

**THE PERTH AND DISTRICT
COMMUNITY FOUNDATION**

FINANCIAL STATEMENTS

JULY 31, 2025

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

P R O F E S S I O N A L C O R P O R A T I O N

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, 2025, 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, 2025, 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, 2025 and 2024, current assets as at July 31, 2025 and 2024, and fund balances at the beginning and end of the years ended July 31, 2025 and 2024. The audit opinion on the financial statements for the year ended July 31, 2024 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.

*Kelly Huibers McNeely
Professional Corporation*

Stittsville, Ontario
January 8, 2026

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

THE PERTH AND DISTRICT COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at July 31, 2025

	Operating Fund	Community Granting Fund	Restricted and Named Funds	Total 2025	Total 2024
ASSETS					
CURRENT ASSETS					
Cash	\$ 87,992	\$ -	\$ -	\$ 87,992	\$ 172,716
Accounts receivable	20,906	-	-	20,906	16,055
Prepaid expenses	5,251	-	-	5,251	2,200
Interfund receivable (payable)	<u>198,765</u>	<u>-</u>	<u>(198,765)</u>	<u>-</u>	<u>-</u>
	312,914	-	(198,765)	114,149	190,971
INVESTMENTS (note 3)	-	614,682	8,094,412	8,709,094	7,316,753
	\$ 312,914	\$ 614,682	\$ 7,895,647	\$ 8,823,243	\$ 7,507,724
LIABILITIES & FUND BALANCES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ <u>17,219</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>17,219</u>	\$ <u>38,923</u>
FUND BALANCES					
Operating Fund	295,695	-	-	295,695	344,897
Community Granting Fund	-	614,682	-	614,682	52,178
Restricted and Named Funds (note 4)	<u>-</u>	<u>-</u>	<u>7,895,647</u>	<u>7,895,647</u>	<u>7,071,726</u>
	295,695	614,682	7,895,647	8,806,024	7,468,801
	\$ 312,914	\$ 614,682	\$ 7,895,647	\$ 8,823,243	\$ 7,507,724

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, 2025

	Operating Fund	Community Granting Fund	Restricted and Named Funds	Total 2025	Total 2024
REVENUE					
Donations	\$ 68,420	\$ 610,454	\$ 707,018	\$ 1,385,892	\$ 366,181
Investment income (note 3)	<u>41,789</u>	<u>22,656</u>	<u>788,165</u>	<u>852,610</u>	<u>1,185,745</u>
	<u>110,209</u>	<u>633,110</u>	<u>1,495,183</u>	<u>2,238,502</u>	<u>1,551,926</u>
EXPENSES					
Administrative					
Marketing & advertising	1,503	2,945	-	4,448	2,723
Office and general	73,920	-	-	73,920	43,685
Salaries and benefits	102,797	-	-	102,797	64,161
Special events	14,858	-	-	14,858	-
Management fee	(78,091)	4,063	74,028	-	-
Internal transfers	6,790	(280,832)	274,042	-	-
Grants (note 5)	<u>37,634</u>	<u>344,430</u>	<u>323,192</u>	<u>705,256</u>	<u>508,297</u>
	<u>159,411</u>	<u>70,606</u>	<u>671,262</u>	<u>901,279</u>	<u>618,866</u>
Net revenue (expenses)	(49,202)	562,504	823,921	1,337,223	933,060
Fund balances, beginning of year	344,897	52,178	7,071,726	7,468,801	6,535,741
Fund balances, end of year	\$ 295,695	\$ 614,682	\$ 7,895,647	\$ 8,806,024	\$ 7,468,801

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, 2025

	2025	2024
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net revenue	\$ 1,337,223	\$ 933,060
Unrealized gains on investments	<u>(657,650)</u>	<u>(550,638)</u>
	679,573	382,422
Net change in non-cash working capital items:		
Accounts receivable	(4,851)	(613)
Prepaid expenses	(3,051)	(72)
Accounts payable and accrued liabilities	<u>(21,704)</u>	<u>20,094</u>
	649,967	401,831
INVESTING ACTIVITIES		
Purchase of investments, net	<u>(734,691)</u>	<u>(265,282)</u>
NET CHANGE IN CASH	(84,724)	136,549
CASH - BEGINNING OF YEAR	172,716	36,167
CASH - END OF YEAR	<u>\$ 87,992</u>	<u>\$ 172,716</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, 2025

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(f) 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

Contributions that are intended for grants disbursed within the community on initiatives approved by the Board of Directors are recognized in the Community Granting Fund.

Contributions that are paid out to qualified grantees are recognized 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 longer period. Endowment contributions are recognized in the applicable Restricted and Named Fund.

Contributions that are intended to support the Foundation's general operations are recognized in the Operating Fund. All 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, 2025

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 available for grant disbursements within the 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, 2025

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.

	2025	2024
Cash and cash equivalents	\$ 393,527	\$ 66,982
Equities	7,656,632	6,418,902
Fixed income	-	160,175
Mutual funds	658,935	670,694
	\$ 8,709,094	\$ 7,316,753

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

	2025	2024
Investment income	\$ 290,521	\$ 711,171
Unrealized gains	657,650	550,638
Investment fees	(95,561)	(76,064)
	\$ 852,610	\$ 1,185,745

THE PERTH AND DISTRICT COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

July 31, 2025

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:

	2025	2024
Ageless Migration Fund	\$ 21,630	\$ 19,655
Allatt Fund	924	904
Anderson Family Fund	37,286	32,847
Ben Rogers Memorial Fund	3,978	4,296
Big Brothers Big Sisters Fund	73,758	69,851
Bill Cuthbertson Fund	10,718	10,482
Boysen Family Fund	14,193	12,438
Bryce Bell Family Fund	28,016	25,496
CFUW Perth and District Education Awards Fund	22,142	1,003
Community Housing Initiative in Perth (CHIP) Fund	202	7,934
Donald Robertson Fund	30,502	29,832
Dr. Gordon Jackson Fund	54,742	49,819
Dr. Murray Wilson Fund	4,613	5,646
Dunning Reain Family Fund	13,974	12,717
Environmental Trust Fund	103,550	94,237
Forrester Family Fund	14,876	13,538
From Family Fund	33,791	23,646
GKJ Community Fund	284,451	278,203
Graham Family Fund	21,620	21,145
Hollis Chagnon Family Fund	41,038	40,137
Ireton Fendley Fund	19,092	16,079
Jacqui Bowick Sandor Second Chance Fund	9,675	8,805
Jayden Dowdall Memorial Bursary	32,959	21,012
Joe and Barbara Martin Perth Band Fund	188	-
John and Natalie Gibb-Carsley Family Fund	12,068	6,392
Ken Gray Memorial Community Fund	333,676	-
Ken Gray Memorial Fund	274,615	559,954
Kiwanis Club of Perth Scholarship Fund	27,864	26,323
Ladly Family Fund	135,692	132,712
Lanark County Community Justice Program Fund	18,124	16,494
Lanark County Interval House & Community Support Fund	111,075	-
Lauder Donor Advised Fund	82,419	-
Lily Roy Memorial Bursary Fund	39,236	36,769
Lorraine Hill Estate Fund	<u>1,382,837</u>	<u>1,352,485</u>
Amount to carry forward	\$ 3,295,524	\$ 2,930,851

THE PERTH AND DISTRICT COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

July 31, 2025

4. RESTRICTED AND NAMED FUNDS (continued)

	2025	2024
Amount carried forward	\$ 3,295,524	\$ 2,930,851
Mariner Family Fund	27,230	25,505
McIntosh Perry Fund	97,800	91,900
MERA Award of Excellence Fund	26,833	25,693
Munroe Family Fund	23,677	22,158
Noble/Stolee Fund	460,530	297,910
O'Connor Family Fund	89,123	81,111
Parkinson's Community Network	54,970	37,017
PDCF Hospice Care Fund	2,281	91,473
PDCF Indigenous Youth Award	33,013	29,475
Perth and District Union Public Library Children's Literacy Fund	726,429	661,464
Perth and District Union Public Library Collection Fund	86,570	81,291
Perth and District Union Public Library Donation and Bequest Endowed Fund	38,858	26,696
Perth Blue Wings Alumni Fund	29,089	27,920
Perth Brewery Fund	12,034	11,769
Perth Fire Dawgs Fund	79,785	50,473
Perth Stingrays Aquatic Club Spend Down Fund	21,841	16,473
Raymond and Elaine Hook Donor Advised Fund	10,219	-
Reta M. Miller Fund	158,863	146,542
Robert J. Ellard Fund	108,558	100,179
Rotary Club of Perth Fund	37,251	98,611
Simpkin-Litalien Family Fund	6,985	-
Smart and Caring Community Fund	7,307	6,650
Smiths Falls Montague Fund	2,450	16,077
Smiths Falls Welcomes Ukraine	3,849	3,503
St. James the Apostle Church Endowment Fund	23,575	21,708
St. James the Apostle Church Spend Down Fund	37,853	36,021
St. Paul's United Church Scholarship Fund	194,618	177,115
St. Paul's United Church Spend Down Fund	288,405	318,144
Strome/Drew Family Fund	988,406	966,697
Stuart and Sharon Laing Fund	173,229	164,289
Tay Valley History Scholarship Fund	83,988	74,246
The Hospice Hub	1,563	313
The Table Fund	446,605	270,952
Underhill McIntyre Family Fund	<u>13,331</u>	<u>13,035</u>
Amount to carry forward	\$ 7,692,642	\$ 6,923,261

THE PERTH AND DISTRICT COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

July 31, 2025

4. RESTRICTED AND NAMED FUNDS (continued)

	2025	2024
Amount carried forward	\$ 7,692,642	\$ 6,923,261
VCK Fund	40,275	39,391
Young Talent Fund	41,927	38,156
Youth Action Kommittee Fund	120,803	70,918
	\$ 7,895,647	\$ 7,071,726

5. GRANTS

The Foundation incurs expenses on an annual basis in the form of grants to qualified donees. Funds received for granting purposes are derived through investment income earned as well as gifts received from donors. Gifts received from donors whereby the donor has designated that the amount of the gift, less 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") are referred to as "flow through" grants and are recognized in the Operating Fund. Flow through grants for 2025 totaled \$37,634 (2024 - \$32,677).

6. COMMITMENTS

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

The Foundation has committed to grant disbursements of \$89,558 to qualified donees in the upcoming fiscal year.

THE PERTH AND DISTRICT COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

July 31, 2025

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, and market 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.

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.