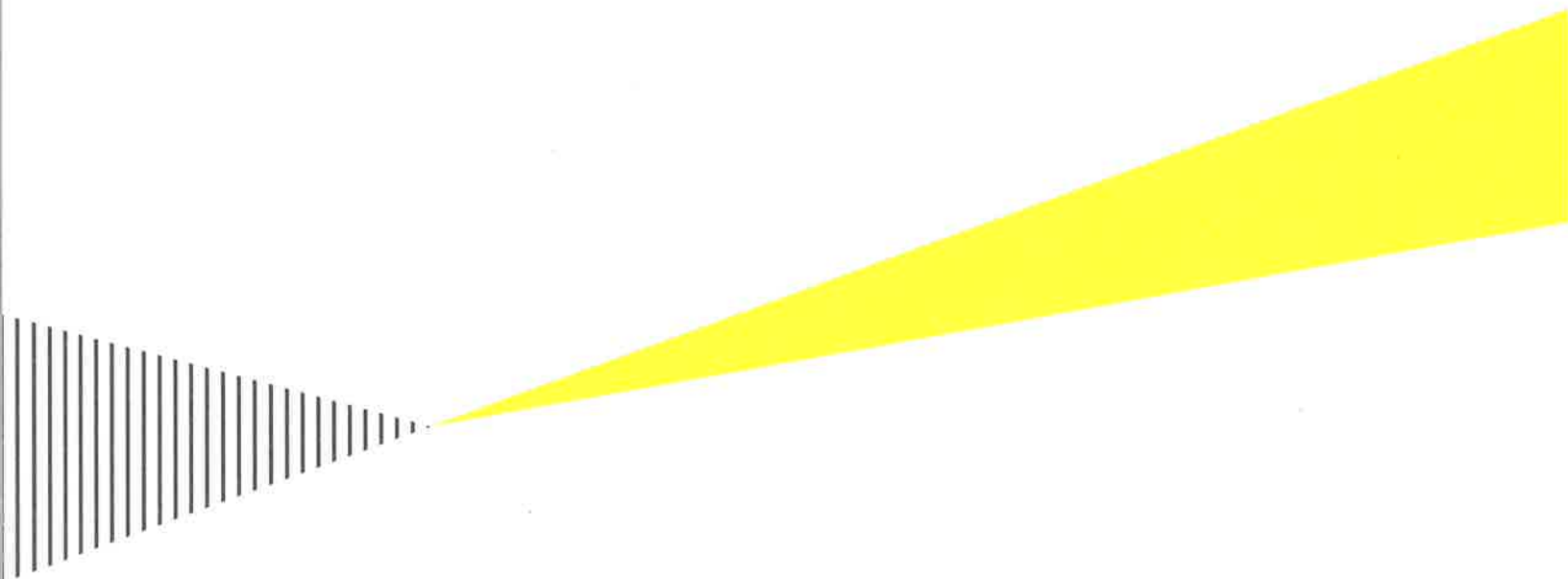


Financial Statements

**Toronto Foundation**

March 31, 2016



**Building a better  
working world**

# INDEPENDENT AUDITORS' REPORT

To the Members of the  
**Toronto Foundation**

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the **Toronto Foundation**, which comprise the statement of financial position as at March 31, 2016 and the statements of revenue and expenses 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.

### **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 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 audit opinion.



**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **Toronto 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.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the Corporations Act (Ontario), we report that, in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Toronto, Canada  
June 15, 2016

*Ernst + Young LLP*

Chartered Professional Accountants  
Licensed Public Accountants



**Toronto Foundation**

**STATEMENT OF FINANCIAL POSITION**

[in thousands of dollars]

As at March 31

	2016 \$	2015 \$
		<i>[restated – note 4[c]]</i>
<b>ASSETS</b>		
Cash and cash equivalents	2,955	2,992
Short-term investments <i>[note 3[b]]</i>	16,543	16,188
Investments <i>[note 3[c]]</i>	298,328	301,630
Other assets <i>[note 7]</i>	512	576
	<b>318,338</b>	<b>321,386</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Grants and accounts payable	410	253
Funds held on behalf of other parties <i>[note 4]</i>	59,151	64,727
Other funds <i>[note 5]</i>	76,213	74,998
<b>Total liabilities</b>	<b>135,774</b>	<b>139,978</b>
<b>Fund balances</b>		
Endowment Fund <i>[note 8]</i>	148,343	151,974
Restricted Fund <i>[note 9]</i>	31,264	26,507
Operating Fund	2,957	2,927
<b>Total fund balances</b>	<b>182,564</b>	<b>181,408</b>
	<b>318,338</b>	<b>321,386</b>

*See accompanying notes*

On behalf of the Board:

  
Director

  
Director

Toronto Foundation

STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN FUND BALANCES

[in thousands of dollars]

Year ended March 31

	Endowment Fund		Restricted Fund		Operating Fund		Total
	2016	2015	2016	2015	2016	2015	
	\$	\$	\$	\$	\$	\$	\$
							[restated – note 4(c)]
<b>Revenue</b>							
Donations	1,634	1,246	16,838	15,377	30	41	16,664
Investment income [notes 3(e) and 10]	(2,391)	6,263	2,494	13,638	435	925	20,826
Administrative fees	(1,309)	(1,253)	(1,677)	(1,507)	3,840	3,382	622
	(2,066)	6,256	17,655	27,508	4,305	4,348	38,112
<b>Expenses</b>							
General and administrative [note 13]	—	—	—	—	2,584	2,124	2,584
Community program	—	—	414	320	799	607	1,213
External investment management and custody fees	46	29	87	49	997	803	1,130
	46	29	501	369	4,380	3,534	4,927
Excess (deficiency) of revenue over expenses before grants and transfer	(2,112)	6,227	17,154	27,139	(75)	814	34,180
Grants [note 11]	—	—	14,380	10,295	—	—	14,380
Transfer from another Community Foundation	569	—	—	—	—	—	569
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>(1,543)</b>	<b>6,227</b>	<b>2,774</b>	<b>16,844</b>	<b>(75)</b>	<b>814</b>	<b>23,885</b>
Fund balances beginning of year	151,974	137,475	26,507	18,022	2,927	2,026	181,408
Interfund transfers [note 12]	(2,088)	8,272	1,983	(8,359)	105	87	—
<b>Fund balances end of year</b>	<b>148,343</b>	<b>151,974</b>	<b>31,264</b>	<b>26,507</b>	<b>2,957</b>	<b>2,927</b>	<b>181,408</b>

See accompanying notes

**Toronto Foundation**

**STATEMENT OF CASH FLOWS**

[in thousands of dollars]

Year ended March 31

	2016 \$	2015 \$
		<i>[restated – note 4[c]]</i>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	1,156	23,885
Add (deduct) items not involving cash		
Reinvested investment income	(93)	(20,067)
External investment management and custody fees	675	634
Changes in non-cash balances related to operations		
Other assets	64	(120)
Grants and accounts payable	157	(576)
Funds held on behalf of other parties	(5,576)	11,210
Other funds	1,215	68,027
<b>Cash provided by (used in) operating activities</b>	<b>(2,402)</b>	<b>82,993</b>
<b>INVESTING ACTIVITIES</b>		
Net increase in short-term investments	(355)	(6,435)
Net transfers from (to) external money managers	2,720	(74,016)
<b>Cash provided by (used in) investing activities</b>	<b>2,365</b>	<b>(80,451)</b>
<b>Net increase (decrease) in cash and cash equivalents     during the year</b>	<b>(37)</b>	<b>2,542</b>
Cash and cash equivalents, beginning of year	2,992	450
<b>Cash and cash equivalents, end of year</b>	<b>2,955</b>	<b>2,992</b>

*See accompanying notes*

**Toronto Foundation**

**NOTES TO FINANCIAL STATEMENTS**

[in thousands of dollars]

March 31, 2016

**1. PURPOSE OF THE FOUNDATION**

The Toronto Foundation [the “Foundation”] is incorporated without share capital under the laws of Ontario. The objective of the Foundation is to connect philanthropy with community needs and opportunities to make Toronto the best place to live, work, learn, and grow.

The Foundation is a public foundation registered under the Income Tax Act (Canada) [the “Act”] and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Part III of the Chartered Professional Accountants of Canada [“CPA Canada”] Handbook – Accounting, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

**Fund accounting**

The Foundation follows the restricted fund method of accounting for contributions. The Foundation ensures, as part of its fiduciary responsibilities, that all funds received with restricted purpose are expended for the purpose for which they are provided.

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

**[a] Endowment Fund**

The Endowment Fund comprises the resources that are required by the donor to be maintained by the Foundation on a permanent basis. In addition, the Board of Directors [the “Board”] has a policy of transferring to the Endowment Fund donations designated by the donor to be held for a term of at least ten years, as well as donations where there is no current intention of making the original donation available for grants.

**[b] Restricted Fund**

The Restricted Fund comprises the resources that are to be used for specific purposes as specified by the donor or project funder.

## **Toronto Foundation**

### **NOTES TO FINANCIAL STATEMENTS**

[in thousands of dollars]

March 31, 2016

#### **[c] Operating Fund**

The Operating Fund comprises the unrestricted resources available for immediate purposes. The use of these funds is at the discretion of the Foundation's Board.

#### **Revenue recognition**

The Foundation follows the restricted fund method of accounting for contributions. Grants and bequests are recorded when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received. Contributions which the donor has required to be held in perpetuity are recognized as revenue in the Endowment Fund. Restricted contributions are recognized as revenue in the Restricted Fund. Unrestricted contributions are recognized as revenue in the Operating Fund.

Investment income (loss), which consists of interest, dividends, income distributions from pooled funds, and realized and unrealized capital gains and losses, is recorded in the statement of revenue and expenses and changes in fund balances.

#### **Financial instruments**

Investments reported at fair value consist of equity instruments that are quoted in an active market as well as investments in pooled funds and any investments in fixed income securities that the Foundation designates upon purchase to be measured at fair value. Transaction costs are recognized in the statement of revenue and expenses and changes in fund balances in the period during which they are incurred.

Investments in fixed income securities not designated to be measured at fair value and equity instruments not quoted in an active market are initially recorded at fair value plus transaction costs and are subsequently measured at amortized cost using the straight-line method, less any provision for impairment.

Investments in shares of private companies that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recorded at cost.

All transactions are recorded on a trade date basis.

Other financial instruments, including accounts receivable and grants and accounts payable, are initially recorded at their fair value and are subsequently measured at cost, net of any provisions for impairment.



## **Toronto Foundation**

# **NOTES TO FINANCIAL STATEMENTS**

[in thousands of dollars]

March 31, 2016

### **Grants**

Grants are recorded when they have been duly approved in accordance with the Foundation's Board policies and any terms and conditions have been met by the grantee.

### **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 in determining fair value, contributed goods and services are not recognized in the financial statements.

### **Cash and cash equivalents**

Cash and cash equivalents consist of cash on deposit and short-term deposits with a term to maturity of 90 days or less at the date of purchase. Cash and cash equivalents held for investing rather than liquidity purposes are classified as investments.

### **Foreign currency translation**

Foreign currency denominated monetary assets and liabilities have been translated into Canadian dollars at the rate of exchange prevailing at the statement of financial position date. Foreign currency denominated revenue and expenses are translated at the rates prevailing on the transaction date. Gains and losses on monetary assets and liabilities resulting from translation of foreign currencies are recognized in the statement of revenue and expenses and changes in fund balances during the year in which they arise.

## **3. INVESTMENTS**

[a] The Foundation's objective for investments under its management is to generate a total return that achieves the granting objectives of the Foundation as set each year by its Board, recovers the cost of administering the funds, protects the purchasing power of the capital, and establishes a reserve for future market declines. The Foundation manages its investment strategy through an outsourced Chief Investment Officer.

The Foundation holds a significant portion of its investments in a pool that invests in pooled funds managed by external investment managers. Investment income (loss) earned on investments held by the Foundation in this pool is allocated to the Funds based on monthly market values. Certain endowed and restricted Funds are invested outside the Foundation's main investment pool.

**Toronto Foundation**

**NOTES TO FINANCIAL STATEMENTS**

[in thousands of dollars]

March 31, 2016

[b] Short-term investments, which are valued at amortized cost, consist of fixed income securities with a weighted average term to maturity of 316 days [2015 – 217 days] and a weighted average yield of 1.12% [2015 – 1.38%].

[c] Total investments, which include funds held on behalf of other parties invested by the Foundation [note 4], are measured at fair value and consist of the following:

	2016		2015	
	\$	%	\$	%
Cash and cash equivalents	15,685	5	3,916	1
Fixed income securities	70,198	23	111,276	37
Canadian equities	44,523	15	38,540	13
U.S. equities	35,357	12	33,711	11
Other foreign equities	91,438	31	90,207	30
Canadian commercial mortgage funds	17,724	6	13,956	5
U.S. and other foreign Floating Rate Income Funds	10,860	4	—	—
Other investments [note 3[d]]	12,543	4	10,024	3
<b>Total investments</b>	<b>298,328</b>	<b>100</b>	<b>301,630</b>	<b>100</b>

Investments in pooled funds have been allocated to the appropriate asset classes.

[d] Other investments include the fair market value of certain alternative investments, including short positions, forward currency contracts and options.

[e] During the current fiscal year, there was a cash distribution in connection with a hedge fund investment of \$550 [2015 – \$239] which is included in investment income. The book value of this investment was written down in 2006; the remaining value was recovered in fiscal 2014.

## Toronto Foundation

### NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

March 31, 2016

#### 4. FUNDS HELD ON BEHALF OF OTHER PARTIES

[a] Funds held on behalf of other parties represent funds included in the investment assets of the Foundation invested on behalf of these parties. There is an offsetting liability amount, as these funds may be withdrawn at any time.

[b] Funds of the following organizations are invested with the Foundation's funds:

	2016	2015
	\$	\$
		<i>[restated – note 4[c]]</i>
Niagara Community Foundation	17,655	22,041
Boys & Girls Clubs of Canada	7,001	7,552
Helen McCrea Peacock Foundation	4,987	5,234
Toronto Zoo Development Funds <i>[note 4[c]]</i>	3,685	3,698
Napanee District Community Foundation	3,408	3,532
Campbellford/Seymour Municipal Foundation	3,181	3,422
Campbellford/Seymour Community Foundation	2,977	3,196
Ontario Society for the Prevention of Cruelty to Animals	2,783	2,821
United Way of St. Catharines and District	2,743	2,753
Huronian Community Foundation	2,521	2,507
Community Foundation of Durham Region	2,336	2,360
Unison Health & Community Services Fund	1,556	1,577
Credit Counselling of Regional Niagara	899	947
Amici Camping Charity	861	901
Muskoka Community Foundation	732	786
Haynes-Connell Foundation	646	612
Metropolitan Community Church	517	521
Writers' Union of Canada	299	—
AFP Foundation for Philanthropy – Canada	264	267
Centre for internationally educated nurses	100	—
<b>Total funds held on behalf of other parties</b>	<b>59,151</b>	<b>64,727</b>

The receipts and disbursements of these funds are not reflected in the statement of revenue and expenses and changes in fund balances.

## Toronto Foundation

### NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

March 31, 2016

[c] In fiscal 2016, the Foundation determined that certain bequests recorded in the Zoo Development Funds in prior years were bequests to the Toronto Zoo Foundation for which the Foundation was named the successor trustee. These bequests, together with related income and expenses, were reclassified to the Restricted Fund. As a result of this change, the Restricted Fund balance as at April 1, 2014 increased by \$979 and the balance of the Zoo Development Funds included in funds held on behalf of other parties decreased by \$979. The reclassification impacted the Restricted Fund statement of revenue and expenses and changes in fund balances in 2015 fiscal as follows: excess of revenue over expenses recorded in the statement of revenue and expenses and changes in fund balances increased by \$152, which consists of an increase in donations of \$17, investment income of \$154, administrative fees of \$14 and external investment management fees of \$5. As at March 31, 2015, funds held on behalf of other parties decreased by \$1,131 with a corresponding increase in the Restricted Fund balance.

#### 5. OTHER FUNDS

[a] Other funds represent funds included in the investment assets of the Foundation that have been contributed to the Foundation. There is an offsetting liability as these funds may be withdrawn at any time and/or the disbursement of the funds is not at the discretion of the Foundation.

[b] Other funds consist of the following:

	2016	2015
	\$	\$
Toronto TO2015 Legacy Fund [note 5[c]]	69,348	67,861
IPIL residual funds [note 5[d]]	6,865	7,137
<b>Total other funds</b>	<b>76,213</b>	<b>74,998</b>

[c] Through contribution agreements entered into between the Government of Canada and the Government of Ontario [the "Contribution Agreements"], the Foundation received \$70,000 in January 2015 to establish a Legacy Fund with the Governments of Canada and Ontario contributing up to \$65,000 and \$5,000, respectively. In March 2016, a further \$7,000 was contributed to this Legacy Fund by the Government of Ontario.

The Foundation is responsible for managing and disbursing funds from the Legacy Fund towards Eligible Costs [as defined in the Contribution Agreements] based on recommendations from representatives appointed by the Government of Canada, the Government of Ontario, the City of Toronto, the Canadian Olympic Committee and the

## Toronto Foundation

### NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

March 31, 2016

Canadian Paralympic Committee. The facilities that will benefit from distributions from the Legacy Fund include: the Toronto Pan Am Sports Centre; the Pan Am and Parapan Am Athletics Stadium and the Pan Am and Parapan Am Velodrome. In fiscal 2016, legacy distributions to the facilities totalled \$5,100 [2015 – \$4,869].

[d] By Court Order dated June 1, 2007, the Foundation was named the Residual Beneficiary of a trust which held the remaining assets of Investment Properties International Limited [“IPIL”]. Effective December 31, 2011, assets with a value of US\$6,000 were transferred to the Foundation, and the Foundation became entitled to all of the investment income realized from these assets, including interest, dividends, and realized gains. Until December 31, 2021, the Foundation is prohibited from using the capital for any reason other than to pay out legitimate claims of the remaining holders of shares in IPIL. On January 1, 2022, the Foundation will become entitled absolutely to all income and the capital that remains undistributed on that date. The market value of these funds as at March 31, 2016 amounts to \$6,865 [2015 - \$7,137].

The investment income realized from these assets is recognized in the Operating Fund as revenue. Unrealized gains and losses, as well as claims and investment management fees related to these funds, are added to or deducted from other funds and are not reflected in the Foundation’s statement of revenue and expenses and changes in fund balances.

#### 6. UNITED WAY TORONTO

The Foundation acts as trustee for investments that it holds in the name of the United Way Toronto, which, as at March 31, 2016, totalled \$90,113 [2015 – \$90,345]. These investments are not recorded in these financial statements.

#### 7. OTHER ASSETS

Other assets include accounts receivable, prepaid expenses, capital equipment and donated assets intended to be sold.

As at March 31, 2016, the carrying value of donated assets intended to be sold included in other assets amounts to \$189 [2015 – \$212].

**Toronto Foundation**

**NOTES TO FINANCIAL STATEMENTS**

[in thousands of dollars]

March 31, 2016

**8. ENDOWMENT FUND**

[a] The Endowment Fund consists of the following:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
		<i>[restated – note 4(c)]</i>
<b>Donor Advised Funds</b>		
Funds where grants are distributed to charitable organizations designated by donors at the time the Fund is established or advised annually by donors	<b>120,050</b>	118,908
<b>Community Funds</b>		
Funds where grants are distributed at the discretion of the Foundation's Board	<b>10,462</b>	10,800
Funds where grants are distributed for use in a field of interest at the discretion of the Foundation's Board	<b>14,337</b>	18,592
Funds where grants have been designated for operations by the donor	<b>3,494</b>	3,674
	<b>148,343</b>	151,974

[b] The restrictions on the Endowment Fund are as follows:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
		<i>[restated – note 4(c)]</i>
Externally endowed in perpetuity	<b>68,656</b>	70,199
Board endowed	<b>12,930</b>	13,933
Term endowed	<b>66,757</b>	67,842
	<b>148,343</b>	151,974

**Toronto Foundation**

**NOTES TO FINANCIAL STATEMENTS**

[in thousands of dollars]

March 31, 2016

[c] The Foundation has a policy with the objective of protecting the real value of the endowments by limiting the amount of income made available for spending [granting and operating costs] and requiring the reinvestment into the Endowment Fund of income not made available. During the year, 3.5% [2015 – 3.5%] of the market value of most of the fund balances was made available for granting purposes. Further, an amount representing 1.5% - 2.0% [2015 – 1.5% - 2.0%] of the market value of most of the fund balances was made available to cover investment management fees, and program and administrative expenses. In any year that net investment income is insufficient to fund grants or expenses, an amount is transferred from the Endowment Fund to the Restricted and Operating Funds to cover them.

**9. RESTRICTED FUND**

The Restricted Fund balance consists of the following amounts available for restricted purposes:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
		<i>[restated – note 4[c]]</i>
Unspent amounts available for grants attributable to externally endowed Funds	<b>893</b>	647
Unspent amounts available for grants attributable to Board and term endowed funds	<b>1,621</b>	1,149
Other unspent Restricted Funds	<b>28,750</b>	24,711
<b>Total Restricted Fund balance</b>	<b>31,264</b>	26,507

**Toronto Foundation**

**NOTES TO FINANCIAL STATEMENTS**

[in thousands of dollars]

March 31, 2016

**10. INVESTMENT INCOME**

The following summarizes the allocation of investment income (loss) according to the Foundation's investment policy:

	<b>2016</b>			<b>Total</b>
	<b>Endowment Fund</b>	<b>Restricted Fund</b>	<b>Operating Fund</b>	
	\$	\$	\$	\$
Allocation for granting	—	5,286	—	5,286
Allocation for administrative fees	1,309	1,677	—	2,986
Allocation for operations	—	—	435	435
Draw-down from prior year's capital preservation	(3,700)	(4,469)	—	(8,169)
<b>Total investment income (loss)</b>	<b>(2,391)</b>	<b>2,494</b>	<b>435</b>	<b>538</b>

	<b>2015</b>			<b>Total</b>
	<b>Endowment Fund</b>	<b>Restricted Fund</b>	<b>Operating Fund</b>	
	\$	\$	\$	\$
Allocation for granting	—	6,046	—	6,046
Allocation for administrative fees	1,253	1,507	—	2,760
Allocation for capital preservation	5,010	6,085	—	11,095
Allocation for operations	—	—	925	925
<b>Total investment income</b>	<b>6,263</b>	<b>13,638</b>	<b>925</b>	<b>20,826</b>

*[restated –  
note 4(c)]*



**Toronto Foundation**

**NOTES TO FINANCIAL STATEMENTS**

[in thousands of dollars]

March 31, 2016

**11. GRANTS**

Grants were funded as follows:

	2016 \$	2015 \$
Grants from Endowment Fund earnings	3,411	3,536
Grants from Restricted Funds	10,969	6,759
	<b>14,380</b>	<b>10,295</b>

In 2015, the Foundation, in collaboration with Toronto Organizing Committee [“TO2015 Committee”] for the 2015 Pan American and Parapan American Games [the “Games”], established Friends of the Games, a charitable giving program. In 2016, the Foundation raised \$1,502 to send youth from Toronto and surrounding communities to the Games. Under this program the Foundation purchased tickets to the Games and granted the tickets to youth through charitable agencies that provide services to at-risk children. The cost of the tickets granted of \$1,194 is included in grants from restricted funds.

**12. TRANSFERS BETWEEN FUNDS**

Interfund transfers consist of the following:

	2016		
	Endowment Fund \$	Restricted Fund \$	Operating Fund \$
Transfer of new donations to be managed as endowments	2,399	(2,399)	—
Investment loss for Board and term endowed funds	(3,069)	3,069	—
Administrative fees	(1,400)	1,400	—
Other transfers	(18)	(87)	105
	<b>(2,088)</b>	<b>1,983</b>	<b>105</b>

**Toronto Foundation**

**NOTES TO FINANCIAL STATEMENTS**

[in thousands of dollars]

March 31, 2016

	<b>2015</b>		
	<b>Endowment Fund</b>	<b>Restricted Fund</b>	<b>Operating Fund</b>
	\$	\$	\$
			<i>[restated - note 4(c)]</i>
Transfer of new donations to be managed as endowments	2,191	(2,191)	—
Transfer for capital preservation	6,085	(6,085)	—
Other transfers	(4)	(83)	87
	<b>8,272</b>	<b>(8,359)</b>	<b>87</b>

**13. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>2016</b>	<b>2015</b>
	\$	\$
Salaries and wages	<b>1,469</b>	1,414
Consultants and contracted services	<b>187</b>	110
Office	<b>511</b>	442
Marketing and advertising	<b>361</b>	108
Fundraising	<b>50</b>	7
Other	<b>6</b>	43
	<b>2,584</b>	<b>2,124</b>

**14. INTEREST IN LIFE INSURANCE POLICIES**

The Foundation is the assignee and owner of life insurance policies with a cash surrender value of \$596, [2015 – \$747]. No value related to these policies is included in these financial statements.

## Toronto Foundation

### NOTES TO FINANCIAL STATEMENTS

[in thousands of dollars]

March 31, 2016

#### 15. COMMITMENTS

The Foundation is required to make future minimum annual lease payments for its premises as follows:

	\$
2017	66
2018	67
2019	28
	<u>161</u>

#### 16. CREDIT FACILITY

On March 31, 2011, the Foundation entered into a demand operating facility agreement with a commercial bank for a \$750 revolving demand loan bearing interest at the bank's prime lending rate plus 0.5%, against which the assets held for the Operating Fund balance have been pledged as security. As at March 31, 2016, the bank prime rate was 2.7% [March 31, 2015 – 2.85%] and at this date no amounts had been drawn on this facility.

#### 17. FINANCIAL INSTRUMENTS

The Foundation is exposed to various financial risks through transactions in financial instruments.

##### Currency risk

The Foundation is exposed to foreign currency risk with respect to its investments denominated in foreign currencies, including the underlying investments of its pooled funds denominated in foreign currencies, because the fair value and future cash flows will fluctuate due to the changes in the relative value of foreign currencies against the Canadian dollar.

##### Credit risk

The Foundation is exposed to credit risk in connection with its short-term investments because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation.

**Toronto Foundation**

**NOTES TO FINANCIAL STATEMENTS**

[in thousands of dollars]

March 31, 2016

**Interest rate risk**

The Foundation is exposed to interest rate risk with respect to its short-term and fixed income investments and pooled funds that hold fixed income securities because the fair value will fluctuate due to changes in market interest rates.

**Other price risk**

The Foundation is exposed to other price risk through changes in market prices [other than changes arising from interest rate or currency risks] in connection with its investments in equity securities and pooled funds.

**18. COMPARATIVE FINANCIAL STATEMENTS**

Certain comparative figures have been reclassified in order to conform with the current year's presentation.

