

**Barrie Community Foundation**  
**Financial Statements**  
For the year ended March 31, 2019

---

**Contents**

<b>Independent Auditor's Report</b>	<b>2 - 3</b>
<b>Financial Statements</b>	
Statement of Financial Position	4
Statement of Changes in Fund Balances	5
Statement of Operations	6
Statement of Cash Flows	7
<b>Notes to the Financial Statements</b>	<b>8 - 12</b>

---

---

## Independent Auditor's Report

---

To the Board of Directors of Barrie Community Foundation:

### Opinion

We have audited the financial statements of Barrie Community Foundation (the Foundation), which comprise the statement of financial position as at March 31, 2019, and the statements of changes in fund balances, operations, and 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 March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### 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.

### Emphasis of Matter - Restatement of Comparative Information

Without modifying our opinion, we draw attention to note 2 to the financial statements, which explains that certain comparative information for the year ended March 31, 2018 has been restated. Our audit opinion is not modified in respect to this matter.

### Responsibilities of Management and Those Charged with Governance 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.

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.





## 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario  
August 20, 2019

---

# Barrie Community Foundation Statement of Financial Position

March 31

2019

2018

## Assets

### Current

Cash (note 3)	\$ 44,714	\$ 27,390
Restricted cash (note 3)	372,665	370,987
Restricted short-term investments (note 4)	32,964	46,255
Accounts receivable	7,347	576
Interest receivable	166	831
GST/HST recoverable	3,441	7,601
	<u>461,297</u>	<u>453,640</u>
Restricted Long-term Investments (note 5)	339,319	178,744
	<u>\$ 800,616</u>	<u>\$ 632,384</u>

## Liabilities and Fund Balances

### Current Liabilities

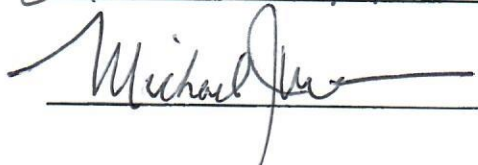
Accounts payable and accrued liabilities	\$ 5,699	\$ 33,729
--	----------	-----------

### Fund Balances

General fund	25,211	13,903
Restricted fund	410,114	358,016
Endowment fund	359,592	226,736
	<u>794,917</u>	<u>598,655</u>
	<u>\$ 800,616</u>	<u>\$ 632,384</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	2019 Total	2018 Total
Fund balances, beginning of year	\$ 13,903	\$ 358,016	\$ 226,736	\$ 598,655	\$ 409,340
Excess of revenues over expenses for the year	24,180	43,853	128,229	196,262	189,315
Interfund transfers (note 6)	(12,872)	8,245	4,627	-	-
Fund balances, end of year	\$ 25,211	\$ 410,114	\$ 359,592	\$ 794,917	\$ 598,655



## Barrie Community Foundation Statement of Operations

For the year ended March 31	General Fund	Restricted Fund	Endowment Fund	2019 Total	2018 Total
					(note 2)
<b>Revenues</b>					
Donations and fundraising	\$49,296	\$77,190	\$135,258	\$261,744	\$271,343
Unrealized gain (loss) on investments	-	-	621	621	(749)
Lottery income	-	185,285	-	185,285	158,606
Interest income	10,933	3,929	-	14,862	10,490
	<u>60,229</u>	<u>266,404</u>	<u>135,879</u>	<u>462,512</u>	<u>439,690</u>
<b>Expenses</b>					
<b>General</b>					
Advertising and promotion	570	-	-	570	903
Dues and subscriptions	1,018	-	-	1,018	584
Functions and events	7,186	-	-	7,186	10,283
Insurance	2,197	-	-	2,197	900
Interest and bank charges	-	184	-	184	211
Office	186	-	-	186	1,130
Professional fees	1,992	-	-	1,992	778
Rent	2,400	-	-	2,400	2,400
<b>Lottery</b>					
Bank charges	-	1,233	-	1,233	979
Commissions	-	-	-	-	15,676
Electronic support fee	-	22,944	-	22,944	24,660
Licensing fees	-	1,854	-	1,854	723
Printing cost	-	-	-	-	499
Professional fees	-	5,373	-	5,373	5,733
Miscellaneous	-	26	-	26	1,647
Rent	-	3,117	-	3,117	41,560
	<u>15,549</u>	<u>34,731</u>	<u>-</u>	<u>50,280</u>	<u>108,666</u>
<b>Excess of revenues over expenses before charitable grants</b>	<b>44,680</b>	<b>231,673</b>	<b>135,879</b>	<b>412,232</b>	<b>331,024</b>
<b>Charitable grants disbursed</b>	<b>20,500</b>	<b>187,820</b>	<b>7,650</b>	<b>215,970</b>	<b>141,709</b>
<b>Excess of revenues over expenses for the year</b>	<b>\$ 24,180</b>	<b>\$43,853</b>	<b>\$ 128,229</b>	<b>\$ 196,262</b>	<b>\$189,315</b>

## Barrie Community Foundation Statement of Cash Flows

For the year ended March 31

2019

2018

**Cash flows from operating activities**

Excess of revenues over expenses for the year

\$ 196,262      \$ 189,315

Net change in non-cash working capital balances related to operations

Accounts receivable

(6,771)      59

Interest receivable

665      (135)

GST/HST recoverable

4,160      (3,292)

Accounts payable and accrued liabilities

(28,030)      25,237

166,286      211,184

**Cash flows from investing activities**

Net change in investments

(148,962)      (213,588)

Increase (decrease) in cash during the year

17,324      (2,404)

Cash, beginning of the year

27,390      29,794

Cash, end of the year

\$ 44,714      \$ 27,390

---

# Barrie Community Foundation

## Notes to the Financial Statements

For the year ended March 31, 2019

---

### 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, 2019

---

### 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, 2019

### 2. Prior Period Adjustment

During the year, it was determined that the Foundation would no longer report the prize payout portion of lottery income or the prize payout from lottery expenses, since these transactions do not meet the definition of revenues or expenses of the Foundation. The comparative figures for 2018 have been restated to reflect the recording of these adjustments. Specifically, the 2018 figures have been adjusted as follows:

#### Statement of Operations:

Decrease in lottery income revenues	\$ 158,853
Decreases in prize payout expenses	<u>158,853</u>
Excess of revenues over expenses for the year increased by	<u>\$ -</u>

### 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

	<u>2019</u>	<u>2018</u>
Guaranteed Investment Certificate, interest at 2.20%, interest paid when redeemed, due June 4, 2018	\$ -	\$ 4,364
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	-	31,613
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	-	10,278
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	<u>32,964</u>	-
	<u>\$ 32,964</u>	<u>\$ 46,255</u>



## Barrie Community Foundation Notes to the Financial Statements

For the year ended March 31, 2019

### 5. Restricted Long-term Investments

	2019	2018
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	\$ -	\$ 32,397
Canadian equities	339,319	146,347
	<u>\$ 339,319</u>	<u>\$ 178,744</u>

Guaranteed investment certificates are recorded at carrying value plus accrued interest, which approximates market value at March 31, 2019. During 2019, funds in the amount of \$140,000 (2018 - \$140,000) were transferred to the Toronto Foundation to be pooled and managed by the Toronto Foundation. Investments in securities with an active market have been recorded at market value based on quoted market prices at March 31, 2019. The Foundation has recognized an unrealized gain in the amount of \$621 (2017 - loss of \$749) related to the change in the fair value of the investments during the year. This gain/loss has been recorded in the statement of operations.

### 6. Transfers Between Funds

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

	General Fund	Restricted Funds	Endowment Funds
Administrative fees	\$ 2,257	\$ -	\$ (2,257)
Incubator fees	(1,985)	-	1,985
Professional fees - audit	(5,373)	5,373	-
Interest earned by endowment funds	(10,933)	-	10,933
Other	3,162	2,872	(6,034)
	<u>\$ (12,872)</u>	<u>\$ 8,245</u>	<u>\$ 4,627</u>



---

## Barrie Community Foundation Notes to the Financial Statements

For the year ended March 31, 2019

---

### 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, 2019.

#### 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.

---