

Financial Statements of

**THE KITCHENER AND WATERLOO  
COMMUNITY FOUNDATION**

And Independent Auditors' Report Thereon

Year ended December 31, 2020



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The Kitchener and Waterloo Community Foundation

### *Opinion*

We have audited the financial statements of The Kitchener and Waterloo Community Foundation (the "Foundation"), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and the notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2020, 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the 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.



***Responsibility 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 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 the 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 risk 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, internal 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 purposes 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.



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- 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 the 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 auditors' 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 auditors' 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada  
April 23, 2021

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

## Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 7,936,778	\$ 622,253
Accounts receivable (note 2)	84,450	105,547
Prepaid expenses	30,763	34,827
Cash surrender value of life insurance policies (note 7)	54,756	110,691
	<u>8,106,747</u>	<u>873,318</u>
Investments:		
Impact investments (note 3)	4,874,851	2,574,310
Investments (note 4(a))	82,673,705	82,066,117
	<u>87,548,556</u>	<u>84,640,427</u>
Capital assets (note 5)	32,683	46,872
	<u>\$ 95,687,986</u>	<u>\$ 85,560,617</u>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 339,241	\$ 215,322
Grants payable	78,230	30,900
Deferred revenue (note 7)	118,119	110,691
	<u>535,590</u>	<u>356,913</u>
Fund balances:		
Restricted (note 8)	94,978,899	85,050,039
Accumulated operating surplus:		
Internally restricted (note 9)	150,000	150,000
Unrestricted	23,497	3,665
	<u>173,497</u>	<u>153,665</u>
	<u>95,152,396</u>	<u>85,203,704</u>
Non-owned assets (note 12)		
Commitments (note 13)		
Implications due to COVID-19 (note 15)		
	<u>\$ 95,687,986</u>	<u>\$ 85,560,617</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

## Statement of Operations and Changes in Fund Balances

Year ended December 31, 2020, with comparative information for 2019

	Operating Fund	Capital Fund	Funds for Distribution	2020 Total	2019 Total
<b>Revenue:</b>					
Donations	\$ -	\$ 8,804,309	\$ 2,670,703	\$ 11,475,012	\$ 2,922,823
Net investment income (loss) (note 4(b))	(6,492)	5,742,080	-	5,735,588	11,852,051
Other	358,803	657	-	359,460	102,068
Administration fees (note 11(a))	112,030	-	-	112,030	98,119
	<u>464,341</u>	<u>14,547,046</u>	<u>2,670,703</u>	<u>17,682,090</u>	<u>14,975,061</u>
<b>Expenditures:</b>					
Grants	-	3,239,444	2,437,709	5,677,153	3,434,346
Operating expenses (note 10)	1,922,545	-	-	1,922,545	1,788,794
Administration expenses (note 11(b))	(1,604,340)	1,597,446	6,894	-	-
Other expenses	126,304	7,396	-	133,700	5,785
	<u>444,509</u>	<u>4,844,286</u>	<u>2,444,603</u>	<u>7,733,398</u>	<u>5,228,925</u>
Excess of revenue over expenditures	19,832	9,702,760	226,100	9,948,692	9,746,136
Fund balances, beginning of year	153,665	84,891,600	158,439	85,203,704	75,457,568
Fund balances, end of year	<u>\$ 173,497</u>	<u>\$ 94,594,360</u>	<u>\$ 384,539</u>	<u>\$ 95,152,396</u>	<u>\$ 85,203,704</u>

See accompanying notes to financial statements.

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

## Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ 9,948,692	\$ 9,746,136
Items not involving cash:		
Amortization	25,186	21,957
Change in fair value of investments	(3,568,070)	(9,395,101)
Changes in non-cash operating working capital:		
Accounts receivable	21,097	(8,186)
Prepaid expenses	4,064	4,138
Cash surrender value of life insurance	55,935	80,787
Accounts payable and accrued liabilities	123,919	(21,151)
Grants payable	47,330	1,000
Deferred revenue	7,428	(80,787)
	6,665,581	348,793
Investing activities:		
Net purchase (sale) of investments	2,960,482	(1,383,741)
Advance of impact investments, including accrued interest	(3,256,976)	(489,638)
Repayment and redemption of impact investments	956,435	1,089,659
Purchase of capital assets	(10,997)	(14,415)
	648,944	(798,135)
Increase (decrease) in cash and cash equivalents	7,314,525	(449,342)
Cash and cash equivalents, beginning of year	622,253	1,071,595
Cash and cash equivalents, end of year	\$ 7,936,778	\$ 622,253

Cash and cash equivalents consist of:

	2020	2019
Cash	\$ 490,904	\$ 308,591
Money market mutual funds	7,445,874	313,662
Cash and cash equivalents	\$ 7,936,778	\$ 622,253

See accompanying notes to financial statements.

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements

Year ended December 31, 2020

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## **Purpose of Foundation:**

The Kitchener and Waterloo Community Foundation (the "Foundation") improves the quality of life for the inhabitants of the Waterloo Region by receiving, maintaining, managing, controlling, and using donations for charitable purposes.

## **1. Significant accounting policies:**

These financial statements are prepared in accordance with the Chartered Professional Accountants of Canada Handbook Part III - Canadian accounting standards for not-for-profit organizations. The Foundation's significant accounting policies are as follows:

### **(a) Fund accounting:**

In order to ensure observance of the limitations and restrictions on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. These funds are held in accordance with the objectives specified by the donors, or in accordance with directives issued by the Board of Directors. Transfers between the funds are made when it is considered appropriate and authorized by the Board of Directors. To meet the objectives of financial reporting and stewardship over the assets, certain interfund transfers are necessary to ensure the appropriate allocation of assets and liabilities to the respective funds.

For financial reporting purposes, the accounts have been classified in the following funds:

#### **(i) Operating Fund:**

The Operating Fund reports resources available for the Foundation's general operating activities including capital assets.

#### **(ii) Capital Fund:**

The Capital Fund reports resources that are to be held as endowments including unexpended investment income which is restricted to specific purposes.

#### **(iii) Funds for Distribution:**

This Fund reports resources that are not to be held as endowments and, are therefore, disbursed as grants upon approval by the Board of Directors.

### **(b) Cash and cash equivalents:**

The Foundation considers deposits in banks and short-term investments with original maturities of three months or less as cash and cash equivalents.



# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2020

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## 1. Significant accounting policies (continued):

### (c) Revenue recognition:

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund being the Capital Fund and Funds for Distribution.

Unrestricted contributions are recognized as revenue of the appropriate fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Unrestricted investment income earned on the Operating Fund resources is recognized as revenue of the Operating Fund. Investment income earned on the Capital Fund resources is recognized as revenue of the Capital Fund. Other investment income is recognized as revenue of the appropriate fund when earned.

### (d) Investments:

Net investment income includes interest, dividends, distributions from pooled funds and change in fair value of investments.

The Foundation maintains a policy governing the investment of capital funds not including reserve funds. The policy addresses investment grade and concentration as well as asset mix and other issues. The following long-term asset mix policy has been established in order to provide a benchmark for long-term return requirements which are consistent with the fund objectives:

	Target	Minimum	Maximum
Fixed income, cash and short-term	40%	30%	50%
Total equities:	60%	50%	70%
Canadian equities	30%		
Global equities, including U.S.A.	30%		

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The Foundation maintains a policy governing the investment of reserve funds in short-term assets.

### (e) Life insurance policies:

Life insurance policies are treated as assets of the Capital Fund to the extent of the cash surrender value and are recorded as deferred revenue until such time as the policy benefits are received. Revenues and expenditures during the year reflect donations received and premiums paid.

### (f) Contributed services:

During the year, a number of organizations donate services to the Foundation and a substantial number of volunteers contribute a significant amount of their time. Because of the difficulty in determining the fair value, contributed services are not recorded in the financial statements.

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2020

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## 1. Significant accounting policies (continued):

### (g) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Foundation's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following annual rates:

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	Years
Leasehold improvements	5
Office equipment	5
Computer equipment	2

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The carrying amount of an item of capital assets tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

### (h) Deferred revenue:

Deferred revenue relates to externally restricted contributions and is recognized as revenue in the year in which the related expenses are incurred.

### (i) Tax status:

The Foundation is a public foundation under the Income Tax Act and, as such, is exempt from income taxes (charitable registration #132170994-RR0001).

### (j) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at fair value. The Foundation has elected to carry bonds at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

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 of timing of future cash flows from the financial asset.

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2020

## 1. Significant accounting policies (continued):

### (j) Financial instruments (continued):

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.

### (k) Estimates:

The preparation of the financial statements 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 date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of other receivables and accrued liabilities. Actual results could differ from those estimates.

## 2. Accounts receivable:

No allowance for impairment of accounts receivable has been recorded at December 31, 2020 (2019 - \$nil).

## 3. Impact investments:

Impact investments are investments made in companies, organizations and funds with the intention of generating social or environment impact alongside a financial return.

	2020	2019
Loans (at cost plus accrued interest):		
Loan receivable (a)	\$ 302,197	\$ 497,400
Loan receivable (b)	-	141,494
Loan receivable (c)	399,744	419,624
Loan receivable (d)	251,250	251,250
Loan receivable (e)	102,667	102,667
Bond receivable (f)	101,435	101,875
Loan receivable (g)	462,056	-
Loan receivable (h)	1,025,000	-
Loan receivable (i)	356,891	-
Loan receivable (j)	61,000	-
Loan receivable (k)	750,000	-
Loan receivable (l)	502,611	-
Investment at cost:		
Community Forward Fund	560,000	1,060,000
	<b>\$ 4,874,851</b>	<b>\$ 2,574,310</b>

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2020

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### 3. Impact investments (continued):

- (a) Term loan, bearing interest at 1.5% per annum, unsecured with no fixed terms of repayment, due at maturity of July 2024.
- (b) Term loan, bearing interest at 2% per annum, unsecured, repayable interest only payments monthly, principal due at maturity of August 2022. The term loan was repaid during the year.
- (c) Term loan, bearing interest at prime rate per annum. Secured by the first charge against property, assignment of rents, and site-specific general security agreement. Repayable with blended monthly payments with 50% of the original loan maturing August 2023 and remainder maturing August 2033.
- (d) Promissory note, bearing interest 2% per annum, unsecured, with interest payments due semi-annually, principal due at maturity of March 2024.
- (e) Term loan, bearing interest at 4% per annum, secured against a property, with interest payments due annually and principal due at maturity of April 2025.
- (f) Class I and J Community Bond, bearing interest at 4.5% per annum, secured against a property, with interest payments due semi-annually and principal due at maturity of July 2022.
- (g) Term loan, bearing interest at 4% per annum, secured against a property, with blended monthly payments beginning after final loan advance, maturing March 2025.
- (h) Term loan, bearing interest at 4% per annum, secured under a registered mortgage covering specific property, with interest payable quarterly and principal due at maturity of June 29, 2023.
- (i) Term loan, bearing interest at 4.25% per annum, unsecured, with no fixed terms of repayment due at maturity of July 2023.
- (j) Term loan, bearing interest at 1% per month, unsecured, with interest payment due monthly and principal due at maturity of December 2021.
- (k) Term loan, bearing interest at 3.2% per annum, secured under a registered mortgage covering specific property, with interest payable monthly and principal due at maturity of March 2022.
- (l) Term loan, bearing interest at 4% per annum, unsecured, with no fixed terms of repayment due at maturity of November 2023.

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2020

## 4. Investments:

(a) Investments are made up of the following amounts:

	2020	2019
<b>Investments at fair value:</b>		
Bissett Core Equity Fund	\$ 10,821,208	\$ 11,431,422
Connor, Clark & Lunn Canadian Equity Fund A	11,501,103	11,331,477
Walter Scott Global Equity Fund	16,616,996	15,620,883
TD Emerald Global Equity Shareholder Yield Pooled Fund	13,519,564	15,249,800
TD Emerald Canadian: Core Plus Bond Pooled Fund	20,443,316	24,492,325
Short-term Investment Fund	9,303,373	3,488,624
	29,746,689	27,980,949
Rae & Lipskie:		
Cash	286	236
Money Market Fund	4,179	15,983
Rae Lipskie Pooled Equity Fund	294,435	296,567
Rae Lipskie Fixed Income Fund	169,245	138,800
	468,145	451,586
	\$ 82,673,705	\$ 82,066,117

The investments are within the Foundation's long-term asset mix policy as described in note 1(d).

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2020

## 4. Investments (continued):

(b) Net investment income (loss) is made up of the following amounts:

	2020	2019
Interest and dividends	\$ 2,167,518	\$ 2,456,950
Change in fair value	3,568,070	9,395,101
	<u>\$ 5,735,588</u>	<u>\$ 11,852,051</u>

## 5. Capital assets:

	2020		2019	
	Cost	Accumulated amortization	Net book value	Net book value
Leasehold improvements	\$ 30,786	\$ 21,550	\$ 9,236	\$ 15,393
Office equipment	57,548	45,953	11,595	20,668
Computer equipment	39,710	27,858	11,852	10,811
	<u>\$ 128,044</u>	<u>\$ 95,361</u>	<u>\$ 32,683</u>	<u>\$ 46,872</u>

Amortization expense of \$25,186 (2019 - \$21,957) is included in operating expenses on the statement of operations.

## 6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$172 (2019 - \$nil).

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2020

## 7. Deferred revenue:

Deferred revenue is comprised of the following:

	2020	2019
Capital Fund - life insurance policies	\$ 54,756	\$ 110,691
Operating Fund	63,363	–
	<u>\$ 118,119</u>	<u>\$ 110,691</u>

The Foundation has been given life insurance policies with a face value of approximately \$1,445,679 (2019 - \$1,521,120) under which it is the owner and beneficiary. As the realizable amount, other than the cash surrender value, under the policies is not certain, the Foundation will record the death benefits when the proceeds are received. The amount of deferred revenue at December 31, 2020 in the Capital Fund related to these life insurance policies is \$54,756 (2019 - \$110,691).

## 8. Restricted fund balances:

The restricted fund balances are comprised of the following funds:

	2020	2019
Capital Fund	\$ 94,594,360	\$ 84,891,600
Funds for Distribution	384,539	158,439
	<u>\$ 94,978,899</u>	<u>\$ 85,050,039</u>

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2020

## 8. Restricted fund balances (continued):

Details of the Capital Fund are as follows:

	2020	2019
Community Fund	\$ 20,131,472	\$ 20,073,242
The Musagetes Fund	10,690,062	10,619,305
The Leland and Thora Vance Fund	7,529,812	-
Pollock Family Fund	6,788,959	6,753,611
The Keith and Winifred Shantz Fund for the Arts	3,858,819	3,867,682
The United Way Forever Fund	2,941,377	2,859,378
YW Endowment Fund	2,000,809	1,988,821
Dr. John D. Stewart Fund	1,923,871	1,353,944
The Lyle S. Hallman Fund	1,737,632	1,734,493
The Motz Family Endowment	1,630,234	1,628,876
The Spinnaker Fund	1,378,727	1,375,398
Weiland Family Foundation Fund	1,300,824	1,298,469
Ontario Endowment for Children and Youth in Recreation Fund	1,246,121	1,236,993
Landmann Family Fund	1,051,028	1,052,349
KidsAbility Foundation Endowment Fund	912,479	907,041
Hughrairie Fund	892,322	890,584
Ken Murray Fund	873,021	870,453
Brenda and Peter Hallman Family Fund	836,412	835,563
Community Support Connections Fund	821,084	806,742
Westfall and Hill Family Fund	820,615	750,596
McMurtry Family Fund	793,775	795,336
The Jim and Sue Hallman Family Fund	791,995	748,274
Westmount Golf Club Charity Fund	786,163	786,025
TD Canada Trust Merv Lahn Community Development Fund	731,031	725,085
Lonsdale and Roberta Schofield Fund	702,395	699,799
Schneider Employees' Association Community Fund	673,471	672,398
France-Anne Sweeny "Making A Difference" Fund	650,186	629,583
The Kitchener Rangers Hockey Club Scholarship Fund	587,704	590,939
Fred and Dora Mae Blayney Fund	573,287	569,428
Walter and Jean Hachborn Fund	560,270	559,133
Eric and Muriel Misch Family Fund	554,694	501,036
Canadian Clay and Glass Endowment Fund	510,177	509,764
Waterloo Region International Plowing Match 1995 and 2012 Fund	450,606	450,635
The Alice (Braley) Judges - Walter Judges Fund	446,380	445,853
The Jim and Sandy Beingessner and Family Fund	418,385	418,060
Ruth Doelle Fund	413,217	409,507
The "50" Plus Team Fund	400,223	399,408
The Barry and Shirley Humphrey Fund	387,369	387,271
Florence Louise Marsland Fund	369,359	368,943
Ormston Family Fund	351,112	350,532
John A. McLennan Family Fund	344,160	344,224
The Woolwich Community Fund	334,228	329,698
Steffensen Family Fund	333,618	332,485
Palliative Care Fund	329,059	319,092
School Sisters of Notre Dame Legacy Fund	314,966	323,667



# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2020

## 8. Restricted fund balances (continued):

	2020	2019
The David and Eleanor Yach Family Fund	313,084	312,690
David Johnston R+T Park Community Impact Fund	310,920	310,128
Mary Bales Fund	308,791	297,311
The Savvas & Lenia Chamberlain Fund	299,823	299,767
Kitchener Conestoga Rotary Club Endowment Fund	292,249	290,926
Audrey and Gerald Moser Trust	278,854	284,868
From "A St. Jerome's Boy" / Mr. Dave Fund	269,073	268,735
George Cluthe Fund	263,437	263,401
Murray Fried Fund	258,872	258,586
Emmerton Fund	257,739	257,869
WPL Endowment Fund	244,002	242,723
Don Hutzler & Elaine King Fund	242,850	191,154
GSC Sherry Peister Community Impact Fund	233,321	-
The Brian Fisher Family Fund	231,412	231,419
The Moe Norman Memorial Fund	223,863	185,516
Alice Elizabeth Brown Fund	223,751	223,383
The Hajra and Ross Wilson Fund for the Arts	221,345	111,955
Mary and Warren Ober Fund	204,541	204,352
The Choices Fund	201,350	201,238
Barb and Bill Hall Charitable Fund	189,794	177,850
KWCF Operating Endowment Fund	187,589	182,384
Greater KW Chamber of Commerce - Corporate Challenge Fund	186,358	186,156
Intentions of A and M Fund	181,748	181,776
Reuben Edwin Cleghorn Fund	180,533	176,147
The Victoria D'Agostino Children's Benefit Fund	168,957	167,639
Bryce and Nancy Walker Family Fund	164,976	165,011
R. Jack Middlemass Memorial Fund	161,225	161,082
The Donald Lynes Family Fund	160,458	150,000
Kitchener Sports Association Legacy Fund	150,773	153,354
The Charles E. Heller Fund	147,229	147,077
Dorothy Shoemaker Literary Award Fund	146,071	145,940
Music Fund	145,225	145,082
Gina and Kuldeep Chhatwal Family Trust	139,910	139,561
NHLPA Dan Snyder Memorial Student Award Fund	138,536	133,160
Rosalind & Dieter Kays Family Fund	136,562	135,762
Walter and Florence Martin Endowment Fund	134,446	134,361
Merv and Diane Redman Family Fund	133,166	132,379
Victoria Cleghorn Fund	132,679	129,491
Edna Staebler Legacy Fund	130,602	-
Gummow Hospital Support Fund	130,599	130,458
The Waterloo Region Record Literacy Fund	128,874	128,806
The John R. Robins Fund	127,537	127,321
Paul Kuntz Legacy Fund	121,213	120,927
David Clare & Susan Ferne Bender Family Fund	119,939	119,658
Victoria J. Suljak Memorial Fund	116,768	112,042
Parents for Community Living Robert Denomme Fund	116,135	109,578
The F. P. Schneider Memorial Fund	110,886	110,642
Douglas Brock Fund for Conservation & Music	110,299	104,613
The Walter A. Bean KWCF Scholarship Fund	104,882	104,773
St. Mary's General Hospital Foundation Physician's Endowment Fund	101,563	101,161
Harold and Gloria Chapman Family Fund	101,427	98,693
The Urie A. and Dorothy M. Bender Endowment Fund	93,436	88,168
Erb & Good Family Funeral Home Community Fund	90,882	86,187

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2020

## 8. Restricted fund balances (continued):

	2020	2019
Hartman and Brenda Krug Family Fund	89,435	89,278
Hickey Family Fund	83,834	83,753
The Howard G. Schneider Cancer Care Fund	83,187	82,925
The Mac Voisin Scholarship Series	77,945	77,797
Sharon and Paul Good Fund	77,192	77,033
Marianne and Jim Erb Family Fund	73,590	73,443
Brian & Irene Allison Fund	69,783	59,736
Big Sisters Endowment Fund	69,150	68,805
Helen and John Beynon Family Fund	65,957	58,972
Esther Bingeman Gascho Fund	64,485	64,413
Child Witness Centre – Balsillie Endowment Fund	64,116	63,619
TD Employees Endowment Fund	63,011	61,404
Dan Snyder Fund	61,203	58,302
Scouts Canada – North Waterloo District Endowment Fund	60,506	60,211
Rev. Carl & Jean Wagner and Family Fund	57,259	57,237
Alex Schmidt Memorial Fund	56,664	56,620
Alfred C. & Shirley E Filsinger Fund	56,359	56,130
Zonta Club of Kitchener Waterloo Fund	54,544	52,060
Gerry & Margaret Hooper Family Fund	53,423	–
Youth Advisory Council (YAC) Fund	52,484	52,311
The Hilde English Memorial Fund	52,249	52,111
The Uptown Waterloo Jazz Festival Endowment Fund	51,268	50,923
The Ted and Andrea Witzel Family Fund	49,663	49,650
Brush with Art Visual Arts Fund	48,268	48,116
Miller Thomson Community Fund	45,770	45,696
Wagner Livock Fund	45,250	46,054
Ann Frank Fund	45,076	47,143
Horace and Rita Coelho and Family Unsung Heroes Fund	44,705	43,447
Fung Family Fund	44,652	44,578
Junior Achievement Terry Burch Memorial Fund	43,893	43,678
Homer Watson House & Gallery Endowment Fund	43,807	43,536
Grand River Conservation Fund	43,060	42,693
Kitchener-Waterloo Counselling Services Inc. Endowment Fund	42,288	30,864
Amy Hallman Snyder Award Fund	35,340	35,375
Anselma House Endowment Fund	35,263	35,031
Lions Club of Kitchener Community Service Fund	34,953	36,676
Ernest Kendall Award Fund	34,868	34,724
The Ted & Mary Brough Fund / The Raelipskie Partnership	33,708	27,956
Jim Wilken Fund	33,486	25,442
Retired Business & Professional Men's Club of K-W Fund	30,891	30,459
Jenkins Sauer Fund	30,714	32,144
Hospice of Waterloo Region Endowment Fund	30,272	28,236
Scandrett Family Community Fund	30,000	–
Grand National Legacy Fund	27,859	16,646
ToastyToes Waterloo Region Fund	27,069	–
Lisa Schurter Memorial Fund	26,961	22,558
Black Brass Fund	25,903	5,374
The Robert Caldwell Fund	24,142	23,778
Uvaro Community Fund	22,313	12,392
Lorne and Vera Caughill Education Fund	21,200	–
Anonymous Fund	20,372	20,393
C.McKenzie (Mac) Lewis Memorial Classics Fund	20,102	–
Saralie Ann Scandrett Memorial Fund	20,000	–
Nancy Borusiewich Fund	19,458	19,336
PSR Fund	19,385	–

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2020

## 8. Restricted fund balances (continued):

	2020	2019
Firecracker Fund (In Memory of Lynsey Frangakis)	19,245	17,540
George Chatzis Legacy Fund	17,930	18,309
Anonymous Fund	17,921	21,047
Machelle and Tony Denison Family Fund	17,045	–
The William Roberts Family Fund	16,075	15,456
Cynthia McIntyre Memorial Fund	16,000	–
Frank Johnson Memorial Fund	15,219	4,996
C.J. Moore Memorial Phoenix Fund	15,016	–
Strahan Chan Community Endowment Fund	14,974	–
Big Brothers of Kitchener-Waterloo Promise Scholarship Fund	14,513	14,572
Ovi and Ligia Grada Family Fund	14,148	7,000
Black Community Solidarity Fund	12,464	–
James E. Lipskie Memorial Fund	11,489	11,833
Menno S. Martin Contractor Ltd Community Fund	10,995	–
Grace & Jake Jutzi Family Fund	10,486	–
Good Family Fund	10,240	5,000
Dylan Galilee “Love Joy Laughter” Fund	9,948	8,883
Elizabeth and Cam Witmer Family Fund	8,089	7,002
Jackie Mattson Fund	8,077	–
Heat Beats Hate Fund	6,603	–
The Matthew & Rochelle Family Fund	5,602	2,475
Harding Family Fund	5,310	–
Dr. Eric (Ric) Soulis Memorial Trees for Schoolyards Endowment Fund	5,302	5,051
Cotton Mendes Family Fund	5,114	5,000
Art & Barb Janzen Fund	5,056	–
Zamin Family Fund	4,564	1,500
Georghiadis McGlynn Family Fund	4,000	–
Immigration Partnership Fund for Immigrant and Refugee Initiatives	3,335	3,091
Hussey Philanthropic Fund	3,000	–
Bowden Family Fund	2,743	812
Krahn Family Fund	1,000	–
WRRC Community Fund	458	–
<b>Total Capital Fund</b>	<b>\$ 94,594,360</b>	<b>\$ 84,891,600</b>

## 9. Internally restricted funds:

The Foundation holds an internally restricted operating reserve fund of \$150,000 (2019 - \$150,000).

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2020

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## 10. Operating expenses:

The operating expenses are comprised of the following:

	2020	2019
Salaries and wages	\$ 982,559	\$ 829,236
Investment, professional and consulting fees	627,840	592,096
Occupancy costs	100,526	104,632
Office supplies and other expenses	70,138	69,294
Licences, memberships and dues	47,999	39,867
Advertising and promotion	43,464	59,385
Amortization	25,186	21,957
Purchase supplies	8,377	23,374
Education and training	7,502	42,338
Interest and bank charges	5,222	2,243
Travel and vehicle	3,732	4,372
	<hr/> \$ 1,922,545	<hr/> \$ 1,788,794

## 11. Administration:

(a) Administration fees:

Administration fees represent charges levied on the Non-owned Assets by the Operating Fund to cover investment management and other administrative services.

(b) Administration expenses:

Administration expenses represent charges levied from the Operating Fund to cover investment management, granting services, and other administration expenses incurred in the Operating Fund related to the Capital Fund and Funds for Distribution Fund.

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2020

## 12. Non-owned assets:

Pursuant to certain agreements, the Foundation is holding certain securities for custody and administration. These assets, as well as investment income and gains or losses on disposition of investments, are on account of these organizations and, accordingly, are not reflected in the financial statements of the Foundation. The amounts under administration are as follows:

	2020	2019
	Fair value	Fair value
Carizon	\$ 1,211,520	\$ 1,131,750
The Catholic Community Foundation of Waterloo Region Fund	2,979,024	2,964,215
Lisaard House/Innisfree House Fund	8,910,033	8,311,808
Sunbeam Community & Developmental Services Fund	1,094,041	1,022,104
THEMUSEUM Endowment Fund	1,379,576	1,182,987
Cambridge & North Dumfries Community Foundation	10,348,175	9,431,554
	<u>\$ 25,922,369</u>	<u>\$ 24,044,418</u>

## 13. Commitments:

At December 31, 2020, the Foundation is committed to operating leases over the next four years as follows:

2021	\$	88,905
2022		44,784
2023		331
2024		331
	<u>\$</u>	<u>134,351</u>

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2020

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## 14. Financial risks:

(a) Market risk:

Market risk is the risk that a value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. To manage this risk, the Foundation has established a target mix by investment types designed to achieve optimal return with reasonable risk tolerance. The asset mix is monitored monthly by the investment committee.

(b) Interest rate risk:

Interest rate risk refers to the adverse consequences of interest rate changes on the Foundation's cash flows, financial position and operations. Interest rate changes have a direct impact on the market valuation of the Foundation's fixed income securities. To manage this risk, the Foundation has established a target mix by investment types designed to achieve optimal return with reasonable risk tolerances. The asset mix is monitored monthly by the investment committee.

(c) Credit risk:

Credit risk is the risk that counterparties fail to perform as contracted. The Foundation is exposed to credit risk through its collection of other receivables and loans receivables. The Foundation is not exposed to a concentration of credit risk relating to other receivables.

(d) Currency risk:

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Some of the Foundation's funds are invested in financial instruments and enter into transactions denominated in foreign currencies, which differ from the Foundation's measurement currency, being the Canadian dollar. Consequently, the Foundation is exposed to risks that the exchange rate of the Canadian dollar may change in a manner that has an adverse effect on the value of the portion of the Foundation's assets or liabilities denominated in foreign currencies. The Foundation's overall currency positions and exposures are monitored by the Portfolio Manager.

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2020

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## **15. Implication due to COVID-19:**

On March 11, 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak a pandemic. This has resulted in significant financial, market and societal impacts in Canada and around the world.

During the year, the Foundation has experienced the following in relation to the pandemic:

- Received Government of Canada's Emergency Community Support Fund to support charities and nonprofit organizations serving vulnerable populations as they manage the impacts of COVID-19. The funding is for charities and nonprofits providing essential services and supporting people who are experiencing heightened vulnerability; and
- Mandatory working from home requirements for those able to do so.

The ultimate duration and magnitude of the COVID-19 pandemic's impact on the Foundation's operations and financial position is not known at this time. There remains uncertainty for the upcoming year regarding the aforementioned items. These impacts could include a decline in future cash flows, changes to the value of financial assets and liabilities, and the use of accumulated surplus to sustain operations. An estimate of the financial effect of the pandemic on the Foundation is not practicable at this time.

## **16. Change in comparative information:**

Certain comparative information has been reclassified from those previously presented to conform to the presentation of the December 31, 2020 financial statements.