

FRIENDS OF THE VILLAGE OF ROCKCLIFFE PARK FOUNDATION
"The Rockcliffe Park Foundation"

FINANCIAL STATEMENTS

DECEMBER 31, 2017

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members,
Friends of the Village of Rockcliffe Park Foundation:

We have reviewed the accompanying financial statements of Friends of the Village of Rockcliffe Park Foundation that comprise the statement of financial position as at December 31, 2017 and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Friends of the Village of Rockcliffe Park Foundation as at December 31, 2017, 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.



OUSELEY HANVEY CLIPSHAM DEEP LLP
Licensed Public Accountants

Ottawa, Ontario
February 20, 2018

FRIENDS OF THE VILLAGE OF ROCKCLIFFE PARK FOUNDATION

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017
UNAUDITED

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	\$ 32,267	\$ 13,458
Accounts receivable	1,463	752
Investments (note 4)	776,309	742,069
Prepaid expenses	<u>164</u>	<u>164</u>
	<u>\$ 810,203</u>	<u>\$ 756,443</u>
LIABILITIES		
Accounts payable	<u>\$ 2,500</u>	<u>\$ 2,610</u>
NET ASSETS		
Balance - beginning of year	753,833	707,848
Net revenue for the year	<u>53,870</u>	<u>45,985</u>
Balance - end of year	<u>807,703</u>	<u>753,833</u>
	<u>\$ 810,203</u>	<u>\$ 756,443</u>

Approved on behalf of the Board:

Director

Director



FRIENDS OF THE VILLAGE OF ROCKCLIFFE PARK FOUNDATION

STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2017 UNAUDITED

	<u>2017</u>	<u>2016</u>
REVENUE		
Donations	\$ 28,085	\$ 17,615
Book sales	594	852
Fundraising	30,200	-
Investment		
Interest and dividends	22,382	21,952
Realized gain on investments	-	17,699
Unrealized gain on investments	14,979	17,089
	<u>96,240</u>	<u>75,207</u>
EXPENSES		
Administration	6,638	2,842
Grants	30,363	26,380
Professional fees	5,369	-
	<u>42,370</u>	<u>29,222</u>
NET REVENUE FOR THE YEAR	<u>\$ 53,870</u>	<u>\$ 45,985</u>

FRIENDS OF THE VILLAGE OF ROCKCLIFFE PARK FOUNDATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2017 UNAUDITED

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Net revenue for the year	\$ 53,870	\$ 45,985
Item not affecting cash		
Gain on investments	(14,979)	(34,788)
Net change in non-cash working capital items		
Accounts receivable	(711)	832
Prepaid expenses	-	(164)
Accounts payable	(110)	110
	<u>38,070</u>	<u>11,975</u>
INVESTING ACTIVITIES		
Net purchase of investments	<u>(19,261)</u>	<u>(13,902)</u>
CHANGE IN CASH FOR YEAR	18,809	(1,927)
Cash - beginning of year	<u>13,458</u>	<u>15,385</u>
CASH - END OF YEAR	\$ <u>32,267</u>	\$ <u>13,458</u>

FRIENDS OF THE VILLAGE OF ROCKCLIFFE PARK FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. PURPOSE OF THE ORGANIZATION

The purpose of the Foundation is to provide support for the Village library, cultural and recreational activities for the enhancement of the Village environment, and for the preservation of the unique character of Rockcliffe Park.

The Foundation is incorporated under the Canada Not-for-Profit Corporations Act and is a registered charity under the Income Tax Act and as such is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount 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 reporting period. The estimates and assumptions are reviewed annually and, as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

b) Financial instruments

Investments quoted in an active market are initially recognized at fair value and are subsequently measured at the year-end fair value. Other financial instruments are initially recognized at fair value and are subsequently measured at cost, amortized cost or cost less appropriate allowances for impairment.

e) Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or become receivable. Other revenues are recognized in the year in which the event is held or the revenue is earned.

3. FINANCIAL INSTRUMENTS

Financial instruments of the Foundation consist of cash, accounts receivable, investments and accounts payable.

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest rate, currency or credit risks arising from its financial instruments and the carrying amount of the financial instruments approximate their fair value.

FRIENDS OF THE VILLAGE OF ROCKCLIFFE PARK FOUNDATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

4. INVESTMENTS

Investments are summarized as follows:

	<u>Fair value</u>	<u>Cost</u>	<u>Unrealized Gain</u>
2017			
Fixed income	\$ 328,029	\$ 325,356	\$ 2,673
Equities	<u>448,280</u>	<u>337,763</u>	<u>110,517</u>
	<u>\$ 776,309</u>	<u>\$ 663,119</u>	<u>\$ 113,190</u>
2016			
Fixed income	\$ 334,064	\$ 331,016	\$ 3,048
Equities	<u>408,005</u>	<u>312,842</u>	<u>95,163</u>
	<u>\$ 742,069</u>	<u>\$ 643,858</u>	<u>\$ 98,211</u>

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

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its fixed income investments.

Other price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from currency risk or interest rate risks, whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through its fixed income and equity investments.