

*crawford
smith &
swallow*

NIAGARA COMMUNITY FOUNDATION

Financial Statements

December 31, 2007



NIAGARA COMMUNITY FOUNDATION

Financial Statements

December 31, 2007

Table of Contents

	Page
Auditors' Report	1
Balance Sheet	2
Statement of Revenue, Expenses and Fund Balances	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 8

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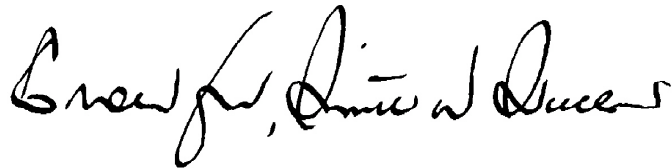
AUDITORS' REPORT

To the Directors of
Niagara Community Foundation

We have audited the balance sheet of Niagara Community Foundation as at December 31, 2007 and the statements of revenue, expenses and fund balances 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 of 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 December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Niagara Falls, Ontario
March 20, 2008

CRAWFORD, SMITH AND SWALLOW
CHARTERED ACCOUNTANTS LLP

LICENSED PUBLIC ACCOUNTANTS

NIAGARA COMMUNITY FOUNDATION

BALANCE SHEET

December 31, 2007

	2007 \$	2006 \$
Assets		
Cash	155,291	523,971
Accounts receivable	116,637	8,129
Prepaid expenses	12,324	12,826
Investments - note 2	9,801,184	4,828,397
Fixed assets - note 3	4,789	4,557
	10,090,225	5,377,880
Liabilities and Fund Balances		
Liabilities		
Accounts payable and accrued liabilities	28,042	26,106
Grants payable	113,282	132,013
Deferred revenue	41,678	50,419
	183,002	208,538
Fund Balances		
Operating fund - note 4	106,941	89,459
Endowment fund	9,800,282	5,079,883
	9,907,223	5,169,342
	10,090,225	5,377,880

Signed on behalf of the board:

_____ Director

_____ Director

See accompanying notes

NIAGARA COMMUNITY FOUNDATION
STATEMENT OF REVENUE, EXPENSES AND
FUND BALANCES

for the year ended December 31, 2007

	Operating Fund \$	Endowment Fund \$	2007 \$	2006 \$
Revenue				
Donations	20,267	4,898,348	4,918,615	1,446,604
Restricted donations		287,376	287,376	253,414
Investment income - note 2	64,691	23,049	87,740	344,728
Special events and sundry	266,612		266,612	64,513
Trillium grant	2,945		2,945	7,760
Other grants	3,523		3,523	9,392
	358,038	5,208,773	5,566,811	2,126,411
Expenses				
Advertising and promotion	6,498		6,498	11,374
Depreciation	1,455		1,455	1,362
Grants		419,382	419,382	484,462
Investment counsel fees		60,009	60,009	47,381
Office and administration	49,542	8,983	58,525	47,944
Salaries and benefits	107,483		107,483	91,754
Special events and projects	175,578		175,578	5,773
	340,556	488,374	828,930	690,050
Excess of Revenue over Expenses for the Year	17,482	4,720,399	4,737,881	1,436,361
Fund Balance, Beginning of Year	89,459	5,079,883	5,169,342	3,732,981
Fund Balance, End of Year	106,941	9,800,282	9,907,223	5,169,342

See accompanying notes

NIAGARA COMMUNITY FOUNDATION

STATEMENT OF CASH FLOWS

for the year ended December 31, 2007

	2007	2006
	\$	\$
Operating Activities		
Excess of revenue over expenses for the year	4,737,881	1,436,361
Depreciation	1,455	1,362
Working capital provided by operations	4,739,336	1,437,723
Changes in working capital components		
Accounts receivable	(108,508)	5,234
Prepaid expenses	502	2,947
Accounts payable and accrued liabilities	1,936	8,722
Grants payable	(18,731)	40,903
Deferred revenue	(8,741)	11,141
	(133,542)	68,947
Funds provided by operating activities	4,605,794	1,506,670
Investing Activities		
Capital expenditures	(1,687)	(2,159)
Investments	(4,972,787)	(1,126,448)
Funds used by investing activities	(4,974,474)	(1,128,607)
Increase (Decrease) in Cash Position	(368,680)	378,063
Cash Position, Beginning of Year	523,971	145,908
Cash Position, End of Year	155,291	523,971

See accompanying notes

NIAGARA COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 2007

Organization

Niagara Community Foundation was incorporated without share capital in April, 2000 as a non-profit corporation under the laws of Canada. The Foundation is a public foundation registered under the Income Tax Act (Canada) and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes. Niagara Community Foundation serves the Niagara Peninsula by building permanently endowed charitable funds for the changing needs and opportunities of the community.

1. Significant Accounting Policies

The financial statements of the corporation are the representations of management prepared in accordance with Canadian generally accepted accounting principles, consistently applied. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment in the light of available information. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Fund accounting

The operating fund reports resources available for the foundation's general operating activities including fixed assets.

The endowment fund reports resources that are required to be maintained by the foundation on a permanent basis.

Revenue recognition

Contributions are recognized as revenue of the appropriate fund as received, except in the case of donated goods and services. Restricted donations are treated as deferred revenue until disbursed.

Gifts-in-kind

Gifts-in-kind are recognized when the fair value can be reasonably estimated, the materials are used in the normal course of operations and the organization would have purchased the materials or services if they had not been contributed.

Investments

Investments are classified as held for trading and reported at fair value. They are initially recognized at acquisition cost and subsequently re-measured at fair value at each reporting date.

Investment income

Interest income is recognized when earned, dividends when declared, and investment gains and losses when realized or based on fair value on the balance sheet date for investments classified as held for trading.

NIAGARA COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 2007

1. Significant Accounting Policies - continued

Fixed assets and depreciation

Fixed assets are recorded at cost. Expenditures for maintenance and repairs are charged to operating expenses.

Depreciation is calculated using the declining balance method at rates designed to amortize the cost of fixed assets as follows:

Equipment and furnishings	- 20 %
Computer equipment	- 30 %

Additions during the year are depreciated from the month of acquisition. Disposals are depreciated until the month of disposition. Gains or losses on assets sold or otherwise disposed of are included in the statement of operations.

2. Investments and Investment Income

	2007	2006
	\$	\$
Toronto Community Foundation	9,589,446	4,630,772
Temporary investments	211,738	197,625
	9,801,184	4,828,397

A part of the foundation's investments are pooled with the investments of the Toronto Community Foundation for investing purposes.

The pooled funds are invested as follows:

	2007	2006
	%	%
Canadian equities	23.30	28.97
Global equities	39.60	30.25
Bonds	35.90	39.34
Alternative strategies	1.20	1.44
	100.00	100.00

NIAGARA COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 2007

2. Investments and Investment Income - continued

	2007 \$	2006 \$
Income earned on funds administered by the Toronto Community Foundation on the foundation's behalf	23,049	293,072
Income earned on the assets held by the Operating Fund	18	12
Interest earned on Endowment Fund short term money market accounts	8,614	9,197
An amount equal to the aggregate of the administrative fee charged to each Endowment Fund	56,059	42,447
	64,691	51,656
	87,740	344,728

3. Fixed Assets

	Cost \$	Accumulated Depreciation \$	2007 \$	2006 \$
Equipment and furnishings	7,375	4,226	3,149	2,215
Computer equipment	5,255	3,615	1,640	2,342
	12,630	7,841	4,789	4,557

4. Operating Fund Balance

	2007 \$	2006 \$
Invested in fixed assets		
Fixed assets	4,789	4,557
Deferred contributions restricted towards fixed assets	858	1,171
	3,931	3,386
Unrestricted	103,010	86,073
	106,941	89,459

5. Pledges

As at December 31, 2007, pledges expected to be received in future years is \$ 134,150. This amount is not reflected in the accompanying financial statements.

NIAGARA COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 2007

6. Life Insurance Policies

The foundation is the owner and beneficiary of certain life insurance policies. The face value of the policies is \$ 332,943. This amount is not reflected in the accompanying financial statements.

7. Financial Instruments

Price Risk

The foundation has investments totaling \$ 9,801,184 which fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Accordingly, the foundation is exposed to the effects of market fluctuations.

8. Disbursement Quota

In 2008, the foundation is required to disburse \$ 487,638 and has an excess carry-forward of \$ 1,035,859. Accordingly, the foundation is not required to make any net disbursement in order to meet the 2008 disbursement quota.

9. Gifts-in-Kind

During the year the foundation received \$ 86,660 of gifts-in-kind.

10. Comparative Figures

Prior year amounts have been restated to conform to the current year's presentation.