

**COMMUNITY FOUNDATION OF CAMPBELLFORD/SEYMOUR AND
NORTHUMBERLAND**

FINANCIAL STATEMENTS

December 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
COMMUNITY FOUNDATION OF CAMPBELLFORD/SEYMOUR AND NORTHUMBERLAND

Qualified Opinion

We have audited the financial statements of **COMMUNITY FOUNDATION OF CAMPBELLFORD/SEYMOUR AND NORTHUMBERLAND**, which comprise the statement of financial position as at December 31, 2024, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1, 2024 and December 31, 2024 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

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 Entity 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 qualified audit opinion.

Responsibilities of Management for the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT (continued)

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.

Trent Hills, Ontario
April 24, 2025

Welch LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

**COMMUNITY FOUNDATION OF CAMPBELLFORD/SEYMOUR AND
NORTHUMBERLAND**

(Incorporated without share capital)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

ASSETS

	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash	\$ 54,810	\$ 45,352
Accounts receivable	4,604	4,117
Prepaid expenses	<u>1,755</u>	<u>1,597</u>
	<u>61,169</u>	<u>51,066</u>
 LAND, BUILDING AND EQUIPMENT		
Land	47,874	47,874
Building	209,054	209,054
Office equipment	24,655	24,655
Computer equipment	<u>23,935</u>	<u>23,935</u>
	305,518	305,518
Less accumulated amortization	<u>148,589</u>	<u>139,342</u>
	156,929	166,176
 INVESTMENTS - note 4	<u>6,821,128</u>	<u>6,321,205</u>
	<u><u>\$ 7,039,226</u></u>	<u><u>\$ 6,538,447</u></u>

LIABILITY AND FUND BALANCES

CURRENT LIABILITY		
Accounts payable and accrued liabilities	\$ <u>22,716</u>	\$ <u>8,192</u>
 FUND BALANCES		
Internally restricted - invested in capital assets	156,929	166,176
Internally restricted - other	6,800,898	6,307,455
Externally restricted	73,469	73,269
Unrestricted	<u>(14,786)</u>	<u>(16,645)</u>
	<u>7,016,510</u>	<u>6,530,255</u>
	<u><u>\$ 7,039,226</u></u>	<u><u>\$ 6,538,447</u></u>

Approved by the Board of Directors:



Member



Member

(See accompanying notes)

COMMUNITY FOUNDATION OF CAMPBELLFORD/SEYMOUR AND NORTHHUMBERLAND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2024

	General Fund \$	Community Fund \$	Municipal Fund \$	Capital Assets Fund \$	Endowment Fund \$	2024 Total \$	2023 Total \$
REVENUES							
General contributions	2,000	14,630			200	16,830	47,995
Other revenues	27,920					27,920	15,177
Grants	-	-	-	-	-	-	205,340
Investment income	1,511					1,511	2,305
Investment gains (Note 8)	-	<u>507,974</u>	<u>433,883</u>	<u>-</u>	<u>-</u>	<u>941,857</u>	<u>622,373</u>
	<u>31,431</u>	<u>522,604</u>	<u>433,883</u>	<u>-</u>	<u>200</u>	<u>988,118</u>	<u>893,190</u>
EXPENDITURES							
Amortization				9,247		9,247	9,302
Board and meeting costs	1,439					1,439	327
Community relations/projects	10,414	8,324				18,738	49,356
Grants – annual		76,353	71,210			147,563	171,761
Insurance	3,768					3,768	3,673
Investment management fees		37,641	32,432			70,073	65,166
Marketing and communications	7,801					7,801	14,300
Memberships	2,555					2,555	2,486
Office	24,083					24,083	21,130
Professional fees	21,657					21,657	10,173
Property taxes	3,466					3,466	3,271
Salaries and benefits	186,126					186,126	178,168
Telephone	3,577					3,577	3,177
Training	661					661	1,733
Travel	<u>1,109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,109</u>	<u>903</u>
	<u>266,656</u>	<u>122,318</u>	<u>103,642</u>	<u>9,247</u>	<u>-</u>	<u>501,863</u>	<u>534,926</u>
EXCESS OF REVENUES OVER EXPENDITURES	(235,225)	400,286	330,241	(9,247)	200	486,255	358,264
Interfund transfers (Note 6)	<u>237,084</u>	<u>(123,084)</u>	<u>(114,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUNDS	1,859	277,202	216,241	(9,247)	200	486,255	358,264
Fund balances – beginning of year	<u>(16,642)</u>	<u>3,348,495</u>	<u>2,908,960</u>	<u>166,176</u>	<u>123,269</u>	<u>6,530,258</u>	<u>6,171,994</u>
FUND BALANCES – end of year	<u>(14,783)</u>	<u>3,625,697</u>	<u>3,125,201</u>	<u>156,929</u>	<u>123,469</u>	<u>7,016,513</u>	<u>6,530,258</u>

(See accompanying notes)

**COMMUNITY FOUNDATION OF CAMPBELLFORD/SEYMOUR AND
NORTHUMBERLAND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 486,255	\$ 358,265
Adjustment for:		
Amortization	<u>9,247</u>	<u>9,302</u>
	495,502	367,567
Change in non-cash working capital components:		
Accounts receivable	(487)	(1,361)
Prepaid expenses	(158)	(29)
Government remittances	-	(6,205)
Accounts payable and accrued liabilities	<u>14,524</u>	<u>73</u>
	<u>509,381</u>	<u>360,045</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land, building and equipment	-	(810)
Funds drawn from investments	<u>(499,923)</u>	<u>(345,762)</u>
	<u>(499,923)</u>	<u>(346,572)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Recognition of deferred revenue	<u>-</u>	<u>(873)</u>
INCREASE IN CASH	9,458	12,600
CASH, beginning of year	<u>45,352</u>	<u>32,752</u>
CASH, end of year	<u><u>\$ 54,810</u></u>	<u><u>\$ 45,352</u></u>

(See accompanying notes)

**COMMUNITY FOUNDATION OF CAMPBELLFORD/SEYMOUR AND
NORTHUMBERLAND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

1. PURPOSE OF FOUNDATION

The Community Foundation of Campbellford/Seymour and Northumberland was incorporated on January 23, 2001 under the laws of Canada as a corporation without share capital, and registered as a charitable organization under the Income Tax Act on the same date. The Foundation was continued under the Canada Not-for-profit Corporations Act on October 8, 2014. The Foundation provides grants within the Northumberland County area to support educational programs, promote and advance social and health programs, support and advance awareness of community and local heritage traditions, support innovative approaches to community based management and stewardship of land, natural resources and the environment, and support other complementary purposes of a charitable nature.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

Fund accounting restricted

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

The General Fund accounts for the foundations grant delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Community and Municipal Funds report restricted resources that are to be used for grant giving purposes.

The Capital Assets Fund reports the assets, liabilities, revenues and expenses related to the foundation's capital assets.

The Endowment Fund reports non-expendable resources, the income from which is to be used for children and youth in recreation following the guidelines for the Ontario Endowment for Children and Youth in Recreation, arts and crafts activities, and environmental programs in the community.

There is an immaterial difference of \$3.00 between the fund balances on the Statement of Operations and Changes in Fund Balances and the Statement of Changes in Fund Balances. This is due to previous rounding errors carried forward.

**COMMUNITY FOUNDATION OF CAMPBELLFORD/SEYMOUR AND
NORTHUMBERLAND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The Foundation initially measures its financial instruments and financial liabilities at fair value adjusted by transaction costs in the case where a financial asset or liability is subsequently measured at amortized cost. The foundation subsequently measures all of its financial assets and financial liabilities at amortized cost except for cash and investments which are quoted in an active market, which are measured at fair value. Transaction costs associated with the acquisition and disposal of investments are expensed when incurred.

Financial assets measured at amortized cost include accounts receivable..

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Land, building and equipment

Purchased capital assets are recorded at cost. Amortization is provided on a straight-line basis on computers and electronic equipment over an estimated useful life of five years, on a straight-line basis over twenty-five years on the building and on a diminishing balance basis of 20% on furniture. Amortization is reported in the Capital Assets Fund.

Revenue recognition

Unrestricted contributions are recognized as revenue of the General Fund in the year received.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred.

Contributions, where the donor has required that the principal be held in perpetuity, are recognized as revenue in the Endowment Fund. All other restricted contributions are recognized as revenue of the appropriate fund.

Grant income is recognized in the pertinent fund when it is received.

Investment income earned on Endowment Fund resources is recognized as revenue of the Community Fund.

Investment income earned on Community and Municipal Funds is recognized as revenue in the pertinent fund. Other investment income is recognized as revenue of the General Fund.

Rental income earned is recognized as revenue of the General Fund in the year to which it relates.

The Foundation is permitted, by various agreements, to transfer funds from the Community and Municipal Funds to the General Fund to cover administrative costs.

**COMMUNITY FOUNDATION OF CAMPBELLFORD/SEYMOUR AND
NORTHUMBERLAND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed materials and services

Contributed services are not recognized in the financial statements because of the difficulty of determining their fair value. Contributed materials are recognized in the financial statements only if fair value can be reasonably estimated and if the materials are used in the normal course of operations and would otherwise have been purchased.

Use of estimates

The preparation of financial statements in conformity 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 their estimates.

By their nature, these estimates are subject to measurement uncertainty. Management makes accounting estimates when determining the estimated useful life of the capital assets and fair values of investments.

3. FINANCIAL INSTRUMENTS

The Foundation is exposed to risks through its financial instruments as follows:

Market, currency, interest rates and credit risks

The investments held in the pooled funds with the Toronto Foundation consisted of a mix of cash and fixed income investments, Canadian equities, US equities, and international equity and other strategies at December 31, 2024 with the pooled funds having a total market value of approximately \$300,000,000. The Foundation also holds investments in mutual funds and bonds. The nature of these investments exposes the Foundation to market, currency, interest rate, and credit risks. The Foundation mitigates the risk exposure through its portfolio management plan.

Liquidity risk

The Foundation does have a liquidity risk in the accounts payable and accrued liabilities of \$22,716 (2023 - \$8,192). Liquidity risk is the risk that the Foundation cannot meet its debts when they become due. The Foundation's management manages this risk by reviewing its expected future cash flow requirements..

Other risks

Due to the nature of its operations, the Foundation is not exposed to significant other price risks.

Changes in risk

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

**COMMUNITY FOUNDATION OF CAMPBELLFORD/SEYMOUR AND
NORTHUMBERLAND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

4. INVESTMENTS

Investments consist of the following

	<u>2024</u>	<u>2023</u>
Pooled with the Toronto Foundation	\$ 6,710,720	\$ 6,214,150
Aron Theatre Bonds	<u>110,408</u>	<u>107,055</u>
	<u><u>\$ 6,821,128</u></u>	<u><u>\$ 6,321,205</u></u>

The Aron Theatre Bonds consist of seven hundred twenty bonds held at face value of \$100 each. These bonds bear interest at rates ranging from 2.5% to 3.5% and mature on March 10, 2026.

The Aron Theatre bonds are expected to be rolled into a commercial mortgage held by the Foundation. Details are to be clarified in the next year.

5. EXTERNALLY AND INTERNALLY RESTRICTED FUND BALANCES

Restrictions on funds are as follows:

	<u>Community Fund</u>	<u>Municipal Fund</u>	<u>Endowment Fund</u>	<u>2024 Total</u>
Externally restricted	\$ -	\$ -	\$ 73,469	\$ 73,469
Internally restricted	<u>3,625,698</u>	<u>3,125,200</u>	<u>50,000</u>	<u>6,800,898</u>
	<u><u>\$ 3,625,698</u></u>	<u><u>\$ 3,125,200</u></u>	<u><u>\$ 123,469</u></u>	<u><u>\$ 6,874,367</u></u>
	<u>Community Fund</u>	<u>Municipal Fund</u>	<u>Endowment Fund</u>	<u>2023 Total</u>
Externally restricted	\$ -	\$ -	\$ 73,269	\$ 73,269
Internally restricted	<u>3,348,495</u>	<u>2,908,960</u>	<u>50,000</u>	<u>6,307,455</u>
	<u><u>\$ 3,348,495</u></u>	<u><u>\$ 2,908,960</u></u>	<u><u>\$ 123,269</u></u>	<u><u>\$ 6,380,724</u></u>

Of the net assets restricted for endowment purposes, \$98,667 is subject to restrictions that income is for use in youth related projects. Investment income on the remaining \$24,802 is unrestricted.

A net investment gain of \$12,833 (2023 - \$7,777 gain) on resources held for endowment has been reported in the Community Fund.

**COMMUNITY FOUNDATION OF CAMPBELLFORD/SEYMOUR AND
NORTHUMBERLAND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

6. INTERFUND TRANSFERS

Interfund transfers are made up of the following amounts:

	<u>General Fund</u>	<u>Community Fund</u>	<u>Municipal Fund</u>	<u>Capital Asset Fund</u>
Internal charges for administration	<u>\$ 237,084</u>	<u>\$ (123,084)</u>	<u>\$ (114,000)</u>	<u>\$ -</u>

7. COMMITMENTS

The Foundation is party to an investment agreement with the Toronto Foundation. The Foundation is charged fees for the management of investment funds under this agreement. This agreement is automatically renewed in June of each year for one year periods until notice of termination is given.

The Foundation committed \$500,000 out of the Community Fund and \$1,500,000 out of the Municipal Fund for the Campbellford Recreation and Wellness Centre. Of those commitments, the Foundation still owes \$300,000 from the Community Fund and \$576,812 from the Municipal Fund.

During the year, the Foundation received donations of \$692 (2023 - \$27,770) for this purpose. These funds will be transferred to the Municipality to assist in the financing of these projects.

**COMMUNITY FOUNDATION OF CAMPBELLFORD/SEYMOUR AND
NORTHUMBERLAND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**

8. INVESTMENT INCOME

	<u>2024</u>	<u>2023</u>
Community Fund		
Toronto Foundation Pooled Funds	\$ -	\$ -
Interest and dividends	71,788	64,364
Net realized capital gains (losses)	<u>156,464</u>	<u>377</u>
	228,252	64,741
Net unrealized capital gains (losses)	<u>274,815</u>	<u>267,949</u>
	<u>503,067</u>	<u>332,690</u>
Other Investments		
Interest and dividends	<u>4,907</u>	<u>4,788</u>
Total Community Fund	<u>507,974</u>	<u>337,478</u>
Municipal Fund		
Interest and dividends	61,526	55,122
Net realized capital gains (losses)	<u>135,733</u>	<u>315</u>
	197,259	55,437
Net unrealized gains (losses)	<u>236,624</u>	<u>229,458</u>
Total Municipal Fund	<u>631,142</u>	<u>340,332</u>
Combined Totals	<u>\$ 941,857</u>	<u>\$ 622,373</u>