

THE BROCKVILLE COMMUNITY FOUNDATION

Financial Statements

(Unaudited)

Year ended December 31, 2020

THE BROCKVILLE COMMUNITY FOUNDATION
Year ended December 31, 2020

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Independent Practitioner's Review Engagement Report

To the members of
The Brockville Community Foundation
Brockville, Ontario

We have reviewed the accompanying financial statements of The Brockville Community Foundation that comprise the balance sheet as at December 31, 2020, 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

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us 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, we 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 we 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 we were 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, 2020 and December 31, 2019, assets and fund balances as at December 31, 2020 and December 31, 2019. Our conclusion on the financial statements was modified accordingly because of the possible effects of this limitation in scope.

Conclusion

Based on our review, except for the possible effects of the matter described in the basis for qualified conclusion paragraph, nothing has come to our attention that causes us 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, 2020, 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
May 10, 2021

Durand and associates

DURAND AND ASSOCIATES
PROFESSIONAL CORPORATION

THE BROCKVILLE COMMUNITY FOUNDATION

Balance Sheet


(Unaudited)

December 31, 2020, with comparative figures for December 31, 2019

	2020	2019
Assets		
Current assets:		
Cash (note 2)	\$ 100,681	\$ 55,809
HST recoverable	421	103
Prepaid expense	1,968	1,863
	103,070	57,775
Investments (note 3)	1,149,870	1,107,008
	\$ 1,252,940	\$ 1,164,783
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 11,500	\$ -
Deferred contributions (note 4)	15,594	4,594
	27,094	4,594
Fund balances:		
Operating fund	173,400	154,129
Distributions available fund	22,274	12,724
Endowment fund	1,030,172	993,336
	1,225,846	1,160,189
	\$ 1,252,940	\$ 1,164,783

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, 2020, with comparative figures for 2019

	Distributions			2020	2019
	Operating Fund	Available Fund	Endowment Fund		
Revenues:					
Donations	\$ 10,930	\$ -	\$ 3,453	\$ 14,383	\$ 13,615
Government grants	191,159	-	-	191,159	-
Dividends and interest	2,128	-	-	2,128	2,215
Earnings on pooled funds	-	-	64,734	64,734	122,429
Available for distribution	3,200	13,800	(17,000)	-	-
Management fees	30,526	-	(12,866)	17,660	-
Unrealized gain (loss)	(645)	-	-	(645)	4,262
	237,298	13,800	38,321	289,419	142,521
Expenditures:					
Grants	7,110	4,250	-	11,360	19,050
Grants - COVID	191,159	-	-	191,159	-
Bank charges and interest	74	-	-	74	79
Contract services	11,166	-	-	11,166	10,000
Insurance	2,367	-	-	2,367	2,260
Memberships and conferences	570	-	-	570	570
Office	1,244	-	-	1,244	1,108
Professional fees	3,794	-	-	3,794	-
Telephone and internet	1,662	-	-	1,662	1,453
Travel	366	-	-	366	-
	219,512	4,250	-	223,762	34,520
Excess of revenues					
over expenditures	17,786	9,550	38,321	65,657	108,001
Fund balance - beginning of year	154,129	12,724	993,336	1,160,189	1,052,188
Interfund transfers	1,485	-	(1,485)	-	-
Fund balance - end of year	\$ 173,400	\$ 22,274	\$ 1,030,172	\$ 1,225,846	\$ 1,160,189

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

THE BROCKVILLE COMMUNITY FOUNDATION

Statement of Cash Flows

(Unaudited)

Year ended December 31, 2020, with comparative figures for 2019

	2020	2019
Cash provided (used) by:		
Operations:		
Donations received	\$ 5,744	\$ 3,913
Investment income received	2,128	2,215
Grants received	225,146	-
Grants paid out	(196,346)	(19,050)
Amounts paid out to suppliers and employees	(21,666)	(15,555)
	15,006	(28,477)
Investing:		
Purchase of investments	(3,453)	(9,702)
Cash received from pooled investments	29,866	29,238
	26,413	19,536
Financing:		
Endowments received	3,453	9,702
Increase in cash	44,872	761
Cash - beginning of year	55,809	55,048
Cash - end of year (note 2)	\$ 100,681	\$ 55,809

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

THE BROCKVILLE COMMUNITY FOUNDATION

Notes to Financial Statements

Year ended December 31, 2020

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, 2020

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:

	2020	2019
Chequing	\$ 65,861	\$ 21,268
Savings	34,820	34,541
	\$ 100,681	\$ 55,809

THE BROCKVILLE COMMUNITY FOUNDATION

Notes to Financial Statements

Year ended December 31, 2020

3. Investments:

	2020	2019
Canadian common shares	\$ 46,246	\$ 41,704
Pooled with Community Foundation of Ottawa	1,103,624	1,065,304
	\$ 1,149,870	\$ 1,107,008

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, 2020 allocation of these investments were 14% cash and cash equivalents, 17% government and corporate bonds, 52% equities and 17% 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.

	2020	2019
Balance, beginning of the year	\$ 4,594	\$ 4,594
Contributions received during the year	11,000	-
Amount recognized as revenue	-	-
Balance, end of the year	\$ 15,594	\$ 4,594
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	-
	\$ 15,594	\$ 4,594

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, 2020

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, 2020, 98.3% 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, 2020, 38% 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.

During the year, the organization received significant government and community funding in order to provide grants to charitable organizations throughout Leeds and Grenville. The directive of the government funding was to support vulnerable populations.