

HAZEL
McCALLION
FOUNDATION
for the Arts, Culture
and Heritage

2009 FINANCIAL STATEMENTS

August 31, 2009



WITHEY ADDISON LLP
CHARTERED ACCOUNTANTS
TAX CONSULTANTS
MANAGEMENT CONSULTANTS

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AUDITORS' REPORT

To the Directors of Hazel McCallion Foundation for the Arts, Culture and Heritage

We have audited the statement of financial position of Hazel McCallion Foundation for the Arts, Culture and Heritage as at August 31, 2009 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at August 31, 2009 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Mississauga, Canada
January 31, 2011

WITHEY ADDISON LLP

Withey Addison LLP
Chartered Accountants
Licensed Public Accountants

**HAZEL MCCALLION FOUNDATION FOR THE ARTS, CULTURE AND
HERITAGE
STATEMENT OF FINANCIAL POSITION**

AUGUST 31, **2009**

ASSETS

CURRENT

Cash	\$ 88,233
Short-term investments - note 3	700,000
GST receivable	11,566
	<hr/>
	\$ 799,799

LIABILITIES

CURRENT

Accounts payable - note 4	\$ 5,651
Deferred revenue - note 5	36,200
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	\$ 41,851

NET ASSETS

OPERATING FUND	<hr/>
	757,948
	<hr/>
	\$ 757,948
	<hr/>
	\$ 799,799

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

**HAZEL MCCALLION FOUNDATION FOR THE ARTS, CULTURE AND
HERITAGE
STATEMENT OF OPERATIONS**

FOR THE YEAR ENDED AUGUST 31,

2009

REVENUE

Donations	\$ 5,200
Tickets	438,449
Sponsorships	91,065
Auction	115,629
Investment income	105
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	\$ 650,448

EXPENSES

Administration	\$ 21,707
Auction	16,463
Feature entertainment	200,185
Food and beverage	135,649
Production	43,589
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	\$ 417,593

**EXCESS OF REVENUE
OVER EXPENSES**

\$ 232,855

TRANSFER FROM CITY OF MISSISSAUGA - note 7

525,093

OPERATING FUND - beginning of year

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OPERATING FUND - end of year

\$ 757,948

See accompanying Notes to the Financial Statements

**HAZEL MCCALLION FOUNDATION FOR THE ARTS, CULTURE
AND HERITAGE**
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED AUGUST 31, 2009

CASH FROM OPERATING ACTIVITIES:

Excess of revenue over expenses	\$ 232,855
Net change in non-cash working capital:	
GST receivable	(11,566)
Accounts payable	5,651
Deferred revenue	36,200

\$ 263,140

FINANCING AND INVESTING ACTIVITIES:

Transfer from City of Mississauga to Operating Fund	525,093
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NET INCREASE IN CASH \$ 788,233

CASH - beginning of year -

CASH - end of year \$ 788,233

REPRESENTED BY:

Bank	\$ 88,233
Short-term investments	700,000

\$ 788,233

HAZEL MCCALLION FOUNDATION FOR THE ARTS, CULTURE AND HERITAGE

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2009

1. PURPOSE OF THE ORGANIZATION

The purpose of the Hazel McCallion Foundation for the Arts, Culture and Heritage is to promote and fund arts, culture and heritage for people in Mississauga. It is exempt from income taxes under Section 149(1) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

REVENUE RECOGNITION

Donations, ticket sales, sponsorship and auction revenues are recognized when the event has been held. Interest and other income is recognized as earned

USE OF ESTIMATES

The preparation of the Foundation's financial statements in conformity with Canadian generally accepted accounting principles 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 revenues 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.

CONTRIBUTED MATERIAL AND SERVICES

Volunteers contribute material and services to assist the Corporation to carry out its activities. Because of the difficulty of determining the fair value, contributed material and services are not recognized in the financial statements.

HAZEL MCCALLION FOUNDATION FOR THE ARTS, CULTURE AND HERITAGE

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES - continued

FINANCIAL INSTRUMENTS

The Foundation classifies its financial instruments into one of the following categories based on the purpose for which each asset was acquired or liability incurred. The Foundation's accounting policy for each category is as follows:

- i) **Assets held-for-trading** - financial instruments classified as held-for-trading are reported at fair value at each statement of financial position date, and any change in fair value is recognized in the statement of operations and net assets in the period during which the change occurs. Transaction costs are expensed when incurred. In these financial statements, cash, short-term investments, accounts receivable and accounts payable have been classified as held-for-trading.
- ii) **Available-for-sale investments** - financial instruments classified as available-for-sale are reported at fair value at each statement of financial position date, and any change in fair value is recognized in net assets in the period in which the change occurs. All transactions related to investments are recorded on a settlement date basis.
- iii) **Held-to-maturity investments** - financial instruments classified as held-to-maturity are reported at fair value at each statement of financial position date, using the effective interest rate method. Any change in fair value is recognized in the statement of operations and net assets in the period during which the change occurs.
- iv) **Loans and receivables and financial liabilities held for purposes other than for trading** - financial instruments classified as loans and receivable, and financial liabilities held for purposes other than trading, are carried at amortized cost using the effective interest rate method. Transaction costs are expensed when incurred.

CASH AND CASH EQUIVALENTS

The Foundation's policy is to disclose bank balances under cash and cash equivalents including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and temporary investments with a maturity period of three months or less from the date of acquisition.

HAZEL MCCALLION FOUNDATION FOR THE ARTS, CULTURE AND HERITAGE

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2009

3. TEMPORARY INVESTMENTS

	2009
Royal Bank GIC - 0.20% interest rate, maturing June 11, 2010	\$ 240,000
Royal Bank GIC - 0.20% interest rate, maturing June 11, 2010	240,000
Royal Bank GIC - 0.20% interest rate, maturing June 11, 2010	220,000
	<u>\$ 700,000</u>

The Foundation manages its investments according to its cash needs and in such a way as to optimise interest income.

4. ACCOUNTS PAYABLE

	2009
Trade payables and accrued liabilities	<u>\$ 5,651</u>

The trade payables and accrued liabilities above all have normal credit and payment terms.

6. DEFERRED REVENUE

Deferred revenue is made up of tickets sales received for the upcoming Gala.

7. TRANSFER FROM THE CITY OF MISSISSAUGA

These funds represent the transfer of the balance in the Mayor's Gala fund held at the City of Mississauga.

**HAZEL MCCALLION FOUNDATION FOR THE ARTS, CULTURE
AND HERITAGE**
NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2009

8. FINANCIAL INSTRUMENTS

The fair value of cash, short-term investments, accounts receivable and accounts payable approximate their carrying amounts given their short-term maturities.

The Board of Directors is of the opinion that the Foundation is not exposed to significant interest, credit or market risk arising from these financial instruments.

9. REMUNERATION OF DIRECTORS AND OFFICERS

No remuneration was paid to Directors or Officers during the year.

10. CAPITAL DISCLOSURES

The Foundation's objectives when managing capital are to hold sufficient unrestricted net assets to enable it to withstand negative unexpected financial events, in order to maintain stability in the financial structure. The Foundation also seeks to maintain sufficient liquidity and short-term investments to meet its obligations as they come due. The Foundation manages its investments in such a manner as to maximize investment income and ensure the safety of its assets. The Foundation is not subject to any externally imposed requirements on capital.