

Barrie Community Foundation
Financial Statements
For the year ended March 31, 2017

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Independent Auditor's Report

To the Board of Directors of Barrie Community Foundation:

We have audited the accompanying financial statements of Barrie Community Foundation, which comprise the statement of financial position as at March 31, 2017, the statements of changes in fund balances, operations, and 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from lottery activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were unable to determine whether any adjustments might be necessary to lottery revenues, excess of revenues over expenses and cash flows from operations for the year ended March 31, 2017, and to current assets and fund balances as at March 31, 2017.



Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Barrie Community Foundation as at March 31, 2017, 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.

Other Matters

Without modifying our qualified opinion, we draw attention to note 2 to the financial statements which describes that Barrie Community Foundation adopted Canadian accounting standards for not-for-profit organizations on April 1, 2016 with a transition date of April 1, 2015. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at March 31, 2016 and April 1, 2015, and the statements of changes in fund balances, operations and cash flows for the year ended March 31, 2016 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

The financial statements of Barrie Community Foundation for the year ended March 31, 2016 were compiled by another accountant who issued a notice to reader report on July 20, 2016.

BDO Canada LLP


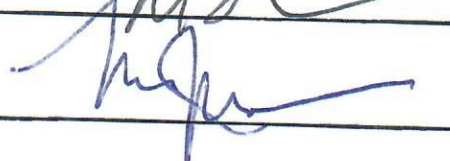
Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
September 11, 2017

Barrie Community Foundation Statement of Financial Position

	March 31 2017	March 31 2016	April 1 2015
	(notes 2 & 8) (unaudited)	(notes 2 & 8) (unaudited)	(notes 2 & 8) (unaudited)
Assets			
Current			
Cash (note 3)	\$ 29,794	\$ 15,085	\$ 9,314
Restricted cash (note 3)	275,462	409,021	219,368
Restricted short-term investments (note 4)	-	30,750	40,379
Accounts receivable	635	9,336	600
Interest receivable	696	1,148	1,238
GST/HST recoverable	4,309	3,204	-
Prepaid expenses	-	430	429
	<u>310,896</u>	<u>468,974</u>	<u>271,328</u>
Restricted Long-term Investments (note 5)	<u>106,936</u>	<u>44,935</u>	<u>34,088</u>
	<u>\$ 417,832</u>	<u>\$ 513,909</u>	<u>\$ 305,416</u>
Liabilities and Fund Balances			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 8,492	\$ 5,542	\$ -
Fund Balances			
General fund	12,425	21,549	9,560
Restricted fund	185,358	405,312	220,449
Endowment fund	211,557	81,506	75,407
	<u>409,340</u>	<u>508,367</u>	<u>305,416</u>
	<u>\$ 417,832</u>	<u>\$ 513,909</u>	<u>\$ 305,416</u>

On behalf of the Board:


 _____ Director

 _____ Director

Barrie Community Foundation Statement of Changes in Fund Balances

For the year ended March 31	General Fund	Restricted Fund	Endowment Fund	2017 Total	2016 Total
					(note 2) (unaudited)
Fund balances, beginning of year	\$ 21,549	\$ 405,312	\$ 81,506	\$ 508,367	\$ 305,416
Excess of revenues over expenses (expenses over revenues) for the year	2,954	(220,169)	118,188	(99,027)	202,951
Interfund transfers (note 6)	(12,078)	215	11,863	-	-
Fund balances, end of year	\$ 12,425	\$ 185,358	\$ 211,557	\$ 409,340	\$ 508,367

The accompanying notes are an integral part of these financial statements

Barrie Community Foundation Statement of Operations

For the year ended March 31	General Fund	Restricted Fund	Endowment Fund	2017 Total	2016 Total
					(note 2) (unaudited)
Revenues					
Donations and fundraising	\$43,700	\$291,395	\$118,708	\$453,803	\$312,492
Unrealized loss on investments	-	-	(520)	(520)	-
Other income	-	-	-	-	6,008
Lottery income	-	185,892	-	185,892	160,529
Interest income	1,319	883	-	2,202	5,252
	<u>45,019</u>	<u>478,170</u>	<u>118,188</u>	<u>641,377</u>	<u>484,281</u>
Expenses					
General					
Advertising and promotion	3,448	-	-	3,448	1,473
Dues and subscriptions	736	-	-	736	496
Functions and events	7,160	-	-	7,160	4,253
Insurance	864	-	-	864	609
Interest and bank charges	-	60	-	60	69
Office	1,357	-	-	1,357	755
Professional fees	6,100	-	-	6,100	-
Rent	2,400	-	-	2,400	1,300
Lottery					
Bank charges	-	1,123	-	1,123	959
Commissions	-	9,212	-	9,212	7,920
Licensing fees	-	3,900	-	3,900	3,000
Printing cost	-	8,531	-	8,531	6,326
Prize payout	-	89,938	-	89,938	77,975
Miscellaneous	-	61	-	61	-
Rent	-	28,774	-	28,774	25,015
	<u>22,065</u>	<u>141,599</u>	<u>-</u>	<u>163,664</u>	<u>130,150</u>
Excess of revenues over expenses before charitable grants	<u>22,954</u>	<u>336,571</u>	<u>118,188</u>	<u>477,713</u>	<u>354,131</u>
Charitable grants disbursed	<u>20,000</u>	<u>556,740</u>	<u>-</u>	<u>576,740</u>	<u>151,180</u>
Excess of revenues over expenses (expenses over revenues) for the year	<u>\$ 2,954</u>	<u>\$(220,169)</u>	<u>\$ 118,188</u>	<u>\$ (99,027)</u>	<u>\$202,951</u>

The accompanying notes are an integral part of these financial statements

Barrie Community Foundation **Statement of Cash Flows**

For the year ended December 31

	2017	2016
		(note 2) (unaudited)
Cash flows from operating activities		
Excess of revenues over expenses (expenses over revenues) for the year	\$ (99,027)	\$ 202,951
Net change in non-cash working capital balances related to operations		
Accounts receivable	8,701	(8,736)
Interest receivable	452	90
GST/HST recoverable	(1,105)	(3,204)
Prepaid expenses	430	(1)
Accounts payable and accrued liabilities	2,950	5,542
	<u>(87,599)</u>	<u>196,642</u>
Cash flows from investing activities		
Net change in investments	<u>102,308</u>	<u>(190,871)</u>
Increase in cash during the year	14,709	5,771
Cash, beginning of the year	<u>15,085</u>	<u>9,314</u>
Cash, end of the year	<u>\$ 29,794</u>	<u>\$ 15,085</u>

The accompanying notes are an integral part of these financial statements

Barrie Community Foundation

Notes to the Financial Statements

For the year ended March 31, 2017

1. Significant Accounting Policies

Nature and Purpose of Organization

The Barrie Community Foundation (the "Foundation") is incorporated without share capital under the Corporations Act (Ontario) as a charitable organization and is a registered charity under the Income Tax Act (Canada). The purpose of the Foundation is to promote philanthropy in the Barrie community and to prudently manage community endowments.

Basis of Accounting

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Fund Accounting

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

The General Fund comprises the unrestricted resources available for immediate purposes. This fund reports unrestricted contributions and other unrestricted revenues and expenses.

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

The Endowment Fund comprise the resources that are required by the donor to be maintained by the Foundation on a permanent basis. Investment income earned on resources of the Endowment Fund is reported in the General Fund.

Revenue Recognition

Restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. However, if no appropriate restricted fund is presented, then the restricted contribution is recognized as revenue of the General Fund in the year in which the related expenses are incurred.

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

Contributions for endowments are recognized as revenue in the Endowment Fund.

Unrestricted net investment income earned on Endowment Fund resources is recognized as revenue of the General Fund. Net investment income earned on externally restricted fund resources are recognized as revenue of the Restricted Fund. All other investment income is recognized as revenue of the General Fund when earned.

Barrie Community Foundation Notes to the Financial Statements

For the year ended March 31, 2017

1. Significant Accounting Policies (continued)

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. The principal estimate used in the preparation of these financial statements are the fair values of financial instruments. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial Instruments

Financial Instruments are recorded at fair value at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

In-Kind Contributions

Contributions of materials are recognized in the period they are donated at their fair market value when a fair value can be reasonably estimated and when the materials are used in the normal course of the Foundation's operations and would otherwise have been purchased.

Contributed services are not recognized in the financial statements due to the inherent difficulty in valuing the time of volunteers.

Income Taxes

The Foundation is not subject to federal or provincial income taxes pursuant to exemptions accorded to registered charities in the income tax legislation.

Barrie Community Foundation Notes to the Financial Statements

For the year ended March 31, 2017

2. First-Time Adoption of Accounting Standards for Not-for-Profit Organizations

Effective April 1, 2016, the Foundation adopted the requirements of the new accounting framework: Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO), which is Part III of the Chartered Professional Accountants of Canada Handbook - Accounting. These are the Foundation's first financial statements prepared in accordance with this framework and the transitional provisions of Section 1501, First-time adoption by not-for-profit organizations have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and mandatory exceptions. The accounting policies set out in note 1 - Significant Accounting Policies have been applied in preparing the financial statements for the year ended March 31, 2016 and in preparation of an opening ASNPO statement of financial position at the date of transition of April 1, 2015.

The adoption of ASNPO had no impact on the previously reported assets, liabilities, fund balances, excess of revenues over expenses and cash flows of the Foundation. Accordingly, no adjustments have been recorded in the comparative statements of financial position, changes in fund balances, operations, and cash flows.

3. Cash and Restricted Cash

The Foundation's bank accounts are held at a chartered bank and a credit union and earn interest at variable rates dependent on the daily closing balances.

4. Restricted Short-term Investments

Guaranteed Investment Certificate, interest at 2.50%,
interest paid when redeemed, due January 23, 2017

	2017	2016
	\$ -	\$ 30,750

Barrie Community Foundation Notes to the Financial Statements

For the year ended March 31, 2017

5. Restricted Long-term Investments

	2017	2016
Cash	\$ 1,118	\$ -
Guaranteed Investment Certificate, interest at 2.20%, interest paid when redeemed, due June 4, 2018	4,270	4,178
Guaranteed Investment Certificate, interest at 1.25% - year 1, 1.51% - year 2, and 2.65% - year 3, interest paid when redeemed, due August 20, 2018	31,143	30,757
Guaranteed Investment Certificate, interest at 1.25% - year 1, 1.51% - year 2, and 2.65% - year 3, interest paid when redeemed, due September 30, 2018	10,125	10,000
Guaranteed Investment Certificate, interest at 1.50% - year 1, 1.75% - year 2, and 2.75% - year 3, interest paid when redeemed, due January 23, 2020	31,918	-
Canadian equities	28,362	-
	<u>\$ 106,936</u>	<u>\$ 44,935</u>

Investments in securities with an active market have been recorded at market value based on quoted market prices at March 31, 2017. Guaranteed investment certificates are recorded at carrying value plus accrued interest, which approximates market value at March 31, 2017. The Foundation has recognized an unrealized loss in the amount of \$520 (2016 - \$NIL) related to the change in the fair value of the investments during the year. This loss has been recorded in the statement of operations.

Barrie Community Foundation Notes to the Financial Statements

For the year ended March 31, 2017

6. Transfers Between Funds

Interfund transfers to/(from) between the funds consist of the following:

	General Fund	Restricted Funds	Endowment Funds
Administrative fees	\$ 2,869.	\$ (1,200)	\$ (1,669)
Donation	(5,000)	-	5,000
Incubator fees	(7,214)	-	7,214
Interest earned by endowment funds	(1,318)	-	1,318
Other	(1,415)	1,415	-
	<u>\$ (12,078)</u>	<u>\$ 215</u>	<u>\$ 11,863</u>

7. Financial Instrument Risk

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit risk since the Foundation's cash deposits are in excess of the amount insured by the agencies of the federal government in the amounts of \$100,000 at March 31, 2017.

Market Risk

Market risk includes exposure to fluctuations in market values, currency rates and interest rates. The Foundation is exposed to fluctuations in equity markets on its investments. It mitigates this risk through investing in lower risk securities and diversification of the investment portfolios. This investment policy considers market risk and the Foundation has mitigated this risk to the financial statements as a whole.

There have been no changes to the Foundation's financial instrument exposure from the prior year.

8. Comparative Figures

Certain comparative figures presented in the financial statements have been reclassified to conform to the current year's presentation.