

**THE CREEMORE COMMUNITY FOUNDATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of  
The Creemore Community Foundation

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of The Creemore Community Foundation, which comprise the statement of financial position as at December 31, 2021, and the statements of operations and changes in net assets 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 Creemore Community Foundation as at December 31, 2021, 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 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 Creemore 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.

## INDEPENDENT AUDITOR'S REPORT (continued)

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### *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 Organization 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.

**INDEPENDENT AUDITOR'S REPORT (continued)**

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- 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's 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.

KRIENS-LAROSE, LLP



Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Ontario  
February 4, 2022

THE CREEMORE COMMUNITY FOUNDATION  
**STATEMENT OF FINANCIAL POSITION**  
AS AT DECEMBER 31, 2021

	2021	2020
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	576,205	765,963
HST receivable	127,134	68,377
Prepaid expenses	53,999	53,999
	757,338	888,339
<b>LAND - CREEMORE VILLAGE GREEN (Note 2)</b>		
Donated land	425,000	425,000
Land improvements	2,363,245	899,224
	2,788,245	1,324,224
Total Assets	3,545,583	2,212,563
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	65,322	75,027
<b>NET ASSETS</b>		
Unrestricted net assets	3,480,261	2,137,536
Total liabilities and unrestricted net assets	3,545,583	2,212,563

APPROVED ON BEHALF OF THE BOARD:

H. A. Am..., Director

F. S. L..., Director

THE CREEMORE COMMUNITY FOUNDATION  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	\$	\$
<b>REVENUES</b>		
Donations	1,364,090	1,240,041
Fundraising events	64,200	-
Investment income	711	91
	<b>1,429,001</b>	<b>1,240,132</b>
<b>EXPENSES</b>		
Fundraising	40,844	6,000
Professional fees	21,952	12,016
Insurance	7,818	8,602
Bank fees	5,850	1,524
Advertising and promotion	4,834	1,931
Office	3,633	1,896
Membership fees	1,090	-
Repairs and maintenance	255	1,565
	<b>86,276</b>	<b>33,534</b>
<b>EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR</b>	<b>1,342,725</b>	<b>1,206,598</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>2,137,536</b>	<b>930,938</b>
<b>NET ASSETS, END OF YEAR</b>	<b>3,480,261</b>	<b>2,137,536</b>

THE CREEMORE COMMUNITY FOUNDATION  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	\$	\$
<b>CASH WAS PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Cash receipts from donations	1,364,090	1,240,041
Cash receipts from fundraising events	64,200	-
Cash receipts from interest	711	91
Cash paid to suppliers	(154,738)	(73,199)
	1,274,263	1,166,933
<b>INVESTING ACTIVITIES</b>		
Land improvements	(1,464,021)	(782,000)
Change in cash and equivalents	(189,758)	384,933
Cash and equivalents, beginning of year	765,963	381,030
Cash and equivalents, end of year	576,205	765,963



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## PURPOSE OF THE ORGANIZATION

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The Creemore Community Foundation (the “Foundation”) was incorporated on September 18, 2018 under the Canada Not-for-profit Corporations Act as a corporation without share capital, and was registered as a charity on January 1, 2019. As a registered charity the Foundation is not subject to income taxes under the Income Tax Act (Canada).

The Foundation was established to receive funds, and to maintain and utilize those funds to provide a public amenity in the Village of Creemore by establishing and maintaining a park and public space. The mission of the Foundation is to enhance the cultural heritage and physical landscape of the Village.

### 1. SIGNIFICANT ACCOUNTING POLICIES

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The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies:

#### **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 cost or amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at cost or amortized cost include cash and HST receivable. Financial liabilities measured at cost or amortized cost include accounts payable and accrued liabilities.

#### **Use of Estimates**

The preparation of financial statements in accordance 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 reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

#### **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and investments with maturities of less than 90 days.

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1. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

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**Prepaid Expenses**

Prepaid expenses represent payments made in the current fiscal year for goods and services to be received in the next fiscal year.

**Land and improvements**

Land is presented at the original donated value plus improvements made in the year. The asset is not amortized as the land is under development.

**Revenue Recognition**

The Foundation follows the deferral method of accounting for contributions. No restricted contributions were received in the year.

Unrestricted donations are recognized as revenue in the period they are received.

Interest is recognized as revenue on the accrual basis.

**Donated Services**

During the year voluntary services were provided by the Directors. Because these services are not normally purchased by the Foundation, and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

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**2. LAND - CREEMORE VILLAGE GREEN**

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In 2019, the Toronto-Dominion Bank donated land located at 181 Mill Street Creemore Ontario to the Foundation at an appraised value of at \$425,000.

The Foundation commenced improvements to the land in 2019.

The year-end balance represents:

Donated land	425,000
Land improvements	2,363,245

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Total	2,788,245
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Under the terms of a Construction Agreement with the Township of Clearview (the "Township"), the Foundation will transfer property ownership and title to the Township on substantial completion of the Village Green construction. The Foundation has also entered into a Management Agreement with the Township with respect to the Village Green lands and the adjacent Creemore Horticultural Park. The Foundation agrees to manage the Village Green lands and Creemore Horticultural lands and will provide an actively programmed 4 seasons Village Green which both supports the community and area businesses. The Initial term of the Management Agreement is 20 years and can be extended in 5 year increments as agreed by both parties.

**3. PLEDGED DONATIONS**

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Pledged donations are not recorded as revenue until the amounts are received. As at December 31, management estimates the value of outstanding pledges receivable for the years 2022-2024 to be \$770,000, of which \$338,000 is expected to be received in 2022.

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4. **COMMITMENTS**

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The Foundation is committed to the design and construction of the Creemore Village Green. The total cost of the project is estimated at \$3,380,000. Management estimates the projected costs to complete the project to be \$766,000.

5. **RELATED PARTY TRANSACTIONS**

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During the year, the Foundation received an interest-free operating loan of \$150,000 (2020 - \$0) from a lender whose principal shareholder is one of the Directors of the Foundation's Board. The loan was repaid before the end of the fiscal year.

6. **FINANCIAL INSTRUMENTS**

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The Foundation is exposed to various risks through its financial instruments. The following presents the Foundation's risk exposures and concentrations at December 31, 2021.

**Liquidity Risk**

Liquidity risk is the risk the Foundation will encounter difficulties in meeting obligations associated with financial liabilities. The Foundation has a low liquidity risk due to the cash they have on hand and donation pledges, relative to the cost of completing the construction of the Creemore Village Green.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation has a low interest rate risk.

**7. THE NOVEL CORONAVIRUS (COVID-19)**

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In March 2020, the World Health Organization declared a global pandemic due to the outbreak of the novel Coronavirus (“COVID-19”). The situation is continuously developing, and the economic impact has been substantial to both Canada and the globe.

The Foundation is aware of the changes in its operations as a result of the pandemic, including a slowdown in Creemore Village Green project due to COVID-19 restrictions. Management is actively monitoring and mitigating the financial and operational impacts.

The duration of the pandemic is unknown at this time. As a result, it is not possible to reliably estimate the length or severity of these development, nor the impact on the financial position of the Foundation.