

**FINANCIAL STATEMENTS OF**

**COMMUNITY FOUNDATION OF  
GREATER PETERBOROUGH**

**December 31, 2020**

**TABLE OF CONTENTS**

	Page
<b>INDEPENDENT AUDITOR'S REPORT</b>	
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	1
Statement of Operations and Changes in Fund Balances	2
Statement of Cash Flows	3
Notes to the Financial Statements	4 - 11



**Baker Tilly KDN LLP**  
237 Kent Street West  
Lindsay, ON  
K9V 2Z3

**D:** 705.324.5031  
**F:** 705.328.3121  
lindsay@bakertilly.ca  
**www.bakertilly.ca**

## **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, 2020, and the statement of operations and changes in fund balances and statement of 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, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *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 ASNPO, 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**

Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

## INDEPENDENT AUDITOR'S REPORT, continued

### *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.



Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
June 30, 2021

**COMMUNITY FOUNDATION OF GREATER PETERBOROUGH**  
**STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2020**

	2020	2019 (Note 12)
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	319,061	295,184
Accounts receivable	12,208	18,959
Prepaid expenses	840	2,945
Note receivable (Note 3)	305,000	-
	<u>637,109</u>	<u>317,088</u>
<b>Other assets</b>		
Investments (Note 4)	11,442,974	10,750,539
Funds held in trust (Note 5)	125,504	124,539
Note receivable (Note 3)	-	305,000
	<u>11,568,478</u>	<u>11,180,078</u>
	<u>12,205,587</u>	<u>11,497,166</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	20,475	9,384
Deferred revenue (Note 6)	14,194	23,950
	<u>34,669</u>	<u>33,334</u>
<b>Long-term liabilities</b>		
Funds held in trust (Note 5)	125,504	124,539
	<u>160,173</u>	<u>157,873</u>
<b>Fund balances</b>		
Operating Fund	389,509	340,013
Restricted Fund	3,999,422	3,958,246
Endowment Fund	7,656,483	7,041,034
	<u>12,045,414</u>	<u>11,339,293</u>
	<u>12,205,587</u>	<u>11,497,166</u>

Approved on behalf of the board

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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, 2020

	Operating Fund 2020 \$	Restricted Fund 2020 \$	Endowment Fund 2020 \$	Total 2020 \$	Total 2019 \$
<b>Revenue</b>					
Donations	36,976	721,390	501,323	1,259,689	987,312
Investment income (Note 9)	113,764	532,723	114,126	760,613	1,096,436
Grants	42,749	477,426	-	520,175	6,741
Events	76,525	-	-	76,525	74,650
Administrative fees income (expense) (Note 10)	50,523	(48,996)	-	1,527	1,609
	320,537	1,682,543	615,449	2,618,529	2,166,748
<b>Expenses</b>					
Wages and benefits	206,983	-	-	206,983	207,050
Professional fees	16,449	71,422	-	87,871	84,892
Office and administration	34,615	4,328	-	38,943	36,372
Fundraising	27,087	-	-	27,087	28,782
Occupancy	14,735	-	-	14,735	15,378
Program	2,681	-	-	2,681	3,851
Training and development	1,197	-	-	1,197	14,830
	303,747	75,750	-	379,497	391,155
<b>Excess of revenue over expenses for the year, before grants paid</b>	16,790	1,606,793	615,449	2,239,032	1,775,593
<b>Grants paid (Note 7)</b>	-	(1,532,911)	-	(1,532,911)	(663,349)
<b>Excess of revenue over expenses for the year</b>	16,790	73,882	615,449	706,121	1,112,244
<b>Fund balance, beginning of year (Note 12)</b>	340,013	3,958,246	7,041,034	11,339,293	10,227,049
Interfund transfers (Note 8)	32,706	(32,706)	-	-	-
<b>Fund balance, end of year</b>	389,509	3,999,422	7,656,483	12,045,414	11,339,293

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, 2020

	2020	2019
	\$	\$
<b>CASH PROVIDED FROM (USED FOR)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	706,121	1,112,244
Adjustments for item not affecting cash:		
Unrealized gain on investments	(422,356)	(627,938)
Change in non-cash working capital items		
Accounts receivable	6,751	(12,376)
Prepaid expenses	2,105	(1,617)
Accounts payable and accrued liabilities	11,089	(13,058)
Deferred grant contributions	-	(6,741)
Deferred revenue	(9,756)	5,450
	<u>293,954</u>	<u>455,964</u>
<b>Investing activities</b>		
Proceeds on disposal of investments	738,648	1,814,505
Purchase of investments	(1,008,725)	(2,149,287)
	<u>(270,077)</u>	<u>(334,782)</u>
<b>Increase in cash</b>	23,877	121,182
<b>Cash, beginning of year</b>	295,184	174,002
<b>Cash, end of year</b>	<u>319,061</u>	<u>295,184</u>

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, 2020

---

### 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 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 are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

#### (a) *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

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.

#### (ii) Endowment Fund

The Endowment Fund comprises externally endowed funds, which are required by the donor to be maintained by the Foundation in perpetuity, and funds endowed by Board policy, where there is no current intention of making the original donation available for grants.

#### (iii) Restricted Fund

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

---

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, 2020**

---

2. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(b) *Revenue recognition*

The Foundation follows the restricted fund method of accounting for contributions. Contributions that 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.

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.

Investment income (loss) consisting of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses is recorded in the statement of operations and changes in fund balances. Investment income earned on the Endowment Fund or Restricted Fund resources that must be spent on donor-restricted activities is recognized as revenue of the Restricted Fund. For permanently endowed funds, investment income subject to donor restrictions stipulating that it is to be added to the principal amount of the endowment is recognized as revenue of the Endowment Fund. Investment income earned on Operating Fund resources and any portion of investment income earned on Endowment Funds and Restricted Funds that has been designated for operations is recognized as revenue of the Operating Fund. Investment losses are allocated in a manner consistent with investment income.

(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.

(d) *Cash and cash equivalents*

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

(e) *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.

---

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, 2020**

---

**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

*(f) Financial instruments*

*(i) Measurement of financial instruments*

The Foundation initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

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, and notes receivable.

Financial liabilities measured at amortized cost include accounts payable.

Financial assets measured at fair value include investments in equity securities with a quoted market value, and other investments in mutual funds and fixed income securities with a quoted market value that the Foundation designates upon purchase to be measured at fair value.

*(ii) 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.

*(g) Management estimates*

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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, 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.

---

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, 2020**

---

**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

*(h) Measurement uncertainty*

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Foundation's environment and in the global markets due to the 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 duration and full financial effect of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions, and other mitigating measures. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 pandemic may materially and adversely affect the Foundation's operations, financial results and condition in future periods are also subject to significant uncertainty. Therefore, uncertainty about judgments, estimates, and assumptions made by management during the preparation of the Foundation's financial statements related to potential impacts of the COVID-19 outbreak on revenue, expenses, assets, liabilities, and note disclosures could result in a material adjustment to the carrying value of the assets or liabilities affected.

The Foundation has undertaken measures to protect their employees and donors from the potential spread of COVID-19. These measures include the use of personal protective equipment, social distancing where possible, and self-quarantining after travel or suspected symptoms.

The Foundation is actively monitoring operations and mitigating its potential risk exposure by monitoring controllable costs, and reducing the number of staff onsite.

---

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, 2020

---

### 3. NOTE RECEIVABLE

The Foundation has a note receivable in the amount of \$305,000 (2019 - \$305,000) established with The Mount Community Centre. The note receivable is unsecured with interest only payments and bears interest at 3.5% per annum until the note's maturity date on November 30, 2021.

### 4. INVESTMENTS

Investments of the Foundation are managed by Richardson Wealth, 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.

	2020	2019
	\$	\$
Richardson Wealth	2,416,154	2,396,542
Jarislowsky Fraser	5,895,450	4,971,468
RBC Dominion Securities	3,131,370	3,382,529
	11,442,974	10,750,539

### 5. 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 \$125,504 (2019 - \$124,539).

### 6. DEFERRED REVENUE

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

---

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, 2020

### 7. GRANTS PAID

Grants were funded by income earned on endowment fund investments in the amount of \$217,227 with the remainder of \$1,315,684 being funded by restricted fund revenue.

### 8. INTERFUND TRANSFERS

In accordance with the terms of certain fund agreements, the Board of Directors has approved transfers of \$32,706 from the restricted fund to the operating fund.

### 9. INVESTMENT INCOME

Investment income consists of the following:

	Operating Fund 2020 \$	Restricted Fund 2020 \$	Endowment Fund 2020 \$	Total 2020 \$	Total 2019 \$
Interest and dividend income	17,910	85,486	232,784	336,180	357,031
Realized gains on investments	-	84	1,993	2,077	111,467
Unrealized gains on investments	11,289	130,600	280,467	422,356	627,938
Total investment income	29,199	216,170	515,244	760,613	1,096,436
Investment income earned on endowed funds	84,565	316,553	(401,118)	-	-
	113,764	532,723	114,126	760,613	1,096,436

### 10. ADMINISTRATIVE FEES INCOME (EXPENSE)

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 charged to managed funds and on flow-through donations.

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, 2020**

---

**11. FINANCIAL INSTRUMENTS RISKS AND UNCERTAINTIES**

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

*(a) Credit risk*

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Foundation is exposed to credit risk on its cash, investments and note receivable balances. The Foundation reduces its exposure to credit risk by diversifying its investment holdings.

*(b) Liquidity risk*

Liquidity risk is the risk that the Foundation will not be able to meet its obligations when they become due. The majority of the Foundation's assets are investments traded in active markets, which can be readily liquidated, and therefore the Foundation's liquidity risk is limited.

*(c) Market risk*

Market risk is the risk that changes in market prices, as a result of changes in foreign currency exchange rates, interest rates, and market prices of equity securities will affect the Foundation's financial instruments. The Foundation is exposed to market risk on its investments.

*(i) Currency risk*

Investments in foreign securities are exposed to currency risk due to changes in foreign exchange rates. The Foundation is exposed to currency risk on its foreign equities and fixed income security. The Foundation manages currency risk by maintaining diversified investment portfolios.

*(ii) 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 Foundation is exposed to interest rate risk on its investments in fixed income securities, and on its note receivable balance. This risk is mitigated by the Foundation's investment policies.

*(iii) Price risk*

Price risk is the risk that the fair value of equity financial instruments will fluctuate due to changes in market prices. The Foundation is exposed to price risk on its investments in equity securities. The objective of the Foundation's investment policy is to manage price risk by maintaining a diversified portfolio.

---

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, 2020

### 12. CHANGE IN ACCOUNTING POLICY

The Foundation changed its accounting policy for fund accounting, to create a separate fund to account for its endowment contributions, which were previously included as a component of the internally and externally restricted funds. Endowed funds include earnings that the Board has decided to reinvest in the endowment. This change was applied retroactively with restatement of prior periods.

As a result, the fund balances as at December 31, 2019 (and opening fund balance as at January 1, 2020) have been restated as follows:

	Operating Fund \$	Internally Restricted Fund \$	Externally Restricted Fund \$	Endowment Fund \$	Total \$
Fund balances - beginning of year, as previously stated	340,013	52,401	10,946,879	-	11,339,293
Change in accounting policy	-	(52,401)	(6,988,633)	7,041,034	-
Fund balances - beginning of year, as restated	340,013	-	3,958,246	7,041,034	11,339,293

### 13. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenues over expenses.

The accompanying notes are an integral part of these financial statements