

THE BROCKVILLE COMMUNITY FOUNDATION
Financial Statements
(Unaudited)
Year ended December 31, 2021

THE BROCKVILLE COMMUNITY FOUNDATION

Year ended December 31, 2021

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Independent Practitioner's Review Engagement Report

To the members of
The Brockville Community Foundation
Brockville, Ontario

I have reviewed the accompanying financial statements of The Brockville Community Foundation that comprise the balance sheet as at December 31, 2021, and the statement operations and fund balances and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I have conducted my review in accordance with Canadian generally accepted standards for review engagements, which requires me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

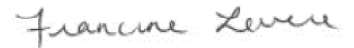
Basis for Qualified Conclusion

In common with many charitable and non-profit organizations, the organization derives revenue from fundraising and donations, the completeness of which is not susceptible to us obtaining evidence I consider necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the organization. Therefore I was not able to determine whether any adjustments might be necessary to fundraising and donation revenues, excess of revenue over expenditures, cash flows from operations for the years ended December 31, 2021 and December 31, 2020, assets and fund balances as at December 31, 2021 and December 31, 2020. My conclusion on the financial statements was modified accordingly because of the possible effects of this limitation in scope.

Conclusion

Based on my review, except for the possible effects of the matter described in the basis for qualified conclusion paragraph, nothing has come to my attention that causes me to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of The Brockville Community Foundation as at December 31, 2021, 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.

Prescott, Ontario
June 1, 2022



Francine Levere
Professional Corporation

THE BROCKVILLE COMMUNITY FOUNDATION

Balance Sheet

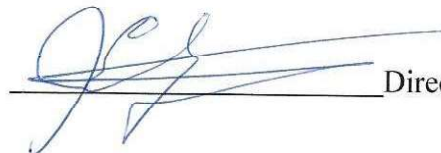
(Unaudited)

December 31, 2021, with comparative figures for December 31, 2020

	2021	2020
Assets		
Current assets:		
Cash (note 2)	\$ 47,397	\$ 100,681
HST recoverable	245	421
Prepaid expense	2,309	1,967
	49,951	103,069
Investments (note 3)	1,302,143	1,149,870
	<u>\$ 1,352,094</u>	<u>\$ 1,252,939</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ -	\$ 11,500
Deferred contributions (note 4)	4,594	15,594
	4,594	27,094
Fund balances:		
Operating fund	180,002	173,401
Distributions available fund	499	22,274
Endowment fund	1,166,999	1,030,170
	1,347,500	1,225,845
	<u>\$ 1,352,094</u>	<u>\$ 1,252,939</u>

Approved by the Board:

 Director

 Director

The accompanying notes are an integral part of these financial statements.

THE BROCKVILLE COMMUNITY FOUNDATION

Statement of Operations and Fund Balances

(Unaudited)

December 31, 2021, with comparative figures for 2020

	Distributions			2021	2020
	Operating Fund	Available Fund	Endowment Fund		
Revenues:					
Donations	\$ 3,208	\$ -	\$ 21,425	\$ 24,633	\$ 14,383
Government grants	11,000	-	-	11,000	191,159
Dividends and interest	1,893	-	-	1,893	2,128
Earnings on pooled funds	-	-	168,468	168,468	64,734
Available for distribution	3,200	29,961	(33,161)	-	-
Management fees	13,496	-	(13,496)	-	17,660
Unrealized gain (loss)	9,038	-	-	9,038	(645)
	41,835	29,961	143,236	215,032	289,419
Expenditures:					
Grants	10,000	51,800	-	61,800	11,360
Grants - COVID	10,000	-	-	10,000	191,159
Bank charges and interest	139	-	-	139	74
Community workshops	1,126	-	-	1,126	-
Contract services	10,000	-	-	10,000	11,166
Insurance	2,415	-	-	2,415	2,367
Memberships and conferences	550	-	-	550	570
Office	1,593	-	-	1,593	1,244
Professional fees	3,794	-	-	3,794	3,794
Telephone and internet	1,846	-	-	1,846	1,662
Travel	114	-	-	114	366
	41,577	51,800	-	93,377	223,762
Excess (deficiency) of revenues over expenditures	258	(21,839)	143,236	121,655	65,657
Fund balance - beginning of year	173,401	22,274	1,030,170	1,225,845	1,160,188
Interfund transfers	6,343	64	(6,407)	-	-
Fund balance - end of year	\$ 180,002	\$ 499	\$ 1,166,999	\$ 1,347,500	\$ 1,225,845

The accompanying notes are an integral part of these financial statements.

THE BROCKVILLE COMMUNITY FOUNDATION

Statement of Cash Flows

(Unaudited)

Year ended December 31, 2021, with comparative figures for 2020

	2021	2020
Cash provided (used) by:		
Operations:		
Donations received	\$ 3,208	\$ 5,744
Investment income received	1,893	2,128
Grants received	-	225,146
Grants paid out	(83,300)	(196,346)
Amounts paid out to suppliers and employees	(21,742)	(21,666)
	(99,941)	15,006
Investing:		
Purchase of investments	(21,425)	(3,453)
Cash received from pooled investments	46,657	29,866
	25,232	26,413
Financing:		
Endowments received	21,425	3,453
Increase (decrease) in cash	(53,284)	44,872
Cash - beginning of year	100,681	55,809
Cash - end of year (note 2)	\$ 47,397	\$ 100,681

The accompanying notes are an integral part of these financial statements.

THE BROCKVILLE COMMUNITY FOUNDATION

Notes to Financial Statements

Year ended December 31, 2021

Purpose of the organization:

The Foundation is incorporated without share capital under the Ontario Corporations Act and operates under the name "Brockville and Area Community Foundation". The Foundation was established for the purpose of receiving and maintaining funds and applying part of the principal and income for the promotion and advancement of education, scientific research, culture and relief of poverty in the City of Brockville and surrounding area. For Canadian income tax purposes the organization qualifies as a charity which is exempt from income tax under the Income Tax Act.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Cash and cash equivalents:

Cash is defined as cash on hand, cash on deposit, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date.

(c) Investments:

Investments are initially recorded and subsequently measured at market value.

(d) Capital assets:

Capital assets are recorded at cost and amortized over the estimated useful life.

(e) Fund accounting:

The organization follows the restricted fund method of accounting for contributions within the following funds:

The Operating Fund reports the Foundation's resources available for the general operating activities. These activities include fund development, grant making, community leadership projects and philanthropic services to the community. The general costs of supporting these activities are reported as expenditures in the Operating Fund.

The Distributions Available Fund reports the Foundation's resources that are available to be used for purposes specified by the donor and do not form part of the Endowment Fund.

The Endowment Fund reports the Foundation's resources that are required to be maintained on a permanent basis.

THE BROCKVILLE COMMUNITY FOUNDATION

Notes to Financial Statements

Year ended December 31, 2021

1. Significant accounting policies (continued):

(f) Revenue recognition:

Government funding contributions related to general operations are recognized as revenue in the year in which the related expenses are incurred.

Restricted contributions related to purposes specified by the donor that do not form part of the Endowment Fund are recognized as revenue of the Distributions Available Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue in the Operating Fund because there is not an appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount can be reasonably estimated and collection reasonably assured. Endowment contributions are recognized as revenue in the Endowment Fund.

Restricted investment income earned on Endowment Fund resources is recognized as revenue in the related fund. Unrestricted investment income is recognized as revenue in the Operating Fund when earned.

(g) Contributed services:

The work of the organization benefits from the services of volunteers. Since these services are not normally purchased by the organization and because of the difficulty of determining their fair value, volunteer services are not recognized in these financial statements.

(h) Use of 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Cash:

	2021		2020	
Chequing	\$	12,554	\$	65,861
Savings		34,843		34,820
	\$	47,397	\$	100,681

THE BROCKVILLE COMMUNITY FOUNDATION

Notes to Financial Statements

Year ended December 31, 2021

3. Investments:

	2021	2020
Canadian common shares	\$ 55,284	\$ 46,246
Pooled with Community Foundation of Ottawa	1,246,859	1,103,624
	\$ 1,302,143	\$ 1,149,870

The Foundation has transferred its restricted endowment funds to the Community Foundation of Ottawa for investment. The Foundation shares in the investment results. The investment policy provides for up to 10% of the portfolio to be invested in cash and cash equivalents, 30%-50% in government and corporate bonds, 40%-65% in equities and 5%-15% in real estate, life insurance policies and other investments.

As at December 31, 2021 allocation of these investments were 14% cash and cash equivalents, 17% government and corporate bonds, 54% equities and 15% in real estate, life insurance policies and other investments.

4. Deferred contributions:

The Foundation has entered into a funding agreement to receive donations which are restricted future projects.

	2021	2020
Balance, beginning of the year	\$ 15,594	\$ 4,594
Contributions received during the year	-	11,000
Amount recognized as revenue	(11,000)	-
Balance, end of the year	\$ 4,594	\$ 15,594
Balance consists of:		
Brock Trail (owned by the City of Brockville)	\$ 4,594	\$ 4,594
Emergency Community Support Fund	-	10,000
Vital Conversation	-	1,000
	\$ 4,594	\$ 15,594

5. Internally restricted investment earnings:

The board of directors has internally restricted a portion of the investment earnings from pooled funds for granting in a future year.

THE BROCKVILLE COMMUNITY FOUNDATION

Notes to Financial Statements
Year ended December 31, 2021

6. Financial instruments:

The risks that arise from transacting financial instruments include credit, market, interest rate and currency risk.

(a) Credit risk:

The Foundation is exposed to credit risk with respect to its pooled investments with the Community Foundation of Ottawa. As at December 31, 2021, 98.6% of the fair value of the bonds and debentures included in the pooled investments had a rating of A- or better.

(b) Currency risk:

The Foundation is exposed to foreign exchange risk through its pooled investments. As at December 31, 2021, 43% of the pooled investments were subject to currency risk.

(c) Market risk:

The Foundation is exposed to market risk on its investments (including pooled investments) in publicly-traded securities as equity investments are subject to price changes in an open market.

(d) Interest rate risk:

The Foundation is exposed to interest rate risk on its interest bearing assets including cash and investments (including pooled investments).

(e) Change in risk:

There have been no significant changes to the Foundation's risk exposures from the prior year.

7. COVID-19:

On March 11, 2020, the World Health Organization announced an outbreak of a virus called COVID-19 as a pandemic. The duration and impact of COVID-19 are unknown at this time and it is not possible to reliably estimate the impact it will have on the financial results of the Foundation in future periods..