

HAZEL
McCALLION
FOUNDATION
for the Arts, Culture
and Heritage

2010 FINANCIAL STATEMENTS

August 31, 2010



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, 2010 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, 2010 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,	2010	2009
ASSETS		
CURRENT		
Cash	\$ 65,829	\$ 88,233
Short-term investments - note 4	-	700,000
GST receivable	14,816	11,566
	\$ 80,645	\$ 799,799
INVESTMENTS - note 3	901,827	-
	\$ 982,472	\$ 799,799

LIABILITIES		
CURRENT		
Accounts payable - note 5	\$ 15,783	\$ 5,651
Deferred revenue - note 6	48,789	36,200
	\$ 64,572	\$ 41,851

NET ASSETS		
OPERATING FUND	917,900	757,948
	\$ 917,900	\$ 757,948
	\$ 982,472	\$ 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,	2010	2009
REVENUE		
Donations	\$ 1,150	\$ 5,200
Tickets	294,785	438,449
Sponsorships	75,000	91,065
Auction	104,375	115,629
Investment income	4,044	105
Unrealized gain on investments	11,668	-
	\$ 491,022	\$ 650,448
EXPENSES		
Administration	\$ 37,499	\$ 21,707
Auction	21,413	16,463
Feature entertainment	107,026	200,185
Food and beverage	92,232	135,649
Grant - Oscar Peterson Memorial	25,000	-
Production	52,688	43,589
	\$ 335,858	\$ 417,593
EXCESS OF REVENUE OVER EXPENSES	\$ 155,164	\$ 232,855
TRANSFER FROM CITY OF MISSISSAUGA - note 7	\$ 4,788	525,093
OPERATING FUND - beginning of year	757,948	-
OPERATING FUND - end of year	\$ 917,900	\$ 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,	2010	2009
CASH FROM OPERATING ACTIVITIES:		
Excess of revenue over expenses	\$ 155,164	\$ 232,855
Net change in non-cash working capital:		
Accounts receivable	(3,250)	(11,566)
Accounts payable	10,132	5,651
Deferred revenue	12,589	36,200
	\$ 174,635	\$ 263,140
FINANCING AND INVESTING ACTIVITIES:		
Purchase of investments (net of proceeds)	\$ (201,827)	\$ (700,000)
Transfer from City of Mississauga to Operating Fund	4,788	525,093
	\$ (197,039)	\$ (174,907)
NET INCREASE IN CASH	\$ (22,404)	\$ 88,233
CASH - beginning of year	88,233	-
CASH - end of year	\$ 65,829	\$ 88,233

See accompanying Notes to the Financial Statements

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

AUGUST 31, 2010

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, 2010

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, 2010

3. INVESTMENTS

	2010 Market Value
Prov of BC Note due 12/12/2010	\$ 2,994
Cdn Western Bank GIC 1.75% due 4/13/2011	80,537
Prov of BC 3.7% semi-annual package due 1/09/2012	49,725
AGF Trust GIC 2.57% due 4/13/2012	80,789
Wells Fargo 4.4% due 12/12/2012	29,523
Remor Trust GIC 3.25% due 4/15 2013	80,997
BNS 4.56% due 10/20/2013	40,152
Altagas Gas Ltd	19,076
Bank of Nova Scotia	17,476
BCE Inc. new	22,625
Canadian National Railway	20,953
Canadian Oil Sands Trust units	15,148
Canadian Apartment PPTYs Real Estate units	23,144
Calloway Real Estate units	16,917
Encana Corp.	18,223
Enbridge Inc.	21,379
Husky Energy Inc.	16,419
Inter Pipeline Fund	22,042
IGM Financial Inc.	17,462
H&R Real Estate Investment Trust	22,635
Morguard Real Estate Trust	15,481
National Bank of Canada	20,198
Power Financial Corp.	17,651
Royal Bank of Canada	17,136
Shaw Communications Inc.	22,132
Trancanada Corporation	20,216
Thomson Reuters Corporation	20,404
Toromont Industries Ltd.	18,506
Toronto Dominion Bank	19,336
George Weston Ltd.	22,524
Manulife bank Investment savings account	90,027
	<hr/> \$ 901,827 <hr/>

HAZEL MCCALLION FOUNDATION FOR THE ARTS, CULTURE AND HERITAGE

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2010

4. TEMPORARY INVESTMENTS

	2010	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>\$ -</u>	<u>\$ 700,000</u>

5. ACCOUNTS PAYABLE

	2010	2009
Trade payables and accrued liabilities	\$ 15,783	\$ 5,651

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.

8. FINANCIAL INSTRUMENTS

The fair value of cash, 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.

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

AUGUST 31, 2010

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.