

**THE PERTH AND DISTRICT  
COMMUNITY FOUNDATION**

**FINANCIAL STATEMENTS**

**JULY 31, 2024**

DRAFT

Independent Auditor's Report

Statement of Financial Position

Statement of Operations and Changes in Fund Balances

Statement of Cash Flows

Notes to the Financial Statements



CHARTERED  
PROFESSIONAL  
ACCOUNTANTS

# KELLY HUIBERS McNEELY

PROFESSIONAL CORPORATION

## INDEPENDENT AUDITOR'S REPORT

To the Members of The Perth and District Community Foundation

### Qualified Opinion

We have audited the accompanying financial statements of The Perth and District Community Foundation ("the Foundation"), which comprise the statement of financial position as at July 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 financial statements present fairly, in all material respects, the financial position of the Foundation as at July 31, 2024, 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 Qualified 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 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, the 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 revenue, net revenue (expenses), and cash flows from operations for the years ended July 31, 2024 and 2023, current assets as at July 31, 2024 and 2023, and fund balances at the beginning and end of the years ended July 31, 2024 and 2023. The audit opinion on the financial statements for the year ended July 31, 2023 was also qualified because of the possible effects of this limitation in scope.

106B McGonigal St. W.  
Arnprior, Ontario K7S 1M4

9 Emily Street  
Carleton Place, Ontario K7C 1R9

16 Gore Street West  
Perth, Ontario K7H 2L6

5992 Hazeldean Rd.  
Stittsville, Ontario K2S 1B9

Phone: 613-963-1430 (1-866-999-1339)

Fax: 613-686-3960 (Perth local 613-267-3949)

acctg@khmpc.ca

---

## **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.
- 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.

Stittsville, Ontario  
January 8, 2025

Authorized to practise public accounting by  
The Chartered Professional Accountants of Ontario

DRAFT

# THE PERTH AND DISTRICT COMMUNITY FOUNDATION

## STATEMENT OF FINANCIAL POSITION

As at July 31, 2024

	Operating Fund	Community Granting Fund	Restricted and Named Funds	Total 2024	Total 2023
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 172,716	\$ -	\$ -	\$ 172,716	\$ 36,167
Accounts receivable	16,055	-	-	16,055	15,442
Prepaid expenses	2,200	-	-	2,200	2,128
Interfund receivable (payable)	<u>192,849</u>	<u>-</u>	<u>(192,849)</u>	<u>-</u>	<u>-</u>
	383,820	-	(192,849)	190,971	53,737
INVESTMENTS (note 3)	-	52,178	7,264,575	7,316,753	6,500,833
	<b>\$ 383,820</b>	<b>\$ 52,178</b>	<b>\$ 7,071,726</b>	<b>\$ 7,507,724</b>	<b>\$ 6,554,570</b>
<b>LIABILITIES &amp; FUND BALANCES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ <u>38,923</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>38,923</u>	\$ <u>18,829</u>
<b>FUND BALANCES</b>					
Operating Fund	344,897	-	-	344,897	332,460
Community Granting Fund	-	52,178	-	52,178	81,200
Restricted and Named Funds (note 4)	<u>-</u>	<u>-</u>	<u>7,071,726</u>	<u>7,071,726</u>	<u>6,122,081</u>
	344,897	52,178	7,071,726	7,468,801	6,535,741
	<b>\$ 383,820</b>	<b>\$ 52,178</b>	<b>\$ 7,071,726</b>	<b>\$ 7,507,724</b>	<b>\$ 6,554,570</b>

Approved by the Board

Approved by the Board

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

**THE PERTH AND DISTRICT COMMUNITY FOUNDATION**

**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**

**For the year ended July 31, 2024**

	<b>Operating Fund</b>	<b>Community Granting Fund</b>	<b>Restricted and Named Funds</b>	<b>Total 2024</b>	<b>Total 2023</b>
<b>REVENUE</b>					
Donations	\$ 29,212	\$ 5,939	\$ 331,030	\$ 366,181	\$ 862,161
Investment income (note 3)	<u>64,167</u>	<u>12,292</u>	<u>1,109,286</u>	<u>1,185,745</u>	<u>666,244</u>
	<u>93,379</u>	<u>18,231</u>	<u>1,440,316</u>	<u>1,551,926</u>	<u>1,528,405</u>
<b>EXPENSES</b>					
Administrative					
Marketing & advertising	2,723	-	-	2,723	5,286
Office and general	43,685	-	-	43,685	49,268
Salaries and benefits	64,161	-	-	64,161	51,986
Programs	-	-	-	-	13,755
Management fee	(63,281)	730	62,551	-	-
Internal transfers	976	(131,096)	130,120	-	-
Grants (note 5)	<u>32,678</u>	<u>177,619</u>	<u>298,000</u>	<u>508,297</u>	<u>623,710</u>
	<u>80,942</u>	<u>47,253</u>	<u>490,671</u>	<u>618,866</u>	<u>744,005</u>
Net revenue (expenses)	12,437	(29,022)	949,645	933,060	784,400
Fund balances, beginning of year	332,460	81,200	6,122,081	6,535,741	5,751,341
<b>Fund balances, end of year</b>	<b>\$ 344,897</b>	<b>\$ 52,178</b>	<b>\$ 7,071,726</b>	<b>\$ 7,468,801</b>	<b>\$ 6,535,741</b>

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

THE PERTH AND DISTRICT COMMUNITY FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended July 31, 2024

	2024	2023
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net revenue	\$ 933,060	\$ 784,400
Unrealized gains on investments	<u>(550,638)</u>	<u>(478,418)</u>
	382,422	305,982
Net change in non-cash working capital items:		
Accounts receivable	(613)	(5,692)
Prepaid expenses	(72)	(2,128)
Accounts payable and accrued liabilities	<u>20,094</u>	<u>13,720</u>
	401,831	311,882
INVESTING ACTIVITIES		
Purchase of investments, net	<u>(265,282)</u>	<u>(316,072)</u>
NET CHANGE IN CASH	136,549	(4,190)
CASH - BEGINNING OF YEAR	36,167	40,357
CASH - END OF YEAR	<u>\$ 172,716</u>	<u>\$ 36,167</u>

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

# THE PERTH AND DISTRICT COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2024

---

### 1. NATURE OF OPERATIONS

The Perth and District Community Foundation ("the Foundation") was incorporated without share capital under the Canada Corporations Act. The Foundation pools charitable gifts, some of which are invested in perpetuity. The income earned on these funds is used to encourage community development in areas such as arts and culture, health and social services, education and environmental initiatives.

The Foundation is a registered charity and is classified as a public foundation under Section 149.1(1) of the Income Tax Act (Canada) ("the Act"). As such, the Foundation is exempt from income taxes and able to issue donation receipts for income tax purposes. In order to maintain its status as a public foundation registered under the Act, the Foundation must meet certain requirements with the Act. In the opinion of management, these requirements have been met.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The principal accounting policies of the Foundation are summarized as follows:

#### Revenue Recognition

Donor-restricted contributions for endowment purposes are recognized as revenue in the Community Granting Fund. Other donor-restricted contributions are recognized as revenue in the Operating Fund or the Restricted and Named Funds depending on the nature of the restriction. Donor-restricted contributions that are intended to be paid out to qualified grantees are recognized as revenue in the Operating Fund if they are to be paid in the current period, and in the Restricted and Named Funds if they are to be paid over a medium-term horizon after earning investment income. Unrestricted contributions are recognized as revenue in the Operating Fund. Contributions are recognized as revenue when received.

#### Investments and Investment Income

Investments are recorded at fair value. Investment income includes dividends, interest, realized gains (losses) and the net change in unrealized gains (losses) for the year.



# THE PERTH AND DISTRICT COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2024

---

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Fund Accounting

The Foundation follows the restricted fund method of accounting for contributions. The Foundation ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for that purpose.

For financial reporting purposes, the accounts have been classified into the following funds:

- i) The Operating Fund reports resources available for the Foundation's general operating activities. These activities include fund development, grant administration, community leadership projects, and philanthropic services to the community. The general costs of supporting these activities are reported as expenses in the Operating Fund.
- ii) The Community Granting Fund includes resources that are required to be maintained by the Foundation on a permanent basis. The investment returns, and transfers from the Restricted and Named funds, where appropriate, are utilized for grants provided within the surrounding community on initiatives approved by the Board of Directors.
- iii) The Restricted and Named Funds report resources that are available to be used for purposes specified by the donor.

#### Donated Goods and Services

The Foundation may receive goods at no cost from various sources. Significant donations are recorded in the accounts at their estimated fair value at the date of the donation.

The Foundation also benefits from the service of volunteers. Because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

#### Expense Recognition

Expenses are recognized according to the accrual basis of accounting in that the expenses are recorded as incurred as a result of receipt of goods and services and the creation of a legal obligation to pay.

# THE PERTH AND DISTRICT COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Currency Translation

Investment transactions in foreign currencies are translated to Canadian dollars at the rate of exchange in effect at the date of the transaction. Investments held in foreign currencies are translated to Canadian dollars at the rate of exchange in effect at year end.

#### Accounting 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 and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

### 3. INVESTMENTS

Investments are pooled and investment income is allocated to the Operating, Community Granting, and Restricted and Named Funds on a prorated basis based on monthly market value. Investments of the Foundation, administered by RBC Dominion Securities, are invested as follows and are stated at fair value.

	2024	2023
Cash and cash equivalents	\$ 66,982	\$ 321,954
Equities	6,418,902	5,288,706
Fixed income	160,175	251,028
Mutual funds	670,694	639,145
	<b>\$ 7,316,753</b>	<b>\$ 6,500,833</b>

During the year, the net investment income (loss) was calculated as follows:

	2024	2023
Investment income	\$ 711,171	\$ 253,430
Unrealized gains	550,638	478,418
Investment fees	(76,064)	(65,604)
	<b>\$ 1,185,745</b>	<b>\$ 666,244</b>

# THE PERTH AND DISTRICT COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2024

### 4. RESTRICTED AND NAMED FUNDS

Restricted and Named Funds consist of agency endowed, donor designated, donor advised, family, field of interest, scholarship, and spend down funds. All donations, the income of which are to be designated for specific purposes, are recorded as additions to the capital of a restricted and/or named fund. Funds consist of the following:

	2024	2023
Ageless Migration Fund	\$ 19,655	\$ 16,705
Allatt Fund	904	805
Anderson Family Fund	32,847	26,510
Benjamin van der Ham Memorial Bursary	-	125
Ben Rogers Memorial Fund	4,296	4,098
Big Brothers Big Sisters Fund	69,851	61,112
Bill Cuthbertson Fund	10,482	9,333
Boysen Family Fund	12,438	10,591
Bryce Bell Family Fund	25,496	21,151
Caring Community Housing Initiative in Perth Fund	-	6,682
CARR Refugee Fund	-	42,074
CFUW Perth and District Education Awards Fund	1,003	-
Community Housing Initiative in Perth (CHIP) Fund	7,934	-
Donald Robertson Fund	29,832	26,562
Dr. Gordon Jackson Fund	49,819	42,341
Dr. Murray Wilson Fund	5,646	5,693
Dunning Reain Family Fund	12,717	10,809
Environmental Trust Fund	94,237	83,485
Forrester Family Fund	13,538	11,460
From Family Fund	23,646	21,054
GKJ Community Fund	278,203	247,711
Graham Family Fund	21,145	18,827
Hollis Chagnon Family Fund	40,137	35,738
Ireton Fendley Fund	16,079	14,316
Jacqui Bowick Sandor Second Chance Fund	8,805	7,494
Jayden Dowdall Memorial Bursary	21,012	-
John and Natalie Gibb-Carsley Family Fund	6,392	-
Ken Gray Memorial Fund	559,954	480,376
Kiwanis Club of Perth Scholarship Fund	26,323	23,048
Ladly Family Fund	132,712	118,166
Lanark County Community Justice Program Fund	16,494	14,018
Lily Roy Memorial Bursary Fund	36,769	32,144
Lorraine Hill Estate Fund	1,352,485	1,204,420
Marriner Family Fund	25,505	22,753
Amount to carry forward	\$ 2,956,356	\$ 2,619,601

# THE PERTH AND DISTRICT COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2024

### 4. RESTRICTED AND NAMED FUNDS (continued)

	2024	2023
Amount carried forward	\$ 2,956,356	\$ 2,619,601
McIntosh Perry Fund	91,900	79,894
MERA Award of Excellence Fund	25,693	21,836
Michael Herbert and Linda Murray-Herbert Family Fund	-	11,458
Munroe Family Fund	22,158	18,725
Noble/Stolee Fund	297,910	260,636
O'Connor Family Fund	81,111	71,133
Parkinson's Community Network	37,017	10,540
PDCF Hospice Care Fund	91,473	-
PDCF Indigenous Youth Award	29,475	24,374
Perth and District Union Public Library Children's Literacy Fund	661,464	579,653
Perth and District Union Public Library Collection Fund	81,291	71,041
Perth and District Union Public Library Donation and Bequest Endowed Fund	26,696	23,425
Perth Blue Wings Alumni Fund	27,920	24,624
Perth Brewery Fund	11,769	10,479
Perth Fire Dawgs Fund	50,473	41,444
Perth Stingrays Aquatic Club Spend Down Fund	16,473	4,061
Reta M. Miller Fund	146,542	126,507
Robert J. Ellard Fund	100,179	83,672
Rotary Club of Perth Fund	98,611	84,525
Smart and Caring Community Fund	6,650	5,921
Smiths Falls Montague Fund	16,077	13,664
Smiths Falls Welcomes Ukraine	3,503	2,977
St. James the Apostle Church Endowment Fund	21,708	16,412
St. James the Apostle Church Spend Down Fund	36,021	35,299
St. Paul's United Church Scholarship Fund	177,115	150,530
St. Paul's United Church Spend Down Fund	318,144	353,384
Strome/Drew Family Fund	966,697	786,745
Stuart and Sharon Laing Fund	164,289	144,078
Tay Valley History Scholarship Fund	74,246	61,453
The Hospice Hub	313	11,550
The Table Fund	270,952	213,847
Underhill McIntyre Family Fund	13,035	11,691
VCK Fund	39,391	35,073
Young Talent Fund	38,156	33,974
Youth Action Kommittee Fund	70,918	77,855
	<b>\$ 7,071,726</b>	<b>\$ 6,122,081</b>

# THE PERTH AND DISTRICT COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2024

---

### 5. GRANTS

The Foundation incurs expenses on an annual basis in the form of grants to qualified donees. The funds received for granting purposes are derived from two sources. The first source is through investment income earned on the Foundation's endowed capital. The second source is through gifts received from donors whereby the donor has designated that the amount of the gift, less than an agreed upon administrative fee, is to be directed immediately to an agency or agencies specified by the donor (provided that the agency is a "qualified donee"). The latter are referred to as "flow through" grants. Flow through grants for 2024 totaled \$32,677 (2023 - \$304,568).

### 6. COMMITMENTS

The Foundation has entered into a lease agreement for office space for the period December 2024 to November 2034. Monthly payments are \$2,000, plus applicable taxes, subject to annual inflationary increases.

### 7. FINANCIAL INSTRUMENTS

The fair values of cash, accounts receivable, and accounts payable and accrued liabilities, are equivalent to their respective carrying values given the short-term nature of the accounts. Investments are measured at fair value on the statement of financial position as quoted by investment brokers.

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

As a result of holding financial instruments, the Foundation is exposed to investment risk, market risk, and interest rate risk. The following is a description of those risks and how the Foundation manages its exposure to them. The Foundation's risk management has not changed from the prior year.

#### Investment risk:

Risk management relates to the understanding and active management of risks associated with all areas of the operation and the associated environment. Investments are primarily exposed to interest rate and market risk.

The Foundation mitigates these risks with an investment policy designed to limit exposure and concentration while achieving optimal return within reasonable risk tolerances.

# THE PERTH AND DISTRICT COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2024

---

### 7. FINANCIAL INSTRUMENTS (continued)

#### Market and interest rate risk:

The risks associated with the investments are the risks associated with the securities in which the funds are invested. The value of equity securities changes with stock market conditions, which are affected by general economic and market conditions. The value of securities will vary with developments within the specific companies or governments which issue the securities. The value of fixed income securities will generally rise if interest rates fall and fall if interest rates rise. Changes in interest rates may also affect the value of equity securities.

DRAFT