

THE CREEMORE COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2020

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FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

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, 2020, 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, 2020, 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)

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:

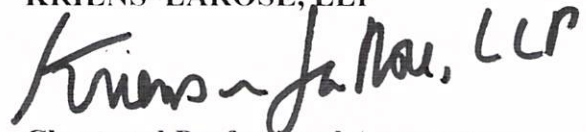
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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)

- 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
March 9, 2021

THE CREEMORE COMMUNITY FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

	2020 \$	2019 \$
ASSETS		
CURRENT		
Cash	765,963	381,030
HST receivable	68,377	13,334
Prepaid expenses	53,999	-
	888,339	394,364
LAND - CREEMORE VILLAGE GREEN (Note 2)	1,324,224	542,224
Total Assets	2,212,563	936,588
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	75,027	5,650
NET ASSETS		
Unrestricted net assets	2,137,536	930,938
Total liabilities and unrestricted net assets	2,212,563	936,588

APPROVED ON BEHALF OF THE BOARD:

H. A. A. Am, Director F. S. Zyja, Director

THE CREEMORE COMMUNITY FOUNDATION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
	\$	\$
REVENUES		
Donations	1,240,041	973,046
Investment income	91	40
	1,240,132	973,086
EXPENSES		
Professional fees	12,016	13,594
Insurance	8,602	2,785
Fundraising	6,000	1,476
Advertising and promotion	1,931	7,196
Office	1,896	366
Repairs and maintenance	1,565	291
Bank fees	1,524	-
Property taxes	-	1,322
Event space rental	-	1,108
Consultants fees	-	14,010
	33,534	42,148
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	1,206,598	930,938
NET ASSETS, BEGINNING OF YEAR	930,938	-
NET ASSETS, END OF YEAR	2,137,536	930,938

THE CREEMORE COMMUNITY FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

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	2020	2019
	\$	\$
CASH WAS PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Cash receipts from donations	1,240,041	548,046
Cash receipts from interest	91	40
Cash paid to suppliers	(73,199)	(49,832)
	1,166,933	498,254
INVESTING ACTIVITIES		
Land improvements	(782,000)	(117,224)
Change in cash and equivalents	384,933	381,030
Cash and equivalents, beginning of year	381,030	-
Cash and equivalents, end of year	765,963	381,030

See accompanying notes to the financial statements

PURPOSE OF THE ORGANIZATION

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

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

Financial assets measured at amortized cost include cash and HST receivable. Financial liabilities measured at 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

2. LAND - CREEMORE VILLAGE GREEN

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	899,224
<hr/>	
Total	1,324,224
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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

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 2021-2024 to be \$850,000, of which \$385,000 is expected to be received in 2021.

4. COMMITMENTS

The Foundation is committed to the design and construction of the Creemore Village Green. Management estimates the planned expenditures in 2021 to be \$1,100,000. To date the Foundation has expended \$142,500 on the costs in the 2021 fiscal year.

5. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments. The following presents the Foundation's risk exposures and concentrations at December 31, 2020.

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.

6. MATERIAL UNCERTAINTY - COVID-19

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.

As at March 9, 2021, the Foundation is aware that changes in operations may be required as a result of the pandemic. There is also the possibility of a reduction of donation revenue.

Management is monitoring the situation and the resulting impact on operations and will adjust the scope and timing of the Foundation's activities to match any changes in expected donation levels.

Assets and liabilities have been recorded using the best information available at the time of financial statement preparation. The uncertainty due to the pandemic may cause recorded amounts to be different than those realized, and those differences may be material. Estimates could be materially different than actual results.