

DUFFERIN COMMUNITY FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

DUFFERIN COMMUNITY FOUNDATION
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YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of: Dufferin Community Foundation

Opinion

We have audited the accompanying financial statements of Dufferin Community Foundation, which comprise the statement of financial position as at December 31, 2023 and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Dufferin Community Foundation as at December 31, 2023 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.

Basis of 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 Dufferin Community 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.

Responsibilities of Management and Those Charged with Governance 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 a 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 judgement 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 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.

Guelph, Ontario
May 21, 2024



Chartered Professional Accountants
Licensed Public Accountants

DUFFERIN COMMUNITY FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 123,221	\$ 917,812
Investments (note 4)	3,443,681	1,515,018
Accounts receivable	2,734	10,229
Prepaid expenses	<u>1,386</u>	<u>1,022</u>
	<u>\$ 3,571,022</u>	<u>\$ 2,444,081</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	<u>\$ 21,909</u>	<u>\$ 12,267</u>
NET ASSETS		
UNRESTRICTED FUNDS	149,627	91,681
RESTRICTED FUND	8,231	7,920
ENDOWMENT FUNDS	<u>3,391,255</u>	<u>2,332,213</u>
	<u>3,549,113</u>	<u>2,431,814</u>
	<u>\$ 3,571,022</u>	<u>\$ 2,444,081</u>

DUFFERIN COMMUNITY FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2022	Revenues	Operating Expenditures	Grants	Surplus	Administration Fees	Transfers (note 7)	2023
UNRESTRICTED FUNDS	\$ 91,681	\$ 431,043	\$ (141,031)	\$ (277,000)	\$ 13,012	\$ 45,739	\$ (805)	\$ 149,627
RESTRICTED FUND								
Dufferin Emergency Support	7,920	250	(7)	0	243	0	68	8,231
ENDOWMENT FUNDS								
Donor Advised Funds	2,082,891	1,034,767	(1,498)	(40,500)	992,769	(42,227)	40,376	3,073,809
Community Funds	96,412	51,139	(593)	0	50,546	(1,271)	(31,827)	113,860
Field of Interest Funds	128,005	60,473	(365)	(14,200)	45,908	(1,669)	(8,044)	164,200
Organization Funds	24,905	14,958	(137)	0	14,821	(572)	232	39,386
	<u>2,332,213</u>	<u>1,161,337</u>	<u>(2,593)</u>	<u>(54,700)</u>	<u>1,104,044</u>	<u>(45,739)</u>	<u>737</u>	<u>3,391,255</u>
Total	\$ <u>2,431,814</u>	\$ <u>1,592,630</u>	\$ <u>(143,631)</u>	\$ <u>(331,700)</u>	\$ <u>1,117,299</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>3,549,113</u>

DUFFERIN COMMUNITY FOUNDATION
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
REVENUES		
Donations (note 6)	\$ 1,092,672	\$ 1,145,897
Grants	282,500	10,000
Investment income (loss) (note 5)	145,428	(121,661)
Fundraising	42,030	110,220
Partnership management fees	30,000	5,000
	<u>1,592,630</u>	<u>1,149,456</u>
OPERATING EXPENDITURES		
Office and administration	62,103	53,694
Fundraising events	52,850	97,196
Professional fees	18,194	23,305
Communications	8,473	5,122
Insurance	2,011	1,344
Honorariums	0	400
	<u>143,631</u>	<u>181,061</u>
GRANTS	<u>331,700</u>	<u>44,380</u>
SURPLUS for the year	<u>\$ 1,117,299</u>	<u>\$ 924,015</u>

DUFFERIN COMMUNITY FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net surplus for the year	\$ 1,117,299	\$ 924,015
Unrealized (gain) loss on investments during the year	<u>(114,244)</u>	<u>109,009</u>
	1,003,055	1,033,024
Changes in non-cash working capital		
Accounts receivable	7,495	(7,596)
Prepaid expenses	(364)	(603)
Accounts payable and accrued liabilities	<u>9,642</u>	<u>4,369</u>
	<u>1,019,828</u>	<u>1,029,194</u>
CASH USED IN INVESTING ACTIVITIES		
Investments	<u>(1,814,419)</u>	<u>(336,808)</u>
NET (DECREASE) INCREASE IN CASH	(794,591)	692,386
NET CASH, BEGINNING OF YEAR	<u>917,812</u>	<u>225,426</u>
NET CASH, END OF YEAR	<u>\$ 123,221</u>	<u>\$ 917,812</u>

DUFFERIN COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. NATURE OF OPERATIONS

Dufferin Community Foundation (the "Foundation") is a public foundation that was incorporated under the Canada Not For Profit Act on December 4, 2017 and was granted charitable status on February 14, 2018. The Foundation exists to help improve the quality of life in Dufferin and area by building and managing permanent endowed funds for community betterment. Charitable endeavours in areas such as health, education, arts and culture, recreation, the environment, and social services, are supported by distributing, via grants, the income earned on the permanent endowment funds. The Foundation is a registered charity under the Income Tax Act (Canada), and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

(a) REVENUE RECOGNITION

The Foundation follows the restricted fund method of accounting for contributions in which externally restricted and endowment contributions including of donations and grants are recognized upon receipt in the appropriate fund corresponding to the purpose for which they were contributed. Externally restricted contributions of the general fund are recognized as revenue when the related expenditure occurs. Unrestricted contributions are recognized in the general fund when received and collection is reasonably assured.

Revenue from partnership management fees is recognized at the time the service is provided and investment income is accrued over the period earned.

Fundraising revenue, which includes revenue generated from event ticket sales, is included in revenue when the event occurs.

(b) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(c) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The Foundation initially measures its financial assets and liabilities at fair value.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments, which are measured at fair value. Changes in fair value are recognized in net surplus.

Transaction costs

The Foundation recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

DUFFERIN COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) FINANCIAL INSTRUMENTS (continued)

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net surplus.

(d) FUND ACCOUNTING

The Foundation utilized the restricted fund method of accounting for contributions and expenditures. A summary and description of the funds is as follows:

Unrestricted funds

The unrestricted funds reports resources available for the Foundation's general operating activities. Unrestricted funds are comprised of funds for:

- General operations which is used for general operating activities.
- Flow through funds that do not have their own restricted fund. These would include funds received for sponsored grants such as booster grant recipients or funds received from donors who wish their funds to go to a specified charity and the funds are then granted out.
- Dufferin sustainability funds which donors can donate to fund general operating activities.

Restricted fund

The externally restricted fund report resources that are not to be held as endowments and are, therefore, disbursed as grants on a current basis.

The Dufferin Emergency Support Fund supports the immediate needs of charities adversely affected by a state of emergency in the community.

Endowment funds

The endowment funds report resources that are to be held as permanent endowments. The unexpended investment income earned on these endowment funds is restricted and is to be expended for specific purposes. These funds are externally restricted and are allocated as follows:

The Donor Advised Funds represent charitable contributions from donors who advise on the distribution of grants to various charitable organizations.

The Community Funds were established to address the broad charitable needs of a specific community served by the Foundation.

The Field of Interest Funds were established to support a specific area of interest or concern within the community served by the Foundation.

DUFFERIN COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) FUND ACCOUNTING (continued)

The Organization Funds are held and managed by the Foundation on behalf of other non-profit organizations.

(e) GIFTS IN KIND CONTRIBUTIONS

Gifts in kind contributions, which could include gifts of shares or other similar investments, are recorded at fair value when the fair value is easily obtainable.

3. FINANCIAL INSTRUMENTS

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

The Foundation is subject to market risk including price risk, foreign currency risk, and interest rate risk with respect to its investment portfolio. To manage these risks, the Foundation has established a target mix of investment types designed to achieve the optimal return within reasonable risk tolerances.

The extent of the Foundation's exposure to these risks did not change in 2023 compared to the previous period.

The Foundation does not have a significant exposure to any individual customer or counterparty.

4. INVESTMENTS

Investments are comprised of the following:

	2023	2022
RBC Wealth Management cash account	\$ 57,402	\$ 894
RBC Wealth Management mutual funds	2,972,887	1,444,068
TD Direct, GIC, 4.80% interest, due March 13, 2024	100,000	52,056
TD Direct mutual funds	<u>313,392</u>	<u>18,000</u>
	<u>\$ 3,443,681</u>	<u>\$ 1,515,018</u>

5. INVESTMENT INCOME (LOSS)

Investment income (loss) consists of the following:

	2023	2022
Capital gain (losses)	\$ 42,611	\$ (147)
Market value increase (decrease)	114,244	(109,009)
Dividend and interest income	7,192	654
Management fees	<u>(18,619)</u>	<u>(13,159)</u>
	<u>\$ 145,428</u>	<u>\$ (121,661)</u>

**DUFFERIN COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

6. GIFTS IN KIND CONTRIBUTIONS

During the year, the Foundation received the gifts in kind contributions of shares with a fair value of \$171,776 (2022 \$29,620).

7. INTERFUND TRANSFERS

Contributions received prior to the current fiscal year were transferred to the newly created endowed funds once these endowment funds were formally established.