

**COMMUNITY FOUNDATION OF  
GREATER PETERBOROUGH**

**FINANCIAL STATEMENTS**

**December 31, 2019**

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GREATER PETERBOROUGH**

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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Community Foundation of Greater Peterborough**

#### *Opinion*

We have audited the financial statements of Community Foundation of Greater Peterborough (the Foundation), which comprise the statement of financial position as at December 31, 2019, the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2019, 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.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

## **ASSURANCE • TAX • ADVISORY**

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### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### *Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
May 11, 2020

# COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

## STATEMENT OF FINANCIAL POSITION As at December 31, 2019

	2019 \$	2018 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	295,184	174,002
Accounts receivable	18,959	6,583
Prepaid expenses	2,945	1,329
	<u>317,088</u>	<u>181,914</u>
<b>Other assets</b>		
Investments (note 3)	10,750,540	9,787,820
Funds held in trust (note 4)	124,539	130,713
Note receivable (note 5)	305,000	305,000
	<u>11,180,079</u>	<u>10,223,533</u>
	<u>11,497,167</u>	<u>10,405,447</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 6)	9,384	22,443
Deferred revenue (note 7)	23,950	18,500
Deferred grant contributions	-	6,741
	<u>33,334</u>	<u>47,684</u>
<b>Funds held in trust (note 4)</b>	<u>124,539</u>	<u>130,713</u>
	<u>157,873</u>	<u>178,397</u>
<b>Fund balances</b>		
Operating	340,014	362,262
Internally restricted	52,401	50,613
Externally restricted (note 8)	10,946,879	9,814,175
	<u>11,339,294</u>	<u>10,227,050</u>
	<u>11,497,167</u>	<u>10,405,447</u>

The accompanying notes are an integral part of these financial statements

# COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

## STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES For the Year Ended December 31, 2019

	Operating Fund 2019 \$	Internally Restricted Fund 2019 \$	Externally Restricted Fund 2019 \$	Total 2019 \$	Total 2018 \$
<b>Revenue</b>					
Donations	20,320	4,140	962,852	987,312	4,277,391
Investment income (note 9)	89,560	6,077	1,000,799	1,096,436	(99,430)
Events	74,650	-	-	74,650	128,752
Grants	6,741	-	-	6,741	13,759
Administrative fees	1,609	-	-	1,609	1,731
<b>Total revenue</b>	<b>192,880</b>	<b>10,217</b>	<b>1,963,651</b>	<b>2,166,748</b>	<b>4,322,203</b>
<b>Expenses</b>					
Wages and benefits	207,050	-	-	207,050	223,290
Professional fees	21,871	281	62,740	84,892	83,785
Fundraising	28,782	-	-	28,782	36,090
Program	3,851	-	-	3,851	12,562
Occupancy costs	15,378	-	-	15,378	14,656
Office and administration	35,765	19	588	36,372	22,876
Training and development	14,830	-	-	14,830	7,222
<b>Total expenses</b>	<b>327,527</b>	<b>300</b>	<b>63,328</b>	<b>391,155</b>	<b>400,481</b>
<b>Excess (Deficiency) of Revenue over Expenses for the Year before the Following</b>	<b>(134,647)</b>	<b>9,917</b>	<b>1,900,323</b>	<b>1,775,593</b>	<b>3,921,722</b>
<b>Grants paid</b>	<b>-</b>	<b>(8,120)</b>	<b>(655,229)</b>	<b>(663,349)</b>	<b>(493,337)</b>
<b>Excess (Deficiency) of Revenue over Expenses for the Year</b>	<b>(134,647)</b>	<b>1,797</b>	<b>1,245,094</b>	<b>1,112,244</b>	<b>3,428,385</b>
<b>Fund transfers (note 10)</b>	<b>112,399</b>	<b>(9)</b>	<b>(112,390)</b>	<b>-</b>	<b>-</b>
<b>Fund balances - beginning of year</b>	<b>362,262</b>	<b>50,613</b>	<b>9,814,175</b>	<b>10,227,050</b>	<b>6,798,665</b>
<b>Fund balances - end of year</b>	<b>340,014</b>	<b>52,401</b>	<b>10,946,879</b>	<b>11,339,294</b>	<b>10,227,050</b>

The accompanying notes are an integral part of these financial statements

# COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

## STATEMENT OF CASH FLOWS For the Year Ended December 31, 2019

	2019	2018
	\$	\$
<b>CASH PROVIDED FROM (USED FOR):</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	1,112,244	3,428,385
Item not affecting cash		
Unrealized gain on investments	(627,938)	400,715
Changes in non-cash working capital items		
Accounts receivable	(12,376)	(504)
Prepaid expenses	(1,616)	1,341
Accounts payable and accrued liabilities	(13,059)	9,886
Deferred grant contributions	(6,741)	(5,759)
Deferred revenue	5,450	(37,975)
<b>Net increase in cash from operating activities</b>	<b>455,964</b>	<b>3,796,089</b>
<b>Investing activities</b>		
Increase in note receivable	-	(305,000)
Purchase of investments	(2,037,820)	(4,154,399)
Proceeds on disposal of investments	1,814,505	667,658
Realized gain on investments	(111,467)	(44,033)
<b>Net decrease in cash from investing activities</b>	<b>(334,782)</b>	<b>(3,835,774)</b>
<b>Increase (decrease) in cash</b>	<b>121,182</b>	<b>(39,685)</b>
<b>Cash - beginning of year</b>	<b>174,002</b>	<b>213,687</b>
<b>Cash - end of year</b>	<b>295,184</b>	<b>174,002</b>

The accompanying notes are an integral part of these financial statements

# COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2019

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### 1. NATURE OF OPERATIONS

Community Foundation of Greater Peterborough ("the Foundation") is a not-for-profit charitable organization providing philanthropic funds for social, cultural, educational, environmental and other community purposes, to enhance the quality of life in the Greater Peterborough region.

The Foundation, known at the time as the Peterborough Affordable Housing Foundation, was incorporated April 12, 2002 without share capital under Part II of the Canada Corporations Act. Supplementary Letters Patent amending the organization's charitable objects and changing the name to Community Foundation of Greater Peterborough were issued April 2008 and has continued since November 2013 under the Canada Not-for-profit Corporations Act. The Foundation is registered as a charitable organization, and is designated as a public foundation pursuant to Section 149.1 of the Income Tax Act.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Significant aspects of the accounting policies are as follows:

(a) *Revenue recognition*

The Foundation uses the restricted fund method of accounting. Grants and donations are recognized in the respective fund when received or receivable if collection is reasonably assured. Investment income is recognized as revenue when earned. Event revenue is recognized as revenue when the event occurs.

(b) *Fund accounting*

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Foundation, the accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting purposes into funds that are in accordance with particular activities or objectives specified.

These funds are classified as follows:

- (i) Operating fund - includes results of day-to-day operating transactions;
- (ii) Externally Restricted Funds - includes contributions for special purposes as designated by external parties and endowment contributions; and
- (iii) Internally Restricted Funds - includes contributions for special purposes as designated by the Board of the Foundation.

(c) *Tangible capital assets*

Tangible capital assets are recorded at cost. The Foundation provides for amortization using the straight-line method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The Foundation has no significant tangible capital assets.

# COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2019

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### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (d) *Deferred grant contributions*

Deferred grant contributions represents grants which have been collected but for which the related expenses have not been incurred. These amounts will be recognized as revenues in the fiscal year when the expenses have been incurred.

#### (e) *Measurement of financial instruments*

The Foundation initially measures its financial assets and financial liabilities at fair value.

The Foundation subsequently measures its financial assets and financial liabilities at amortized cost, except for investments quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in the statement of operations and changes in fund balances.

Financial assets measured at amortized cost include cash, accounts receivable and notes receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include investments.

#### (i) *Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations and changes in fund balances.

#### (l) *Contributed services*

The Foundation relies on many volunteers to carry out its mandate. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

#### (g) *Management estimates*

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, accounts payable and accrued liabilities, impairments of assets and grant revenues. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

# COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2019

### 3. INVESTMENTS

Investments of the Foundation are managed by Richardson GMP, Jarislowsky Fraser and RBC Dominion Securities. Investment policies for each portfolio include guidelines specifying the balance of domestic and international equities, fixed income and alternative investments designed to generate a total investment return that supports the Foundation's granting, recovers the cost of managing and administering the funds, protects the purchasing power of the capital component and establishes a reserve for potential market declines. Investments are stated at market value.

	2019	2018
	\$	\$
Richardson GMP	2,396,542	2,211,141
Jarislowsky Fraser	4,971,468	3,923,987
RBC Dominion Securities	73,382	314,782
RBC CKLFCC Fund	50,245	49,748
RBC OCF	602,163	786,675
RBC 2040 Fund	2,656,740	2,501,487
	10,750,540	9,787,820

### 4. FUNDS HELD IN TRUST

The funds held in trust are held and invested on behalf of other organizations. The funds contributed are not owned by the Foundation, but managed for these organizations.

The Foundation has a corresponding liability for the funds held in trust which offsets the asset balance in the amount of \$124,539 (2018 - \$130,713).

### 5. NOTES RECEIVABLE

The Foundation has a loan receivable in the amount of \$305,000 (2018 - \$305,000) established with The Mount Community Centre. The loan receivable is unsecured with interest only payments and bears interest at 3.5% per annum until the loan's maturity date on November 30, 2021.

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consists of the following:

	2019	2018
	\$	\$
Accounts payable and accrued liabilities	9,384	14,137
Payroll liabilities	-	8,306
	9,384	22,443

# COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2019

### 7. DEFERRED REVENUE

Deferred revenue consists of sponsorships and ticket sales received in advance of the fundraising event.

### 8. EXTERNALLY RESTRICTED FUND

The Externally Restricted Fund includes endowments of \$6,186,856 (2018 - \$4,103,759).

### 9. INVESTMENT INCOME

Investment income consists of:

	Operating Fund 2019 \$	Internally Restricted Fund 2019 \$	Externally Restricted Fund 2019 \$	Total 2019 \$	Total 2018 \$
Dividends and interest	20,902	2,051	334,078	357,031	257,252
Realized gain on investments	-	-	111,467	111,467	44,033
Unrealized gain (loss) on investments	25,950	4,552	597,436	627,938	(400,715)
Transfer of philanthropic advisory service fees	42,708	(526)	(42,182)	-	-
	89,560	6,077	1,000,799	1,096,436	(99,430)

The transfers of philanthropic advisory service fees within the Statement of Operations and Changes in Fund Balances are in accordance with specific fund agreements. These transfers consist of amounts stipulated in specific fund agreements and payment of philanthropic advisory service fees on flow-through donations.

### 10. FUND TRANSFERS

In accordance with the terms of certain fund agreements, the Board of Directors has approved transfers of \$112,390 from the externally restricted fund to the operating fund and \$9 from the internally restricted fund to the operating fund.

# COMMUNITY FOUNDATION OF GREATER PETERBOROUGH

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2019

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### 11. FINANCIAL INSTRUMENTS

The Foundation is exposed to the following risks in respect of certain of the financial instruments held:

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income securities will generally rise if interest rates fall and conversely fall when rates rise. This risk is mitigated by the Foundation's investment policies.

(b) Market risk

The Foundation's financial instruments that are exposed to concentrations of market risk consist of investments associated with bonds and equity securities. The value of these investments is affected by market conditions and general economic outlook. The risk is mitigated by the Foundation's investment policies.

### 12. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the entity's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Foundation's operations. The extent of the impact of this outbreak and related containment measures on the Foundation's operations cannot be reliably estimated at this time.