

**THE BROCKVILLE COMMUNITY FOUNDATION**  
Financial Statements  
(Unaudited)  
Year ended December 31, 2022

**THE BROCKVILLE COMMUNITY FOUNDATION**

Year ended December 31, 2022

---

	Page
Independent Practitioner's Review Engagement Report	1
Financial Statements	
Balance Sheet	3
Statement of Operations and Fund Balances	4
Statement of Cash Flows	5
Notes to Financial Statements	6



## **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, 2022, 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, 2022 and December 31, 2021, assets and fund balances as at December 31, 2022 and December 31, 2021. 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, 2022, 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 12, 2023



Francine Levere  
Professional Corporation

**THE BROCKVILLE COMMUNITY FOUNDATION**

Balance Sheet

(Unaudited)

December 31, 2022, with comparative figures for December 31, 2021

	2022	2021
<b>Assets</b>		
Current assets:		
Cash (note 2)	\$ 396,270	\$ 47,397
HST recoverable	105	245
Prepaid expense	2,813	2,308
	399,188	49,950
Investments (note 3)	1,210,469	1,302,143
	\$ 1,609,657	\$ 1,352,093
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 513	\$ -
Deferred contributions (note 4)	359,594	4,594
	360,107	4,594
Fund balances:		
Operating fund	88,704	180,002
Distributions available fund	899	499
Endowment fund	1,159,947	1,166,998
	1,249,550	1,347,499
	\$ 1,609,657	\$ 1,352,093

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, 2022, with comparative figures for 2021

	Distributions			2022	2021
	Operating Fund	Available Fund	Endowment Fund		
<b>Revenues:</b>					
Donations	\$ 3,458	\$ -	\$ 28,951	\$ 32,409	\$ 24,633
Government grants	-	-	-	-	11,000
Dividends and interest	2,623	-	-	2,623	1,893
Earnings (loss) on pooled funds	-	-	(70,523)	(70,523)	168,468
Available for distribution	5,200	25,850	(31,050)	-	-
Management fees	19,290	-	(14,290)	5,000	-
Unrealized gain (loss)	(4,206)	-	-	(4,206)	9,038
	26,365	25,850	(86,912)	(34,697)	215,032
<b>Expenditures:</b>					
Grants	10,000	25,450	-	35,450	61,800
Grants - COVID	-	-	-	-	10,000
Bank charges and interest	79	-	-	79	139
Community workshops	-	-	-	-	1,126
Contract services	13,423	-	-	13,423	10,000
Insurance	2,812	-	-	2,812	2,415
Memberships and conferences	550	-	-	550	550
Office	4,746	-	-	4,746	1,593
Professional fees	3,794	-	-	3,794	3,794
Telephone and internet	2,098	-	-	2,098	1,846
Travel and meetings	300	-	-	300	114
	37,802	25,450	-	63,252	93,377
Excess (deficiency) of revenues over expenditures	(11,437)	400	(86,912)	(97,949)	121,655
Fund balance - beginning of year	180,002	499	1,166,998	1,347,499	1,225,844
Interfund transfers (note 8)	(79,861)	-	79,861	-	-
Fund balance - end of year	\$ 88,704	\$ 899	\$ 1,159,947	\$ 1,249,550	\$ 1,347,499

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

**THE BROCKVILLE COMMUNITY FOUNDATION**

## Statement of Cash Flows

(Unaudited)

Year ended December 31, 2022, with comparative figures for 2021

	2022	2021
Cash provided (used) by:		
Operations:		
Donations received	\$ 4,015	\$ 3,208
Investment income received	2,623	1,893
Grants received	360,000	-
Grants paid out	(35,450)	(83,300)
Amounts paid out to suppliers and employees	(27,655)	(21,742)
	303,533	(99,941)
Investing:		
Purchase of investments	(28,951)	(21,425)
Cash received from pooled investments	45,340	46,657
	16,389	25,232
Financing:		
Endowments received	28,951	21,425
Increase (decrease) in cash	348,873	(53,284)
Cash - beginning of year	47,397	100,681
Cash - end of year (note 2)	\$ 396,270	\$ 47,397

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

## THE BROCKVILLE COMMUNITY FOUNDATION

Notes to Financial Statements  
Year ended December 31, 2022

### **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, 2022

### 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:

	2022		2021	
Chequing	\$	360,836	\$	12,554
Savings		35,434		34,843
	\$	396,270	\$	47,397

## THE BROCKVILLE COMMUNITY FOUNDATION

Notes to Financial Statements  
Year ended December 31, 2022

### 3. Investments:

	2022	2021
Canadian common shares	\$ 51,079	\$ 55,284
Pooled with Community Foundation of Ottawa	1,159,390	1,246,859
	<u>\$ 1,210,469</u>	<u>\$ 1,302,143</u>

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 0% of the portfolio to be invested in cash and cash equivalents, 16.5%-24.5% in government and corporate bonds, 39.5%-63.5% in equities and 13.0%-43.0% in real estate, life insurance policies and other investments.

As at December 31, 2022 allocation of these investments were 0.2% cash and cash equivalents, 17.7% government and corporate bonds, 58.8% equities and 23.3% 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.

	2022	2021
Balance, beginning of the year	\$ 4,594	\$ 15,594
Contributions received during the year	360,000	-
Amount recognized as revenue	(5,000)	(11,000)
Balance, end of the year	<u>\$ 359,594</u>	<u>\$ 4,594</u>
Balance consists of:		
Brock Trail (owned by the City of Brockville)	\$ 4,594	\$ 4,594
Community Services Recovery Fund	355,000	-
	<u>\$ 359,594</u>	<u>\$ 4,594</u>

### 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, 2022

### 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, 2022, 100% 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, 2022, 43.7% 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..

### 8. Interfund transfer and balances:

Subsequent to the year end, the board of directors endowed a portion of funds that was previously unendowed at a value of \$79,861.

At year end there was a balance of \$557 of donations received to be paid out to Ottawa Community Foundation.

### 9. Subsequent events:

Subsequent to the 2022 year end, the board has decided to transition from pooling investment funds with the Ottawa Community Foundation, to engaging an external Investment Advisor to manage these investments. It is expected that this transition will occur early in 2024.