

**THE CREEMORE COMMUNITY FOUNDATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

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**DECEMBER 31, 2022**

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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, 2022, 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, 2022, 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**

*KRIENS-LAROSE, LLP*

**Chartered Professional Accountants  
Licensed Public Accountants**

Toronto, Ontario  
March 4, 2023

THE CREEMORE COMMUNITY FOUNDATION  
**STATEMENT OF FINANCIAL POSITION**  
AS AT DECEMBER 31, 2022

	2022	2021
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	243,672	576,205
Government remittances receivable	132,743	127,134
Prepaid expenses	976	53,999
	377,391	757,338
<b>LAND - CREEMORE VILLAGE GREEN (Note 2)</b>		
Donated land	-	425,000
Land improvements	-	2,363,245
	-	2,788,245
	377,391	3,545,583
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	105,542	65,322
Loan due to related party (Note 5)	250,000	-
	355,542	65,322
<b>NET ASSETS</b>		
Unrestricted net assets	21,849	3,480,261
	377,391	3,545,583

APPROVED ON BEHALF OF THE BOARD:

H. A. Am..., Director

F. S. Zygi..., Director

See accompanying notes to the financial statements

THE CREEMORE COMMUNITY FOUNDATION  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	\$	\$
<b>REVENUES</b>		
Donations (Note 5)	794,486	1,364,090
Grant	82,500	-
Fundraising events	16,828	64,200
Government assistance (Note 4)	9,162	-
Investment income	82	711
	903,058	1,429,001
<b>EXPENSES</b>		
Donation to the Township of Clearview (Note 2)	4,236,094	-
Wages	55,486	-
Administrative	22,917	-
Professional fees	18,496	21,952
Village Green events	16,085	-
Insurance	2,738	7,818
Office	2,166	3,633
Bank fees	1,983	5,850
Fundraising	1,741	40,844
Advertising and promotion	1,662	4,834
Membership fees	1,496	1,090
Rent	468	-
Repairs and maintenance	138	255
	4,361,470	86,276
<b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR</b>	<b>(3,458,412)</b>	<b>1,342,725</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>3,480,261</b>	<b>2,137,536</b>
<b>NET ASSETS, END OF YEAR</b>	<b>21,849</b>	<b>3,480,261</b>

THE CREEMORE COMMUNITY FOUNDATION  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	\$	\$
<b>CASH WAS PROVIDED BY (USED IN):</b>		
<b>CASH FROM OPERATING ACTIVITIES</b>		
Cash receipts from donations	794,486	1,364,090
Cash receipts from grants	82,500	-
Cash receipts from Government assistance	9,162	-
Cash receipts from fundraising events	16,828	64,200
Cash receipts from interest	82	711
Cash paid to suppliers and employees	(1,485,591)	(154,738)
	(582,533)	1,274,263
<b>CASH FROM FINANCING ACTIVITIES</b>		
Loan due to related party	250,000	-
<b>CASH FROM INVESTING ACTIVITIES</b>		
Land improvements	-	(1,464,021)
Change in cash and equivalents	(332,533)	(189,758)
Cash, beginning of year	576,205	765,963
Cash, end of year	243,672	576,205

See accompanying notes to the financial statements



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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 Government remittances 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 land 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.

On July 27, 2022, pursuant to the terms of a Construction Agreement with the Township of Clearview (the "Township"), the Foundation transferred property ownership and title to the Township upon substantial completion of the Creemore Village Green construction. Land and all accrued land improvements have been recorded as a donation to the Township of Clearview on the statement of operations, including all construction-related expenses incurred in the 2022 fiscal year.

The year-end balance represents:

	2022	2021
	\$	\$
Donated land	-	425,000
Land improvements	-	2,363,245
	-	2,788,245

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The Foundation has 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, 2022 management estimates the value of outstanding pledges receivable for the years 2023-2024 to be \$457,000, of which \$318,250 is expected to be received in 2023.

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**4. GOVERNMENT ASSISTANCE**

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During the year, the Foundation received \$ 9,162 in Canada Summer Jobs grant from the Government of Canada. The grant provides wage subsidies to employers from not-for-profit organizations, the public sector, and private sector organizations with 50 or fewer full-time employees, to create quality summer work experiences for young people aged 15 to 30 years.

**5. RELATED PARTY TRANSACTIONS**

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During the year, the Foundation received an interest-free operating loan of \$250,000 (2021: \$150,000) from a lender whose principal shareholder is one of the Directors of the Foundation's Board.

Included in donations for the year is \$150,000 (2021: \$200,000) received from the Directors of the Foundation's Board. This transaction was in the normal course of operations and was measured at the exchange value which is the amount of consideration established and agreed to by both parties.

**6. COMMITMENTS**

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**The Creemore Village Green**

The Foundation is committed to the design and construction of the Creemore Village Green. The total cost of the project is estimated at \$4,272,000. Management estimates the projected costs to complete the project in 2023 at \$35,000.

**Office lease**

The Foundation entered a lease agreement for office space for the period December 1, 2022 to November 30, 2027. The annual base rental payments are as follows:

2023	5,400
2024	5,400
2025	5,400
2026	5,400
2027	4,950
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	26,550

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## 7. 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, 2022.

### **Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation's main credit risks relate to accounts receivable. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is \$nil (2021: \$nil).

### **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.

### **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk.

### **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation actively manages the currency risk by reducing the use of foreign currency in business transactions.

### **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.

### **Other Price Risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is not exposed to other price risk.