

Financial Statements of

**THE KITCHENER AND WATERLOO  
COMMUNITY FOUNDATION**

And Independent Auditors' Report Thereon

Year ended December 31, 2021



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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, 2021
- 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, 2021, 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.



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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 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.
- 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' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada

April 21, 2022

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

## Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 3,716,033	\$ 7,936,778
Accounts receivable (note 2)	70,512	84,450
Prepaid expenses	31,962	30,763
Cash surrender value of life insurance policies (note 7)	55,962	54,756
Current portion of impact Investments (note 3)	885,506	—
	4,759,975	8,106,747
Investments:		
Impact investments (note 3)	2,632,021	4,874,851
Investments (note 4(a))	98,969,609	82,673,705
	101,601,630	87,548,556
Capital assets (note 5)	11,578	32,683
	\$ 106,373,183	\$95,687,986
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 294,352	\$ 339,241
Grants payable	21,094	78,230
Deferred revenue (note 7)	131,641	118,119
	447,087	535,590
Fund balances:		
Restricted (note 8)	105,529,031	94,978,899
Accumulated operating surplus:		
Internally restricted (note 9)	330,000	150,000
Unrestricted	67,065	23,497
	397,065	173,497
	105,926,096	95,152,396
Non-owned assets (note 12)		
Commitments (note 13)		
Implications due to COVID-19 (note 15)		
	\$ 106,373,183	\$95,687,986

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, 2021, with comparative information for 2020

	Operating Fund	Capital Fund	Funds for Distribution	2021 Total	2020 Total
<b>Revenue:</b>					
Donations	\$ 51,000	\$ 3,880,029	\$ 1,249,067	\$ 5,180,096	\$ 11,475,012
Net investment income (note 4(b))	16,146	12,199,931	–	12,216,077	5,735,588
Other	283,488	–	–	283,488	359,460
Administration fees (note 11(a))	128,816	–	–	128,816	112,030
	<u>479,450</u>	<u>16,079,960</u>	<u>1,249,067</u>	<u>17,808,477</u>	<u>17,682,090</u>
<b>Expenditures:</b>					
Grants	–	3,614,587	1,125,969	4,740,556	5,677,153
Operating expenses (note 10)	2,135,234	–	–	2,135,234	1,922,545
Administration expenses (note 11(b))	(1,850,996)	1,842,045	8,951	–	–
Other expenses	151,644	7,343	–	158,987	133,700
	<u>435,882</u>	<u>5,463,975</u>	<u>1,134,920</u>	<u>7,034,777</u>	<u>7,733,398</u>
Excess of revenue over expenditures	43,568	10,615,985	114,147	10,773,700	9,948,692
Fund balances, beginning of year	173,497	94,594,360	384,539	95,152,396	85,203,704
Transfer to Operating Fund (note 9)	180,000	(180,000)	–	–	–
Fund balances, end of year	<u>\$ 397,065</u>	<u>\$ 105,030,345</u>	<u>\$ 498,686</u>	<u>\$ 105,926,096</u>	<u>\$ 95,152,396</u>

See accompanying notes to financial statements.

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

## Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 10,773,700	\$ 9,948,692
Items not involving cash:		
Amortization	23,441	25,186
Change in fair value of investments	(9,907,438)	(3,568,070)
Changes in non-cash operating working capital:		
Accounts receivable	13,938	21,097
Prepaid expenses	(1,199)	4,064
Cash surrender value of life insurance	(1,206)	55,935
Accounts payable and accrued liabilities	(44,889)	123,919
Grants payable	(57,136)	47,330
Deferred revenue	13,522	7,428
	812,733	6,665,581
Investing activities:		
Net (purchase) sale of investments	(6,388,466)	2,960,482
Advance of impact investments, including accrued interest	(145,001)	(3,256,976)
Repayment and redemption of impact investments	1,502,325	956,435
Purchase of capital assets	(2,336)	(10,997)
	(5,033,478)	648,944
Increase (decrease) in cash and cash equivalents	(4,220,745)	7,314,525
Cash and cash equivalents, beginning of year	7,936,778	622,253
Cash and cash equivalents, end of year	\$ 3,716,033	\$ 7,936,778
Cash and cash equivalents consist of:		
	2021	2020
Cash	\$ 234,270	\$ 490,904
Money market mutual funds	3,481,763	7,445,874
Cash and cash equivalents	\$ 3,716,033	\$ 7,936,778

See accompanying notes to financial statements.

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements

Year ended December 31, 2021

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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, 2021

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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, 2021

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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, 2021

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## 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, 2021 (2020 - \$nil).

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2021

### 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.

	2021	2020
Loans (at cost plus accrued interest):		
Loan receivable (a)	\$ –	\$ 302,197
Loan receivable (b)	380,798	399,744
Loan receivable (c)	251,250	251,250
Loan receivable (d)	102,667	102,667
Loan receivable (e)	101,435	101,435
Bond receivable (f)	–	462,056
Loan receivable (g)	1,025,000	1,025,000
Loan receivable (h)	371,766	356,891
Loan receivable (i)	–	61,000
Loan receivable (j)	762,000	750,000
Loan receivable (k)	522,611	502,611
Investment at cost:		
Community Forward Fund	–	560,000
	3,517,527	4,874,851
Less current portion	885,506	–
	\$ 2,632,021	\$ 4,874,851

- (a) Term loan, bearing interest at 1.5% per annum, unsecured with no fixed terms of repayment, due at maturity of July 2024. The loan was repaid in full during the year.
- (b) 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.
- (c) Promissory note, bearing interest 2% per annum, unsecured, with interest payments due semi-annually, principal due at maturity of March 2024.
- (d) 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.
- (e) 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.
- (f) Term loan, bearing interest at 4% per annum, secured against a property, with blended monthly payments beginning after final loan advance, maturing March 2025. The loan was repaid in full during the year.
- (g) 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.

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2021

### 3. Impact investments (continued):

- (h) Term loan, bearing interest at 4.25% per annum, unsecured, with no fixed terms of repayment due at maturity of July 2023.
- (i) Term loan, bearing interest at 1% per month, unsecured, with interest payment due monthly and principal due at maturity of December 2021. The loan was repaid in full during the year.
- (j) 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.
- (k) Term loan, bearing interest at 4% per annum, unsecured, with no fixed terms of repayment due at maturity of November 2023.

### 4. Investments:

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

	2021	2020
<b>Investments at fair value:</b>		
Bissett Core Equity Fund	\$ 9,340,521	\$ 10,821,208
Connor, Clark & Lunn Canadian Equity Fund A	9,156,146	11,501,103
Walter Scott Global Equity Fund	18,788,373	16,616,996
TD Emerald Global Equity Shareholder Yield Pooled Fund	15,890,738	13,519,564
TD Emerald Global Equity Index Pooled Fund	12,495,414	–
TD Emerald Canadian: Core Plus Bond Pooled Fund	25,624,079	20,443,316
Short-term Investment Fund	7,140,122	9,303,373
	<u>32,764,201</u>	<u>29,746,689</u>
Rae & Lipskie:		
Cash	3,673	286
Money Market Fund	–	4,179
Rae Lipskie Pooled Equity Fund	356,680	294,435
Rae Lipskie Fixed Income Fund	173,863	169,245
	<u>534,216</u>	<u>468,145</u>
	<u>\$ 98,969,609</u>	<u>\$ 82,673,705</u>

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, 2021

## 4. Investments (continued):

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

	2021	2020
Interest and dividends	\$ 2,308,639	\$ 2,167,518
Change in fair value	9,907,438	3,568,070
	<u>\$ 12,216,077</u>	<u>\$ 5,735,588</u>

## 5. Capital assets:

	2021		2020	
	Cost	Accumulated amortization	Net book value	Net book value
Leasehold improvements	\$ 30,786	\$ 27,707	\$ 3,079	\$ 9,236
Office equipment	57,548	53,550	3,998	11,595
Computer equipment	39,594	35,093	4,501	11,852
	<u>\$ 127,928</u>	<u>\$ 116,350</u>	<u>\$ 11,578</u>	<u>\$ 32,683</u>

Amortization expense of \$23,441 (2020 - \$25,186) 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 \$nil (2020 - \$172).

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2021

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## 7. Deferred revenue:

Deferred revenue is comprised of the following:

	2021	2020
Capital Fund - life insurance policies	\$ 55,962	\$ 54,756
Operating Fund	75,679	63,363
	<u>\$ 131,641</u>	<u>\$ 118,119</u>

The Foundation has been given life insurance policies with a face value of approximately \$1,212,200 (2020 - \$1,445,679) 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, 2021 in the Capital Fund related to these life insurance policies is \$55,962 (2020 - \$54,756).

## 8. Restricted fund balances:

The restricted fund balances are comprised of the following funds:

	2021	2020
Capital Fund	\$ 105,030,345	\$ 94,594,360
Funds for Distribution	498,686	384,539
	<u>\$ 105,529,031</u>	<u>\$ 94,978,899</u>

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2021

## 8. Restricted fund balances (continued):

Details of the Capital Fund are as follows:

	2021	2020
Community Fund	\$ 21,367,262	\$ 20,131,472
The Musagetes Fund	11,438,524	10,690,062
The Leland and Thora Vance Fund	8,398,055	7,529,812
Pollock Family Fund	7,270,649	6,788,959
The Keith and Winifred Shantz Fund for the Arts	4,104,037	3,858,819
The United Way Forever Fund	3,196,200	2,941,377
Dr. John D. Stewart Fund	3,104,008	1,923,871
YW Endowment Fund	2,137,143	2,000,809
The Lyle S. Hallman Fund	1,856,857	1,737,632
The Motz Family Endowment	1,742,743	1,630,234
The Spinnaker Fund	1,472,217	1,378,727
Weiland Family Foundation Fund	1,387,882	1,300,824
Ontario Endowment for Children and Youth in Recreation Fund	1,336,123	1,246,121
Landmann Family Fund	1,119,826	1,051,028
Beachday Fund	1,001,899	-
KidsAbility Foundation Endowment Fund	973,903	912,479
Hughrairie Fund	948,829	892,322
Ken Murray Fund	930,457	873,021
Brenda and Peter Hallman Family Fund	891,389	836,412
Westfall and Hill Family Fund	887,384	820,615
Community Support Connections Fund	876,742	821,084
The Jim and Sue Hallman Family Fund	855,682	791,995
McMurtry Family Fund	844,812	793,775
Westmount Golf Club Charity Fund	836,287	786,163
TD Canada Trust Merv Lahn Community Development Fund	783,863	731,031
Lonsdale and Roberta Schofield Fund	751,960	702,395
Schneider Employees' Association Community Fund	718,443	673,471
France-Anne Sweeny "Making A Difference" Fund	708,461	650,186
Eric and Muriel Misch Family Fund	644,978	554,694
The Kitchener Rangers Hockey Club Scholarship Fund	622,412	587,704
Fred and Dora Mae Blayney Fund	614,157	573,287
Walter and Jean Hachborn Fund	597,931	560,270
Canadian Clay and Glass Endowment Fund	544,709	510,177
Waterloo Region International Plowing Match 1995 and 2012 Fund	479,539	450,606
The Alice (Braley) Judges - Walter Judges Fund	476,135	446,380
The Jim and Sandy Beingessner and Family Fund	445,140	418,385
Ruth Doelle Fund	441,654	413,217
The "50" Plus Team Fund	425,859	400,223
Unicorn Fund	420,934	-
The Barry and Shirley Humphrey Fund	412,019	387,369
Florence Louise Marsland Fund	393,653	369,359
Ormston Family Fund	373,823	351,112
John A. McLennan Family Fund	366,809	344,160
The Woolwich Community Fund	361,267	334,228
Palliative Care Fund	356,676	329,059
Steffensen Family Fund	345,729	333,618
School Sisters of Notre Dame Legacy Fund	340,594	314,966



# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2021

## 8. Restricted fund balances (continued):

	2021	2020
The David and Eleanor Yach Family Fund	333,053	313,084
David Johnston R+T Park Community Impact Fund	331,514	310,920
The Savvas & Lenia Chamberlain Fund	319,388	299,823
Don Hutzler & Elaine King Fund	318,292	242,850
Mary Bales Fund	317,156	308,791
Kitchener Conestoga Rotary Club Endowment Fund	312,199	292,249
Audrey and Gerald Moser Trust	297,095	278,854
From "A St. Jerome's Boy" / Mr. Dave Fund	283,713	269,073
George Cluthe Fund	280,749	263,437
Emmerton Fund	274,087	257,739
GSC Sherry Peister Community Impact Fund	273,720	233,321
WPL Endowment Fund	260,353	244,002
The Brian Fisher Family Fund	247,932	231,412
Murray Fried Fund	244,508	258,872
The Hajra and Ross Wilson Fund for the Arts	238,542	221,345
Alice Elizabeth Brown Fund	238,339	223,751
The Moe Norman Memorial Fund	232,249	223,863
Mary and Warren Ober Fund	227,854	204,541
William Bernhardt Fund	216,805	–
The Choices Fund	214,937	201,350
KWCF Operating Endowment Fund	206,088	187,589
Barb and Bill Hall Charitable Fund	205,096	189,794
Greater KW Chamber of Commerce - Corporate Challenge Fund	198,715	186,358
Reuben Edwin Cleghorn Fund	193,589	180,533
Intentions of A and M Fund	193,291	181,748
The Victoria D'Agostino Children's Benefit Fund	180,482	168,957
The Donald Lynes Family Fund	178,205	160,458
Bryce and Nancy Walker Family Fund	175,854	164,976
R. Jack Middlemass Memorial Fund	171,892	161,225
Kitchener Sports Association Legacy Fund	160,950	150,773
The Charles E. Heller Fund	156,567	147,229
Dorothy Shoemaker Literary Award Fund	155,412	146,071
Music Fund	154,756	145,225
Gina and Kuldeep Chhatwal Family Trust	149,228	139,910
Rosalind & Dieter Kays Family Fund	145,694	136,562
Edna Staebler Legacy Fund	145,107	130,602
Walter and Florence Martin Endowment Fund	143,332	134,446
Merv and Diane Redman Family Fund	142,781	133,166
NHLPA Dan Snyder Memorial Student Award Fund	142,699	138,536
Victoria Cleghorn Fund	142,180	132,679
Gummow Hospital Support Fund	138,942	130,599
The Waterloo Region Record Literacy Fund	137,098	128,874
The John R. Robins Fund	135,878	127,537
Parents for Community Living Robert Denomme Fund	130,972	116,135
Paul Kuntz Legacy Fund	129,294	121,213
Victoria J. Suljak Memorial Fund	128,622	116,768
Douglas Brock Fund for Conservation & Music	128,078	110,299
David Clare & Susan Ferne Bender Family Fund	127,832	119,939
Farwell4Hire Fund	126,715	–
The F. P. Schneider Memorial Fund	117,950	110,886
The Walter A. Bean KWCF Scholarship Fund	111,842	104,882
St. Mary's General Hospital Foundation Physician's Endowment Fund	108,349	101,563
Harold and Gloria Chapman Family Fund	108,186	101,427
Riggs Foundation Fund	103,369	–

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2021

## 8. Restricted fund balances (continued):

	2021	2020
The Urie A. and Dorothy M. Bender Endowment Fund	99,681	93,436
Erb & Good Family Funeral Home Community Fund	97,920	90,882
The Anonymous Fund - Spend Down	95,970	–
Hartman and Brenda Krug Family Fund	95,273	89,435
Hickey Family Fund	89,255	83,834
The Howard G. Schneider Cancer Care Fund	88,476	83,187
Brian & Irene Allison Fund	84,834	69,783
The Mac Voisin Scholarship Series	83,116	77,945
Sharon and Paul Good Fund	82,209	77,192
Marianne and Jim Erb Family Fund	78,319	73,590
Dan Snyder Fund	77,873	61,203
Helen and John Beynon Family Fund	77,218	65,957
Big Sisters Endowment Fund	73,776	69,150
Brooke Myers Legacy Fund	70,370	–
Esther Bingeman Gascho Fund	68,540	64,485
Child Witness Centre – Balsillie Endowment Fund	68,421	64,116
TD Employees Endowment Fund	67,511	63,011
Scouts Canada – North Waterloo District Endowment Fund	64,654	60,506
Scandrett Family Community Fund	64,522	30,000
Alfred C. & Shirley E Filsinger Fund	64,494	56,359
Cynthia McIntyre Memorial Fund	62,853	16,000
Rev. Carl & Jean Wagner and Family Fund	60,911	57,259
Zonta Club of Kitchener Waterloo Fund	60,772	54,544
ToastyToes Waterloo Region Fund	60,746	27,069
Alex Schmidt Memorial Fund	60,365	56,664
Gerry & Margaret Hooper Family Fund	59,299	53,423
Youth Advisory Council (YAC) Fund	55,871	52,484
Grand River Jazz Society Fund	55,849	–
The Hilde English Memorial Fund	55,695	52,249
The Ted and Andrea Witzel Family Fund	52,952	49,663
The Uptown Waterloo Jazz Festival Endowment Fund	52,713	51,268
Brush with Art Visual Arts Fund	51,381	48,268
Machelle and Tony Denison Family Fund	49,957	17,045
Wagner Livock Fund	49,056	45,250
Miller Thomson Community Fund	48,731	45,770
Horace and Rita Coelho and Family Unsung Heroes Fund	48,427	44,705
Ann Frank Fund	48,038	45,076
Fung Family Fund	47,645	44,652
Homer Watson House & Gallery Endowment Fund	46,816	43,807
Junior Achievement Terry Burch Memorial Fund	46,787	43,893
Grand River Conservation Fund	45,978	43,060
Kitchener-Waterloo Counselling Services Inc. Endowment Fund	45,635	42,288
Jim Wilken Fund	44,092	33,486
The Ted & Mary Brough Fund / The Raelipskie Partnership	43,958	33,708
Saralie Ann Scandrett Memorial Fund	42,950	20,000
Lions Club of Kitchener Community Service Fund	38,906	34,953
Amy Hallman Snyder Award Fund	37,825	35,340
Anselma House Endowment Fund	37,651	35,263
Ernest Kendall Award Fund	36,505	34,868
Dylan Galilee “Love Joy Laughter” Fund	34,179	9,948
Uvaro Community Fund	35,390	22,313
Retired Business & Professional Men’s Club of K-W Fund	32,883	30,891
Jenkins Sauer Fund	32,677	30,714
Hospice of Waterloo Region Endowment Fund	32,340	30,272
Lisa Schurter Memorial Fund	31,212	26,961

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2021

## 8. Restricted fund balances (continued):

	2021	2020
Grand National Legacy Fund	29,812	27,859
Black Brass Fund	28,688	25,903
Frank Johnson Memorial Fund	27,078	15,219
Morley Family Fund	26,777	–
The Malcolm and Anne Shantz Fund	26,195	–
The Robert Caldwell Fund	25,608	24,142
Lorne and Vera Caughill Education Fund	23,618	21,200
Firecracker Fund (In Memory of Lynsey Frangakis)	22,304	19,245
Anonymous Fund	21,683	20,372
S. Halvorsen – Good Family Fund	21,220	10,240
Black Community Solidarity Fund	20,836	12,464
Nancy Borusiewich Fund	20,659	19,458
Kyle Thomas Hanna Legacy Fund	20,658	–
PSR Fund	20,241	19,385
George Chatzis Legacy Fund	19,140	17,930
C.McKenzie (Mac) Lewis Memorial Classics Fund	17,974	20,102
C.J. Moore Memorial Phoenix Fund	16,744	15,016
The William Roberts Family Fund	16,574	16,075
Big Brothers of Kitchener-Waterloo Promise Scholarship Fund	15,438	14,513
Ovi and Ligia Grada Family Fund	14,283	14,148
Heat Beats Hate Fund	14,246	6,603
Strahan Chan Community Endowment Fund	14,145	14,974
Art & Barb Janzen Fund	12,443	5,056
James E. Lipskie Memorial Fund	12,403	11,489
Menno S. Martin Contractor Ltd Community Fund	12,278	10,995
Anonymous Fund	12,144	17,921
Grace & Jake Jutzi Family Fund	11,658	10,486
Harding Family Fund	11,150	5,310
Zamin Family Fund	9,088	4,564
Elizabeth and Cam Witmer Family Fund	9,045	8,089
Jackie Mattson Fund	8,457	8,077
The Matthew & Rochelle Family Fund	7,430	5,602
Krahn Family Fund	7,295	1,000
Hussey Philanthropic Fund	6,655	3,000
Immigration Partnership Fund for Immigrant and Refugee Initiatives	6,634	3,335
Dr. Eric (Ric) Soulis Memorial Trees for Schoolyards Endowment Fund	6,101	5,302
D. Bruce Davidson Fund	5,628	–
Georgiades McGlynn Family Fund	5,595	4,000
Downtown Resilience Fund	5,501	–
Bowden Family Fund	5,449	2,743
The Smith Family Fund	5,418	–
Cotton Mendes Family Fund	5,199	5,114
Gilbert & Sullivan Society Musical Performance Growth Fund	5,127	–
Lily, Nicole & Greg Hallman Family Fund	5,044	–
The Girard Family Fund	5,001	–
Zak Barbary Family Foundation Fund	1,376	–
WRRC Community Fund	1,248	458
Vidyard Gives Back Community Fund	395	–
<b>Total Capital Fund</b>	<b>\$ 105,030,345</b>	<b>\$ 94,594,360</b>

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2021

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## 9. Internally restricted funds:

The Foundation holds an internally restricted operating reserve of \$330,000 (2020 - \$150,000). During the year the Board approved a transfer of \$180,000 from the Capital Fund to the Operating Fund.

## 10. Operating expenses:

The operating expenses are comprised of the following:

	2021	2020
Salaries and wages	\$ 1,027,943	\$ 982,559
Investment, professional and consulting fees	731,892	627,840
Occupancy costs	91,810	100,526
Office supplies and other expenses	86,112	70,138
Licences, memberships and dues	47,637	47,999
Advertising and promotion	49,239	43,464
Amortization	23,441	25,186
Purchase supplies	64,835	8,377
Education and training	6,115	7,502
Interest and bank charges	6,030	5,222
Travel and vehicle	180	3,732
	<hr/> \$ 2,135,234	<hr/> \$ 1,922,545

## 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, 2021

## 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:

	2021	2020
	Fair value	Fair value
Carizon	\$ 2,392,155	\$ 1,211,520
The Catholic Community Foundation of Waterloo Region Fund	3,187,083	2,979,024
Lisaard House/Innisfree House Fund	10,113,330	8,910,033
Sunbeam Community & Developmental Services Fund	1,240,099	1,094,041
THEMUSEUM Endowment Fund	2,078,728	1,379,576
Cambridge & North Dumfries Community Foundation	11,657,058	10,348,175
	<u>\$ 30,668,453</u>	<u>\$ 25,922,369</u>

## 13. Commitments:

At December 31, 2021, the Foundation is committed to operating leases over the next two years as follows:

2022	\$	89,167
2023		7,614
	<u>\$</u>	<u>96,781</u>

# THE KITCHENER AND WATERLOO COMMUNITY FOUNDATION

Notes to Financial Statements, continued

Year ended December 31, 2021

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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, 2021

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

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

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 fund balances to sustain operations. An estimate of the financial effect of the pandemic on the Foundation is not practicable at this time.