109,846
Funds managed directly	1,322,100	1,165,792
Other investments	911,248	622,131
	10,891,009	9,897,769

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, 2017

5. Fixed assets

			2017	2016
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Computers and equipment	10,722	6,149	4,573	3,239
Furniture	4,533	1,360	3,173	4,079
	15,255	7,509	7,746	7,318

6. Grants

				2017
	Flow through	Donor designated	Board designated	Total
	\$	\$	\$	\$
Acclaim Health	-	-	2,000	2,000
Alzheimer Society of Canada	10,000	-	-	10,000
Arthouse	1,699	8,411	8,301	18,411
Art Gallery of Burlington	12,325	775	-	13,100
Brock University	3,450	750	-	4,200
Brott Musical Festival	2,500	-	-	2,500
Burlington Baptist Church	12,462	-	-	12,462
Burlington Humane Society	-	1,666	-	1,666
Burlington Performing Arts Centre	-	1,542	-	1,542
Burlington Public Library	5,000	784	-	5,784
CameronHelps (2006) Inc.	-	-	6,575	6,575
Carpenter Hospice	-	-	2,000	2,000
Calvary Baptist Church	3,349	-	2,131	5,480
City of Burlington	32,541	776	-	33,317
City Kidz Ministry	-	1,998	-	1,998
Community Living Burlington	-	10,000	2,000	12,000
Conservation Halton Foundation	-	777	-	777
Dalhousie University	-	1,167	-	1,167
Dundas Youth Chaplaincy	300	-	-	300
Food4Kids Hamilton Halton Niagara	7,172	-	5,828	13,000
George Brown College	5,000	-	-	5,000
Good Shepherd Centre Hamilton	2,500	-	-	2,500
Halton Catholic District School Board	800	-	2,000	2,800
Halton District School Board	-	-	3,000	3,000
Halton Learning Foundation	-	-	6,000	6,000
Halton Catholic Children's Education Foundation	-	-	1,400	1,400
Indigo Love of Reading Foundation	-	2,471	-	2,471
Joseph Brant Hospital Foundation	150,000	5,000	-	155,000
Liberty for Youth	-	10,000	-	10,000
Balance carried forward	249,098	46,117	41,235	336,450

Burlington Community Foundation

Notes to the financial statements

March 31, 2017

6. Grants (continued)

	2017			
	Flow through	Donor designated	Board designated	Total
	\$	\$	\$	\$
Balance carried forward	249,098	46,117	41,235	336,450
Literacy South Halton	1,100	1,859	-	2,959
McMaster University	-	3,802	-	3,802
MLSE Foundation	-	9,000	-	9,000
Multiple Sclerosis Society of Canada	-	1,666	-	1,666
Muscular Dystrophy Canada	912	-	1,088	2,000
Nelson Youth Centres	-	1,859	-	1,859
Ontario Medical Foundation	-	1,650	-	1,650
Queen's University	-	2,456	-	2,456
Rotary Foundation Canada	-	1,300	-	1,300
Royal Botanical Gardens	-	40,000	-	40,000
Ryerson University	-	1,153	-	1,153
Rygiel Home of Hamilton	-	2,500	-	2,500
Shakespeare Performing Arts	-	-	500	500
Shifra Homes Inc.	8,183	-	-	8,183
St. Christopher's Church	13,000	-	-	13,000
Summit Housing and Outreach Programs	2,090	1,859	6,409	10,358
Support & Housing Halton	-	-	2,000	2,000
Symphony on the Bay	14,640	-	5,360	20,000
Tetra Society	4,800	-	-	4,800
The Bridge From Prison to Community	993	-	1,007	2,000
The Salvation Army Community	290	-	-	290
Tim Hortons Children's Foundation	-	3,500	-	3,500
Tottering Biped Theatre	-	-	8,000	8,000
Trent University	-	597	-	597
UNICEF	10,000	-	-	10,000
United Way of Burlington & Greater Hamilton	20,000	-	-	20,000
University of Guelph	5,000	-	-	5,000
University of Ottawa	5,000	-	-	5,000
University of Waterloo	180	820	-	1,000
University of Western Ontario	-	2,097	-	2,097
Wilfrid Laurier University (Brantford)	-	1,750	-	1,750
YMCA Hamilton, Burlington, Brantford	-	4,082	-	4,082
YWCA of Hamilton/Burlington	-	1,541	-	1,541
Youth Services Bureau of Ottawa	-	800	-	800
	335,286	130,408	65,599	531,293

Burlington Community Foundation

Notes to the financial statements

March 31, 2017

6. Grants (continued)

	Flow through	Donor designated	Board designated	2016 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
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
Balance carried forward	194,200	476,998	65,922	737,120

Burlington Community Foundation

Notes to the financial statements

March 31, 2017

6. Grants (continued)

				2016
	Flow through	Donor designated	Board designated	Total
	\$	\$	\$	\$
Balance carried forward	194,200	476,998	65,922	737,120
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
	<u>208,256</u>	<u>498,759</u>	<u>67,122</u>	<u>774,137</u>

7. Endowed funds held on behalf of others

	2017	2016
	\$	\$
Art Gallery of Burlington	112,412	115,000
Conservation Halton	464,746	432,741
Burlington Museums Foundation	1,139,686	1,049,233
	<u>1,716,844</u>	<u>1,596,974</u>

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 \$49,700 (2016 - \$4,684) from available Endowment Funds to the Operating Fund to cover operating expenses.

Burlington Community Foundation

Notes to the financial statements

March 31, 2017

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 four years are as follows:

	\$
2018	36,953
2019	37,088
2020	37,088
2021	9,272
	<hr/> 120,401

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. As part of the agreement, the City of Burlington made the final reimbursement of \$2,679 to the Foundation when the program ended on May 31, 2015 for its operating and out-of-pocket expenses related to managing the Committee.