

**The Community Foundation of Orillia and Area  
Financial Statements  
For the Year Ended December 31, 2023**

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## Independent Auditors' Report

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### To the Members of The Community Foundation of Orillia and Area

#### Opinion

We have audited the accompanying financial statements of The Community Foundation of Orillia and Area, which comprise the statement of financial position as at December 31, 2023, 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, the accompanying financial statements present fairly, in all material respects, the financial position of The Community Foundation of Orillia and Area as at December 31, 2023, 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 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 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 audit opinion.

#### 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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.



**Hehn Trickey Professional Corporation**  
**Chartered Professional Accountants**

*Authorized to practise public accounting by  
the Chartered Professional Accountants of Ontario*

Orillia, Ontario  
May 31, 2024

**The Community Foundation of Orillia and Area**  
**Statement of Financial Position**  
**As at December 31, 2023**

	Operating Fund	Managed Funds	Endowment Funds	December 31 2023	December 31 2022
<b>Assets</b>					
<b>Current</b>					
Cash and cash equivalents	\$ 30,997	\$ -	\$ 108,175	\$ 139,172	\$ 346,406
Accounts receivable (Note 3)	24,841	-	255,435	280,276	11,779
	<b>55,838</b>	<b>-</b>	<b>363,610</b>	<b>419,448</b>	<b>358,185</b>
Insurance policy (Note 5)	-	-	45,065	45,065	45,065
Long-term investments (Note 4)	-	7,821,173	12,352,140	20,173,313	14,845,044
	<b>\$ 55,838</b>	<b>\$ 7,821,173</b>	<b>\$ 12,760,815</b>	<b>\$ 20,637,826</b>	<b>\$ 15,248,294</b>
<b>Liabilities and Net Assets</b>					
<b>Current</b>					
Accounts payable	\$ 6,226	\$ -	\$ -	\$ 6,226	\$ 9,752
Managed funds (Note 8)	-	7,821,173	-	7,821,173	3,834,500
Deferred investment income (Note 7)	-	-	1,488,796	1,488,796	820,904
	<b>6,226</b>	<b>7,821,173</b>	<b>1,488,796</b>	<b>9,316,195</b>	<b>4,665,156</b>
<b>Net Assets</b>					
Unrestricted	49,612	-	-	49,612	44,009
Externally restricted for endowments (Note 9)	-	-	11,272,019	11,272,019	10,539,129
	<b>49,612</b>	<b>-</b>	<b>11,272,019</b>	<b>11,321,631</b>	<b>10,583,138</b>
	<b>\$ 55,838</b>	<b>\$ 7,821,173</b>	<b>\$ 12,760,815</b>	<b>\$ 20,637,826</b>	<b>\$ 15,248,294</b>

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

**The Community Foundation of Orillia and Area  
Statement of Operations and Changes in Fund Balances  
For the Year Ended December 31, 2023**

	Operating Fund	Managed Funds	Endowment Funds	December 31 2023	December 31 2022
<b>Revenues</b>					
Administration fees - investment	\$ 62,022	\$ -	\$ -	\$ 62,022	\$ 29,337
HST rebate (Note 3)	9,737	-	-	9,737	22,899
Investment administration fees (Note 8)	-	38,838	-	38,838	29,887
Investment income (Note 7)	-	-	566,623	566,623	521,262
Donations (Note 6)	210,875	-	-	210,875	47,150
	<b>282,634</b>	<b>38,838</b>	<b>566,623</b>	<b>888,095</b>	650,535
<b>Expenditures</b>					
<b>Fund Expenses and Grants</b>					
Administration	-	3,668	28,355	32,023	29,337
Grants to the community (Note 6)	211,875	-	453,050	664,925	459,550
Investment management fees	-	35,170	85,218	120,388	109,662
	<b>211,875</b>	<b>38,838</b>	<b>566,623</b>	<b>817,336</b>	598,549
<b>Overhead Expenses</b>					
Administrative	10,488	-	-	10,488	5,410
Insurance	961	-	-	961	940
Management fees - CDC	47,990	-	-	47,990	28,719
Professional fees	5,717	-	-	5,717	6,215
	<b>65,156</b>	-	-	<b>65,156</b>	41,284
	<b>277,031</b>	<b>38,838</b>	<b>566,623</b>	<b>882,492</b>	639,833
<b>Excess of revenues over expenses</b>	<b>5,603</b>	-	-	<b>5,603</b>	10,702
<b>Fund balance, beginning of year</b>	<b>44,009</b>	-	<b>10,539,129</b>	<b>10,583,138</b>	9,755,314
<b>Endowment contributions (Note 9)</b>	-	-	<b>732,890</b>	<b>732,890</b>	817,122
<b>Fund balance, end of year</b>	<b>\$ 49,612</b>	<b>\$ -</b>	<b>\$ 11,272,019</b>	<b>\$ 11,321,631</b>	<b>\$ 10,583,138</b>

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

**The Community Foundation of Orillia and Area**  
**Statement of Cash Flows**  
**As at December 31, 2023**

	Operating Fund	Managed Fund	Endowment Fund	December 31 2023	December 31 2022
<b>Cash provided by (used in)</b>					
<b>Operating activities</b>					
Excess (deficiency) of revenues over expenses	\$ 5,603	\$ -	\$ -	\$ 5,603	\$ 10,702
Changes in non-cash working capital balances					
Accounts receivable	(13,063)	-	(255,435)	(268,498)	(11,779)
Accounts payable	(3,525)	-	-	(3,525)	3,527
Deferred contributions	-	-	-	-	(162,000)
	<b>(10,985)</b>	<b>-</b>	<b>(255,435)</b>	<b>(266,420)</b>	<b>(159,550)</b>
<b>Investing activities</b>					
Increase in managed funds	-	3,986,672	-	3,986,672	16,074
Increase (decrease) in deferred investment income	-	-	667,893	667,893	(1,085,554)
Endowment contributions received	-	-	732,890	732,890	817,122
Purchase of long term investments	-	(3,986,672)	(1,341,597)	(5,328,269)	(437,924)
	<b>-</b>	<b>-</b>	<b>59,186</b>	<b>59,186</b>	<b>(690,282)</b>
<b>Decrease in cash during the year</b>	<b>(10,985)</b>	<b>-</b>	<b>(196,249)</b>	<b>(207,234)</b>	<b>(849,832)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>41,982</b>	<b>-</b>	<b>304,424</b>	<b>346,406</b>	<b>1,196,238</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 30,997</b>	<b>\$ -</b>	<b>\$ 108,175</b>	<b>\$ 139,172</b>	<b>\$ 346,406</b>

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

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# The Community Foundation of Orillia and Area

## Notes to Financial Statements

### December 31, 2023

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#### 1. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**Nature of Organization** The Community Foundation of Orillia and Area was incorporated without share capital by Letters Patent, on February 17, 1999 and designated as a public foundation. The mission of the foundation is to provide for the enrichment of the quality of life throughout Orillia and area by developing and maintaining permanent endowment funds through responsible leadership and demonstration of philanthropic leadership in the community. The foundation is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

**Net Assets** The operating fund reports the administrative costs of operating the foundation. Operating grants and unrestricted donations are recorded in this fund.

The managed funds reports assets invested by the foundation on behalf of other organizations. These funds must be returned to the other organizations if requested.

The endowment funds reports assets that must be held in perpetuity for the benefit of the community. The funds are comprised of individual endowment funds that have been established by various community donors. The foundation must award grants from these funds in accordance with the individual restrictions stipulated by each endowment fund.

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**The Community Foundation of Orillia and Area**  
**Notes to Financial Statements**  
**December 31, 2023**

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**1. Significant Accounting Policies (continued)**

<b>Revenue Recognition</b>	<p>The foundation has adopted the deferral method of accounting for contributions. Restricted contributions are recorded as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable; if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Endowment contributions are recognized as direct increases in net assets of the endowment fund.</p> <p>Restricted investment income in the managed fund is recognized initially as a deferred contribution, then as revenue in the year the related expenses are incurred. Investment losses on restricted funds are recognized as a reduction in the deferred contribution balance.</p> <p>Donations and administration fees collected from endowment funds are recognized at the time the amounts to be received can be reasonably estimated and collection is reasonably assured.</p>
<b>Contributed Services</b>	<p>Volunteers contribute services throughout the year to assist the foundation in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.</p>
<b>Cash and Cash Equivalents</b>	<p>Cash and cash equivalents consist of cash on hand, bank balances and term deposits with a maturity of three months or less from the date of purchase.</p>
<b>Long-term Investments</b>	<p>Long-term investments are recorded at fair market value.</p>
<b>Insurance Policy</b>	<p>The insurance policy is recognized at the fair market value on the date of donation to the foundation plus the cost of the appraisal.</p>
<b>Capital Assets</b>	<p>The foundation records capital assets at cost in the year of acquisition. The foundation currently does not own any capital assets.</p>



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**The Community Foundation of Orillia and Area**  
**Notes to Financial Statements**  
**December 31, 2023**

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**1. Significant Accounting Policies (continued)**

**Financial Instruments**     *Initial and subsequent measurement*

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

The foundation subsequently measures all its financial assets and liabilities at fair value, except for the insurance policy. The insurance policy is valued at cost. Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Financial assets measured at fair value include cash and cash equivalents and long-term investments.

Financial assets measured at cost include accounts receivable and the insurance policy.

Financial liabilities measured at fair value include accounts payable and accrued liabilities and managed funds.

*Impairment*

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

**Use of Estimates**

The preparation of financial statements in accordance Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

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# The Community Foundation of Orillia and Area

## Notes to Financial Statements

### December 31, 2023

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#### 2. Financial Instruments

The foundation has a comprehensive risk management framework to monitor, evaluate and manage the principle risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk, liquidity risk and market risk.

(a) Credit risk:

The foundation is exposed to credit risk with respect to long-term investments. The credit risk with respect to the long-term investments is insignificant since the majority are held in large financial institutions.

(b) Liquidity risk:

The foundation's exposure to liquidity risk is dependent on the receipt of funds from its investments and other related revenue sources, whether in the form of interest or donations.

(c) Market risk:

A portion of the foundation's investments in publicly-traded securities exposes the foundation to market risks as publicly-traded securities are subject to price changes in an open market. The foundation has a well thought out and established investment policy that ensures a diversified portfolio and minimizes this risk. The policy includes the use of derivative instruments.

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#### 3. Accounts Receivable

	<u>2023</u>	<u>2022</u>
Contributions receivable	\$ 265,435	\$ -
HST receivable	14,841	11,779
	<u>\$ 280,276</u>	<u>\$ 11,779</u>

The foundation previously recognized HST rebates as revenue in the year the rebates were received. In the prior fiscal year, the foundation set up a receivable for the HST rebate owing to the foundation. As a result, the 2022 revenue is comprised of both the 2021 and 2022 rebate amounts.

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**The Community Foundation of Orillia and Area**  
**Notes to Financial Statements**  
**December 31, 2023**

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**4. Long-term investments**

	<u>2023</u>	<u>2022</u>
BMO Nesbitt Burns	\$ 5,342,041	\$ 4,764,880
Connor, Clark & Lunn	13,725,241	9,250,390
RBC Dominion Securities	1,106,031	829,774
	<u>20,173,313</u>	<u>14,845,044</u>

The endowment and managed funds are invested in a variety of publicly traded shares and pooled income funds, which include fixed income, equity, alternative investments and hedge positions. All investments are recorded at fair market value.

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**5. Insurance Policy**

The foundation received a donation of a life insurance policy during 2014. The policy has a death benefit of \$100,000. The policy was recognized at the fair market value on the date of the donation (\$42,805) plus the cost of the appraisal (\$2,260) for a total value of \$45,065.

No further premium payments will be necessary as the policy is considered fully paid up.

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**6. Flow Through Grants**

During the current fiscal year, the foundation received \$210,875 (2022 - \$47,150) in donations that were flowed through to qualified donees.

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**7. Deferred Investment Income**

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 820,904	\$ 1,906,458
Plus: Investment income (loss)	1,234,515	(664,292)
Plus: Contributions during the year	-	100,000
Less: Recognized as income	(566,623)	(521,262)
Balance, end of year	<u>\$ 1,488,796</u>	<u>\$ 820,904</u>

Deferred investment income represents undistributed investment income and direct contributions that have been externally restricted to fund future grants and administrative expenses of the foundation's endowment funds.

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**The Community Foundation of Orillia and Area**  
**Notes to Financial Statements**  
**December 31, 2023**

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**8. Managed Funds**

	<u>2023</u>	<u>2022</u>
Air Cadets	\$ 132,512	\$ 120,856
Couchiching Conservancy	1,494,082	1,241,967
Couchiching Conservancy - Heartwood	513,340	381,286
Fish & Game Conservation Club	172,163	176,331
Fish & Game Conservation Club - Building	39,862	36,356
Huronian Community Foundation	3,261,380	-
Magnetawan Land Trust	173,026	157,806
Mariposa Folk Foundation	1,311,059	1,195,738
Orillia Minor Hockey Association	73,679	47,939
Orillia Museum of Art & History	129,295	120,436
Rainy Lake Conservancy	290,956	141,335
Shriners	65,951	60,149
St. Paul's United Church	163,868	154,301
	<u>\$ 7,821,173</u>	<u>\$ 3,834,500</u>

**Managed Funds - Continuity**

Balance, beginning of year	\$ 3,834,500	\$ 3,818,427
Plus: Investment income (loss)	576,261	(220,924)
Less: Investment administration fees	(38,838)	(29,887)
Plus: Contributions during the year	3,479,500	279,684
Less: Withdrawals	(30,250)	(12,800)
	<u>\$ 7,821,173</u>	<u>\$ 3,834,500</u>

Included in investments (Note 4), are funds being held and invested on behalf of community organizations. The foundation invests the funds on behalf of these organizations. The organizations can request that their funds be returned at any time.

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**The Community Foundation of Orillia and Area**  
**Notes to Financial Statements**  
**December 31, 2023**

**9. Externally Restricted for Endowments**

	2022	Contributions	2023
<b>Regular Endowment Funds</b>			
Smart & Caring Community	\$ 554,046	\$ -	\$ 554,046
YMCA Skid Watson	70,000	-	70,000
They Had a Dream Administration	60,861	-	60,861
OSMH Doctor Recruitment	25,125	-	25,125
Couchiching Conservancy Stewardship	29,536	-	29,536
Volunteer Firefighters	14,647	-	14,647
Carol Ivey Victim Services	14,256	-	14,256
Orillia Vocal Ensemble	14,370	-	14,370
Orillia Museum of Art & History	62,052	29,818	91,870
Big Brothers Big Sisters	86,973	-	86,973
St. Paul's Centre	129,657	100,000	229,657
Sharing Place Food Bank	20,000	-	20,000
Fish & Game Club	59,000	3,000	62,000
Stephen Leacock Associates	82,250	20,250	102,500
Orillia Youth Centre	35,576	26,139	61,715
The Lighthouse	10,000	-	10,000
Mariposa House Hospice	25,000	-	25,000
North Simcoe 4-H Association	-	10,000	10,000
Ethel Patti Cox Estate - Children	147,225	-	147,225
Ethel Patti Cox Estate - Seniors	149,205	-	149,205
Ontario Endowment for Children	89,372	-	89,372
Casino Rama Festive	18,620	-	18,620
Orillia Y's Men's	45,000	-	45,000
Apprentice Bursary Fletcher	23,495	-	23,495
Tom Parish Scholarship	18,375	-	18,375
Larsen Family	15,015	-	15,015
	<u>1,799,656</u>	<u>189,207</u>	<u>1,988,863</u>
<b>Donor Advised Funds</b>			
Brian Adams	224,283	-	224,283
John Galt	2,911,100	255,435	3,166,535
W. Scott & Jean Tudhope	4,832,825	-	4,832,825
Dale Family	747,265	278,248	1,025,513
Jim & Ruth Watt	19,000	10,000	29,000
Jarvis Family	5,000	-	5,000
	<u>8,739,473</u>	<u>543,683</u>	<u>9,283,156</u>
	<u>\$ 10,539,129</u>	<u>\$ 732,890</u>	<u>\$ 11,272,019</u>

The net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating that the resources be maintained permanently. Investment income earned on these assets is restricted to the terms of each endowment fund. The above figures represent the accumulated amount of the contributions for each fund at cost.