

**THE GUELPH COMMUNITY  
FOUNDATION  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of: The Guelph Community Foundation

### Opinion

We have audited the accompanying financial statements of The Guelph Community Foundation, which comprise the statement of financial position as at December 31, 2019 and the statements of operations, 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, these financial statements present fairly, in all material respects, the financial position of The Guelph Community Foundation as at December 31, 2019 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 of 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 Guelph 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.

### Responsibilities 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 a 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 these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at RLB LLP's website at: [www.rlb.ca/additional-auditor-responsibilities](http://www.rlb.ca/additional-auditor-responsibilities). This description forms part of our auditor's report.

Guelph, Ontario  
May 1, 2020

Chartered Professional Accountants  
Licensed Public Accountants

**THE GUELPH COMMUNITY FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

|  | Operating<br>Fund | Endowed<br>Fund      | Non-Endowed<br>Fund | 2019                 | 2018                 |
|--|-------------------|----------------------|---------------------|----------------------|----------------------|
| <b>A S S E T S</b>                       |                   |                      |                     |                      |                      |
| <b>CURRENT</b>                           |                   |                      |                     |                      |                      |
| Cash and cash equivalents                | \$ 235,011        | \$ 305,495           | \$ 246,582          | \$ 787,088           | \$ 743,108           |
| Accounts receivable                      | 63                | 0                    | 0                   | 63                   | 0                    |
| HST recoverable                          | 4,103             | 0                    | 0                   | 4,103                | 5,574                |
| Prepaid expenses                         | 7,030             | 0                    | 0                   | 7,030                | 1,689                |
| Interfund loans (note 2)                 | <u>59,600</u>     | <u>(268,210)</u>     | <u>208,610</u>      | <u>0</u>             | <u>0</u>             |
|  | 305,807           | 37,285               | 455,192             | 798,284              | 750,371              |
| <b>INVESTMENTS (note 3)</b>              | 0                 | 10,793,543           | 487,559             | 11,281,102           | 10,024,082           |
| <b>FUNDS HELD FOR OTHERS</b>             | 0                 | 1,418,586            | 0                   | 1,418,586            | 3,921,884            |
| <b>CAPITAL (note 4)</b>                  | <u>0</u>          | <u>0</u>             | <u>0</u>            | <u>0</u>             | <u>436</u>           |
|  | <u>\$ 305,807</u> | <u>\$ 12,249,414</u> | <u>\$ 942,751</u>   | <u>\$ 13,497,972</u> | <u>\$ 14,696,773</u> |
| <b>L I A B I L I T I E S</b>             |                   |                      |                     |                      |                      |
| <b>CURRENT</b>                           |                   |                      |                     |                      |                      |
| Accounts payable and accrued liabilities | \$ 12,591         | \$ 0                 | \$ 0                | \$ 12,591            | \$ 10,182            |
| <b>FUNDS HELD FOR OTHERS</b>             | <u>0</u>          | <u>1,418,586</u>     | <u>0</u>            | <u>1,418,586</u>     | <u>3,921,884</u>     |
| <b>Total Liabilities</b>                 | <u>12,591</u>     | <u>1,418,586</u>     | <u>0</u>            | <u>1,431,177</u>     | <u>3,932,066</u>     |
| <b>N E T A S S E T S</b>                 |                   |                      |                     |                      |                      |
| <b>RESTRICTED</b>                        | 0                 | 10,830,828           | 942,751             | 11,773,579           | 10,406,518           |
| <b>UNRESTRICTED</b>                      | <u>293,216</u>    | <u>0</u>             | <u>0</u>            | <u>293,216</u>       | <u>358,189</u>       |
|  | <u>293,216</u>    | <u>10,830,828</u>    | <u>942,751</u>      | <u>12,066,795</u>    | <u>10,764,707</u>    |
|  | <u>\$ 305,807</u> | <u>\$ 12,249,414</u> | <u>\$ 942,751</u>   | <u>\$ 13,497,972</u> | <u>\$ 14,696,773</u> |

**APPROVED ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

**THE GUELPH COMMUNITY FOUNDATION**  
**STATEMENT OF NET ASSETS**  
**AS AT DECEMBER 31, 2019**

|   | Operating<br>Fund | Endowed<br>Fund      | Non-Endowed<br>Fund | 2019                 | 2018                 |
|---|-------------------|----------------------|---------------------|----------------------|----------------------|
| NET ASSETS, beginning of year                               | \$ 358,189        | \$ 9,739,179         | \$ 667,339          | \$ 10,764,707        | \$ 10,760,703        |
| <b>(DEFICIENCY) EXCESS OF<br/>REVENUE OVER EXPENDITURES</b> | (64,923)          | 1,006,066            | 360,945             | 1,302,088            | 4,004                |
| INTERFUND TRANSFERS (note 6)                                | <u>(50)</u>       | <u>85,583</u>        | <u>(85,533)</u>     | <u>0</u>             | <u>0</u>             |
| NET ASSETS, end of year                                     | <u>\$ 293,216</u> | <u>\$ 10,830,828</u> | <u>\$ 942,751</u>   | <u>\$ 12,066,795</u> | <u>\$ 10,764,707</u> |

**THE GUELPH COMMUNITY FOUNDATION**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|  | Operating<br>Fund  | Endowed<br>Fund     | Non-Endowed<br>Fund | 2019                | 2018             |
|--|--------------------|---------------------|---------------------|---------------------|------------------|
| <b>REVENUE</b>   |                    |                     |                     |                     |                  |
| Donations  | \$ 9,118           | \$ 324,290          | \$ 796,763          | \$ 1,130,171        | \$ 974,061       |
| Grants   | 3,743              | 0                   | 0                   | 3,743               | 3,254            |
| HST/GST rebate   | 1,895              | 0                   | 0                   | 1,895               | 1,373            |
| Rental income  | 225                | 0                   | 0                   | 225                 | 0                |
| Interest and dividends   | 4,656              | 252,762             | 10,349              | 267,767             | 284,795          |
| Realized gain on sale of investments   | <u>0</u>           | <u>918,221</u>      | <u>30,933</u>       | <u>949,154</u>      | <u>273,713</u>   |
|  | 19,637             | 1,495,273           | 838,045             | 2,352,955           | 1,537,196        |
| <b>GRANTS PAID OUT</b>   | <u>0</u>           | <u>99,246</u>       | <u>439,748</u>      | <u>538,994</u>      | <u>557,356</u>   |
|  | 19,637             | 1,396,027           | 398,297             | 1,813,961           | 979,840          |
| <b>EXPENDITURES</b>  |                    |                     |                     |                     |                  |
| Amortization   | 436                | 0                   | 0                   | 436                 | 4,219            |
| Bank charges and interest  | 1,806              | 0                   | 0                   | 1,806               | 626              |
| Dues and fees  | 5,732              | 0                   | 0                   | 5,732               | 6,465            |
| Insurance  | 2,587              | 1,961               | 0                   | 4,548               | 4,184            |
| Office   | 24,494             | 0                   | 0                   | 24,494              | 19,975           |
| Printing and marketing   | 12,457             | 0                   | 0                   | 12,457              | 11,108           |
| Professional & investment<br>management fees   | 26,384             | 73,800              | 1,949               | 102,133             | 103,621          |
| Professional development and travel  | 4,585              | 0                   | 0                   | 4,585               | 3,189            |
| Rent   | 25,348             | 0                   | 0                   | 25,348              | 30,845           |
| Repairs and maintenance  | 2,537              | 0                   | 0                   | 2,537               | 2,793            |
| Salaries   | 189,656            | 0                   | 0                   | 189,656             | 181,719          |
| Utilities  | 2,913              | 0                   | 0                   | 2,913               | 3,481            |
| Web/IT project   | 0                  | 0                   | 0                   | 0                   | 5,227            |
| Administration fee   | <u>(214,067)</u>   | <u>153,192</u>      | <u>24,852</u>       | <u>(36,023)</u>     | <u>(35,975)</u>  |
|  | 84,868             | 228,953             | 26,801              | 340,622             | 341,477          |
| <b>(DEFICIENCY) EXCESS OF<br/>REVENUE OVER<br/>EXPENDITURES BEFORE<br/>THE FOLLOWING</b> | (65,231)           | 1,167,074           | 371,496             | 1,473,339           | 638,363          |
| <b>UNREALIZED APPRECIATION<br/>(DEPRECIATION) OF<br/>INVESTMENTS</b>                     | <u>308</u>         | <u>(161,008)</u>    | <u>(10,551)</u>     | <u>(171,251)</u>    | <u>(634,359)</u> |
| <b>(DEFICIENCY) EXCESS OF<br/>REVENUE OVER EXPENDITURES</b>                              | <u>\$ (64,923)</u> | <u>\$ 1,006,066</u> | <u>\$ 360,945</u>   | <u>\$ 1,302,088</u> | <u>\$ 4,004</u>  |

**THE GUELPH COMMUNITY FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|  | Operating<br>Fund | Endowed<br>Fund   | Non-Endowed<br>Fund | 2019               | 2018              |
|--|-------------------|-------------------|---------------------|--------------------|-------------------|
| <b>CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING,<br/>ENDOWED, AND NON-ENDOWED FUND ACTIVITIES</b> |                   |                   |                     |                    |                   |
| (Deficiency) excess of revenue over<br>expenditures for the year   | \$ (64,923)       | \$ 1,006,066      | \$ 360,945          | \$ 1,302,088       | \$ 4,004          |
| Items not requiring an outlay of cash  |                   |                   |                     |                    |                   |
| Amortization   | 436               | 0                 | 0                   | 436                | 4,219             |
| Interfund transfers  | (50)              | 85,583            | (85,533)            | 0                  | 0                 |
| Unrealized (appreciation)<br>depreciation of investments   | (308)             | 161,008           | 10,551              | 171,251            | 634,359           |
|  | <u>(64,845)</u>   | <u>1,252,657</u>  | <u>285,963</u>      | <u>1,473,775</u>   | <u>642,582</u>    |
| Changes in non-cash working capital<br>items   |                   |                   |                     |                    |                   |
| Decrease (increase) in HST<br>recoverable  | 1,471             | 0                 | 0                   | 1,471              | (687)             |
| (Increase) in prepaid expenses   | (5,341)           | 0                 | 0                   | (5,341)            | 0                 |
| Decrease (increase) in due to and<br>from funds  | 247,525           | (177,028)         | (70,497)            | 0                  | 0                 |
| (Increase) in accounts receivable  | (63)              | 0                 | 0                   | (63)               | 0                 |
| Increase (decrease) in accounts<br>payable and accrued liabilities   | 3,409             | 0                 | (1,000)             | 2,409              | (10,975)          |
|  | <u>182,156</u>    | <u>1,075,629</u>  | <u>214,466</u>      | <u>1,472,251</u>   | <u>630,920</u>    |
| <b>CASH AND CASH EQUIVALENTS (USED IN) PROVIDED BY INVESTING<br/>ACTIVITIES</b>                                |                   |                   |                     |                    |                   |
| Purchase of investments, net of sales  | 308               | (981,996)         | (446,583)           | (1,428,271)        | (598,254)         |
| Funds held for others - asset  | 0                 | 2,503,298         | 0                   | 2,503,298          | (247,040)         |
| Funds held for others - liability  | 0                 | (2,503,298)       | 0                   | (2,503,298)        | 247,040           |
|  | <u>308</u>        | <u>(981,996)</u>  | <u>(446,583)</u>    | <u>(1,428,271)</u> | <u>(598,254)</u>  |
| <b>NET INCREASE (DECREASE) IN<br/>CASH AND CASH EQUIVALENTS</b>  | 182,464           | 93,633            | (232,117)           | 43,980             | 32,666            |
| <b>CASH AND CASH EQUIVALENTS,<br/>beginning of year</b>  | <u>52,547</u>     | <u>211,862</u>    | <u>478,699</u>      | <u>743,108</u>     | <u>710,442</u>    |
| <b>CASH AND CASH EQUIVALENTS,<br/>end of year</b>  | <u>\$ 235,011</u> | <u>\$ 305,495</u> | <u>\$ 246,582</u>   | <u>\$ 787,088</u>  | <u>\$ 743,108</u> |

**THE GUELPH COMMUNITY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**NATURE OF BUSINESS**

The Guelph Community Foundation (the "Foundation") is a public foundation that was incorporated as a corporation without share capital under the Canada Corporations Act on July 9, 1999. The Foundation was granted a certificate of continuance on September 15, 2014 under the Canada Not-for-profit Corporations Act. The Foundation exists to help improve the quality of life in Guelph and area by building and managing permanent endowment funds for community betterment. Charitable endeavours in areas such as health, education, arts and culture, recreation, the environment, and social services, are supported by distributing, via grants, the income earned on the permanent endowment funds. The Foundation is a registered charity under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

**1. SUMMARY OF ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**(a) BASIS OF ACCOUNTING**

The Foundation follows the restricted fund method of accounting for contributions.

Operating Fund

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

Endowed Fund

The Endowed Fund reports resources that are to be held as endowments including unexpended investment income which is restricted for specific purposes. To support the policy of preserving the capital of the permanent endowment funds, while complying with the disbursement quota requirements of the Income Tax Act (Canada), the Foundation endeavours to provide a minimum of 3.5% of the market value of the funds as grants in any given year. Where granting at that level would have the effect of eroding the capital of the permanent endowed funds, the Foundation may choose to grant a lesser amount in order to minimize or alleviate the erosion of capital. In so doing, it may have to utilize some of the disbursement excess carried forward from prior years in order to comply with the disbursement quota legislation.

Non-Endowed Fund

The Non-Endowed Fund reports resources that are not to be held as endowments and are, therefore, disbursed as grants on a current basis. These are flow through funds and funds for charitable distribution through which donors provide support for charitable organizations.

**(b) REVENUE RECOGNITION**

Rental income is 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. All other revenue, including contributions and investment income, are recognized in the year received.

**THE GUELPH COMMUNITY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**1. SUMMARY OF ACCOUNTING POLICIES** *(continued)*

**(c) DEFERRED GIFTS**

The Foundation is the designated beneficiary of certain estates. The amount of these planned gifts is not readily determinable and has not been included in these financial statements.

**(d) INVESTMENTS**

The investments of the Foundation are recorded at fair value based on quoted market prices. Investments that do not have a quoted value in an active market are recorded at cost, less impairment.

Life insurance policies, where the Foundation is the owner and beneficiary, are recorded at the policy's cash surrender value in the Endowment Fund. On receipt of the life insurance survivor benefits, these amounts are transferred to funds as specified by the donor.

The market value of investments denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the end of the year.

Purchases and sales of investments and investment income denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing on the respective dates of the transactions.

**(e) CAPITAL ASSETS**

Computer and office equipment are amortized on a straight line basis over three years.

**(f) CONTRIBUTED SERVICES**

During the year, a number of organizations donate services to the Foundation and a 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.

**(g) DONATIONS IN KIND**

Donated materials, which would otherwise be paid for by the Foundation, are recorded at fair value when provided.



**THE GUELPH COMMUNITY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**1. SUMMARY OF ACCOUNTING POLICIES** *(continued)*

**(h) FINANCIAL INSTRUMENTS**

*Measurement of financial instruments*

The Foundation initially measures its financial assets and liabilities at fair value.

The Foundation subsequently measures all its financial assets and liabilities at amortized cost, except for investments and Funds Held for Others which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents.

Financial assets measured at fair value include investments and Funds Held for Others.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial liabilities measured at fair value include Funds Held for Others.

*Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

*Transaction costs*

For financial instruments subsequently measured at fair value, the Foundation recognizes transaction costs directly attributable to their origination, issuance or assumption in net income in the period incurred. When a financial instrument is measured at amortized cost, transaction costs are included in the initial measurement of the instrument.

**(i) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist principally of funds held in financial institutions.

**(j) USE OF ESTIMATES**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 date of the financial statements and the reported amounts of revenue and expense during the year. Actual results could differ from those estimates. Estimates are reviewed on a regular basis and, as adjustments become necessary, they are reported in income in the periods in which they become known.

**THE GUELPH COMMUNITY FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**2. INTERFUND LOANS**

Interfund loans are the result of transferring money between the funds within the Foundation. They are non-interest bearing and are due on demand.

**3. INVESTMENTS**

Investments at year end are comprised of the following:

|   | <b>2019</b>          | <b>2018</b>          |
|---|----------------------|----------------------|
| <u>Endowed fund investments</u>         |                      |                      |
| Cash and cash equivalents               | \$ 164,080           | \$ 346,021           |
| Portfolio investments                   | 10,569,746           | 9,591,051            |
| Life insurance policies (CSV)           | <u>59,717</u>        | <u>35,483</u>        |
|   | <u>10,793,543</u>    | <u>9,972,555</u>     |
| <br><u>Non-Endowed fund investments</u> |                      |                      |
| Cash and cash equivalents               | 7,212                | 301                  |
| Portfolio investments                   | <u>480,347</u>       | <u>51,226</u>        |
|   | <u>487,559</u>       | <u>51,527</u>        |
|   | <u>\$ 11,281,102</u> | <u>\$ 10,024,082</u> |

The Foundation is the owner and beneficiary of three (2018 - two) life insurance policies. The cash surrender value (CSV) of these life insurance policies is included in the above investments.

The Foundation maintains a policy governing the investment of capital funds. The policy addresses investment grade and concentration as well as asset mix and other issues. The following long term asset mix policy was in effect at year end and was established in order to provide a benchmark for long term return requirements which are consistent with the fund objectives.

|                       | Minimum | Maximum |
|-----------------------|---------|---------|
| Cash and money market | 2%      | 15%     |
| Fixed income          | 30%     | 70%     |
| Equities              | 25%     | 65%     |

Subsequent to year end, the long term asset policy mix was amended as follows:

|                         | Minimum | Maximum |
|-------------------------|---------|---------|
| Cash and money market   | 2%      | 15%     |
| Fixed income            | 30%     | 70%     |
| Equities                | 25%     | 65%     |
| Alternative investments | 0%      | 10%     |

**THE GUELPH COMMUNITY FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**4. CAPITAL ASSETS**

Capital assets at year end are comprised of the following:

|                               | <b>2019</b>     | <b>2018</b>     |
|-------------------------------|-----------------|-----------------|
| Computer and office equipment | \$ 16,513       | \$ 16,513       |
| Accumulated amortization      | <u>(16,513)</u> | <u>(16,077)</u> |
| Net                           | <u>\$ 0</u>     | <u>\$ 436</u>   |

**5. FINANCIAL RISK MANAGEMENT**

The Foundation may be exposed to a variety of financial risks including credit risk, liquidity risk and market risk (including interest rate risk, currency risk, and other price risk). It is management's opinion that the Foundation's exposure to risk is unchanged from the prior year.

a) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation that is entered into with the Foundation. It is management's opinion that the Foundation is not exposed to significant credit risk.

b) Liquidity risk

The Foundation is also exposed to liquidity risk in the event that investments must be sold quickly. It is management's opinion that the Foundation is not exposed to significant liquidity risk.

c) Market risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair value of financial instruments. It arises when the Foundation invests in interest-sensitive investments such as bonds and other fixed income investments.

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign currencies.

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market.

The Foundation manages market risk by diversifying investments in accordance with its policy governing the investment of capital funds.

**THE GUELPH COMMUNITY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**6. INTERFUND TRANSFERS**

During the year, the Foundation made the following interfund transactions:

Non-Endowed funds of \$85,583 were transferred, at the direction of the fund donors, to the Endowed Fund for the purposes of increasing existing endowment funds.

The Operating Fund, at the direction of the Board of Directors, transferred \$50 of net assets to the Non-Endowed Fund for the purposes of granting.

**7. COMMITMENTS**

The Foundation is committed under a long-term lease for premises which expires July 31, 2022. Minimum annual rentals (inclusive of the requirement to pay property taxes and common area expenses) for each of the next three years are approximately as follows:

|      |                  |
|------|------------------|
| 2020 | \$ 33,273        |
| 2021 | 33,600           |
| 2022 | <u>19,600</u>    |
|      | <u>\$ 86,473</u> |

**8. UNCERTAINTY DUE TO NOVEL CORONAVIRUS (COVID-19)**

Subsequent to year end, due to the volatility in the global markets caused by the outbreak of the Novel Coronavirus (COVID-19), the fair market value of the organization's investments declined by approximately \$1.3 million during the first quarter of 2020. Management believes this decrease in fair market value is temporary and not a permanent impairment of the investments. Consequently, no fair market value adjustment has been recorded for this temporary decline in the investment portfolio.