

**COMMUNITY FOUNDATION FOR KINGSTON & AREA
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2018**

COMMUNITY FOUNDATION FOR KINGSTON & AREA
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AS AT DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members

Qualified Opinion

We have audited the financial statements of Community Foundation for Kingston & Area (the Foundation), which comprise the statement of financial position as at December 31, 2018, and the statements of revenue and expenditures and fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2018, 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 Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether, as at and for the years ended December 31, 2018 and December 31, 2017, any adjustments might be necessary to donations revenue, excess of revenues over expenditures, assets and fund balances.

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 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 qualified 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 these 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.

**INDEPENDENT AUDITOR'S REPORT
(CONT'D)**

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KINGSTON, Canada
April XX, 2019

Wilkinson & Company LLP
Chartered Professional Accountants
Licensed Public Accountants

WILKINSON & COMPANY LLP - CHARTERED PROFESSIONAL ACCOUNTANTS

Telephone 613-634-5581 • Toll Free 1-866-692-0055 • Fax 613-634-5585
785 Midpark Drive, Suite 201, Kingston, Ontario K7M 7G3 • www.wilkinson.net

COMMUNITY FOUNDATION FOR KINGSTON & AREA
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

	Operating Fund \$	Restricted Funds for Charitable Distribution \$	Endowment Fund \$	2018 Total \$	2017 Total \$
ASSETS					
CURRENT					
Cash - Note 3	52,156	139,181	1,093,612	1,284,949	1,306,701
HST receivable	7,050			7,050	6,762
Prepaid expenses	8,840			8,840	7,985
Investments - Note 4		3,564,242	16,090,994	19,655,236	19,823,779
Due from Restricted Funds for Charitable Distribution	189,690				
	257,736	3,703,423	17,184,606	20,956,075	21,145,227
LIABILITIES					
CURRENT					
Accounts payable and accrued charges	24,583			24,583	17,332
Due to Operating Fund		189,690			
	24,583	189,690		24,583	17,332
TRUST FUND LIABILITY - Note 5		166,591		166,591	174,052
	24,583	356,281		191,174	191,384
NET ASSETS					
ENDOWMENT FUNDS					
Contributed capital			16,921,370	16,921,370	16,101,070
Contributed capital (Internally restricted)			263,236	263,236	257,236
Accumulated increase in capital		1,274,520		1,274,520	2,484,453
SPEND DOWN AND FLOW THROUGH FUNDS - Note 6					
Contributed capital		2,030,841		2,030,841	1,785,023
Contributed capital (Internally restricted)		25,000		25,000	25,000
Accumulated increase in capital		16,781		16,781	46,190
OPERATING FUNDS					
Operating fund	233,153			233,153	203,871
Internally restricted					51,000
	233,153	3,347,142	17,184,606	20,764,901	20,953,843
	257,736	3,703,423	17,184,606	20,956,075	21,145,227

APPROVED ON BEHALF OF THE BOARD

 Director
 Director

The accompanying notes form an integral part of these financial statements

COMMUNITY FOUNDATION FOR KINGSTON & AREA
STATEMENT OF REVENUE AND EXPENDITURES AND FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Operating Fund		Restricted Funds for Charitable Distribution		Endowment Fund		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Donations	78,145	87,166	511,882	1,131,345	763,070	2,506,908	1,353,097	3,725,419
Fundraising events	4,174	7,670					4,174	7,670
Investment income (loss)	(23,577)	117,436	(345,732)	1,422,398			(369,309)	1,539,834
Administration fee	290,075	267,660					290,075	267,660
Miscellaneous	4,683	5,421	7,008	20,960			11,691	26,381
Vital Signs	8,500	8,600					8,500	8,600
	362,000	493,953	173,158	2,574,703	763,070	2,506,908	1,298,228	5,575,564
EXPENDITURES								
Administration and investment fee	284	222	309,442	284,142			309,726	284,364
Fundraising expenditures	5,166	5,630					5,166	5,630
Flow through grants and directed donations - Note 7	1,797		87,583	258,250			89,380	258,250
Endowed and spend down grants and directed donations - Note 7			631,957	571,302			631,957	571,302
Life insurance premiums - Note 8	36,475	36,475					36,475	36,475
Operating expenses - Schedule A	402,207	338,138					402,207	338,138
Vital Signs	12,259	11,648					12,259	11,648
	458,188	392,113	1,028,982	1,113,694			1,487,170	1,505,807
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE) FOR YEAR	(96,188)	101,840	(855,824)	1,461,009	763,070	2,506,908	(188,942)	4,069,757
FUND BALANCES - BEGINNING OF YEAR	254,871	185,821	4,340,666	2,889,347	16,358,306	13,808,918	20,953,843	16,884,086
INTERFUND TRANSFERS - Note 6	74,470	(32,790)	(137,700)	(9,690)	63,230	42,480		
FUND BALANCES - END OF YEAR	233,153	254,871	3,347,142	4,340,666	17,184,606	16,358,306	20,764,901	20,953,843

COMMUNITY FOUNDATION FOR KINGSTON & AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Operating Fund \$	Restricted Funds for Charitable Distribution \$	Endowment Fund \$	2018 Total \$	2017 Total \$
OPERATING ACTIVITIES					
Excess of revenue over expenditures (expenditures over revenue) for year	(96,188)	(855,824)	763,070	(188,942)	4,069,757
Interfund transfers	74,470	(137,700)	63,230		
	(21,718)	(993,524)	826,300	(188,942)	4,069,757
Net change in non-cash working capital balance related to operations -					
HST receivable	(288)			(288)	4,684
Prepaid expenses	(855)			(855)	
Other accounts receivable					(7,985)
Accounts payable and accrued charges	7,251			7,251	(8,498)
Due to (from) other funds	(127,214)	127,214			
Trust fund liability		(7,461)		(7,461)	9,182
CASH FLOWS PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(142,824)	(873,771)	826,300	(190,295)	4,067,140
INVESTING ACTIVITIES					
(Increase) decrease in investments		1,012,952	(844,409)	168,543	(4,037,662)
CASH FLOWS PROVIDED FROM (USED IN) INVESTING ACTIVITIES		1,012,952	(844,409)	168,543	(4,037,662)
INCREASE (DECREASE) IN CASH AND EQUIVALENTS FOR YEAR	(142,824)	139,181	(18,109)	(21,752)	29,478
CASH AND EQUIVALENTS - BEGINNING OF YEAR	194,980		1,111,721	1,306,701	1,277,223
CASH AND EQUIVALENTS - END OF YEAR	52,156	139,181	1,093,612	1,284,949	1,306,701
REPRESENTED BY:					
CASH	52,156	139,181	1,093,612	1,284,949	1,306,701

**COMMUNITY FOUNDATION FOR KINGSTON & AREA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. ORGANIZATION AND NATURE OF FINANCIAL STATEMENTS

The Community Foundation for Kingston & Area (the "Foundation") was incorporated without share capital under the Canada Corporations Act on March 24, 1995. The Foundation pools charitable gifts, which are invested and the income earned on these funds is used to encourage community development in areas such as arts and culture, health and social services, education and environmental initiatives.

The Foundation is a registered charity and is classified as a public foundation under Subsection 149.1(1) of the *Income Tax Act (Canada)* ("the *Act*"). As such, the Foundation is exempt from income taxes and able to issue donation receipts for income tax purposes. In order to maintain its status as a public foundation registered under the *Act*, the Foundation must meet certain requirements within the *Act*. In the opinion of management, these requirements have been met.

In 2014 the Foundation applied for and received its Certificate of Continuance under the *Canada Not-for-profit Corporations Act* (Date of Continuance July 28, 2014).

2. ACCOUNTING POLICIES

Outlined below are those accounting policies adopted by the Foundation considered to be particularly significant:

(a) Basis of Accounting

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

**COMMUNITY FOUNDATION FOR KINGSTON & AREA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

2. ACCOUNTING POLICIES (Cont'd)

(b) Fund Accounting

The Foundation follows the restricted fund method for accounting for contributions. The Foundation ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for that purpose.

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

The Endowment Fund reports resources that are required to be maintained by the Foundation on a permanent basis.

The Restricted Funds for Charitable Distribution reports resources that are available to be used for purposes specified by the donor and do not form part of the Endowment Fund.

Included in Restricted Funds for Charitable Distribution are Spend-Down Funds and Flow-Through funds. Spend-Down funds are established by the donor to function similar to an endowment in that the principal is to be retained and invested. However, the entire principal and income will be spent over a period of time as provided for in the spending policy. Flow-Through funds are not intended to be held permanently, or for the funds to be invested. The Foundation will hold the capital of the Fund until direction is received by the donor.

The Operating Fund reports resources available for the Foundation's general operating activities. These activities include fund development, grant making, community leadership projects, and philanthropic services to the community. The general costs of supporting these activities are reported as expenditures in the Operating Fund.

(c) Accounting Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include valuation of accounts receivables and investments, and the estimated useful life of capital assets. Actual results could differ from those estimates.

(d) Investments

The investments of the Foundation are recorded at market values. Investment income includes dividends, interest, realized gains (losses) and the net change in unrealized gains (losses) for the year.

**COMMUNITY FOUNDATION FOR KINGSTON & AREA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

2. ACCOUNTING POLICIES (Cont'd)

(e) Revenue Recognition

The Endowment Fund recognizes revenue from donor-restricted contributions. Investment income earned on assets invested in perpetuity in accordance with endowment agreements is included in Restricted Funds for Charitable Distribution.

Restricted Funds for Charitable Distribution recognize revenue from donor contributions and investment income earned on assets held for short-term or medium terms. Flow-Through Funds and Spend-Down Funds are included in Restricted Funds for Charitable Distribution and recognize donor-restricted purposes and time horizons for distribution to qualified grantees.

The Operating Fund recognizes revenue from restricted and unrestricted donor contributions, fundraising events, sponsorships, grants, administration fees and investment income earned on assets of the Operating Fund and the Operating Endowment Fund. Donations specifically earmarked for facilitating the Foundation's operations in the short term and administrative fees charged to all endowment and funds for charitable distribution, are also reported in the Operating Fund.

Contributions are recognized as revenue when received, except where amounts are received for specific longterm projects. In these cases, contributions are deferred and recorded as revenue when the related expenditures are recorded.

Investment income includes dividend and interest income and realized and unrealized investment gains and losses.

(f) Financial Instrument measurement

The Foundation initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities, with the exception of investments and trust fund liabilities, at amortized cost. Investments and trust fund liabilities continue to be measured at fair value.

The financial assets subsequently measured at amortized cost include cash, accounts receivables and prepaid expenses. The financial liabilities measured at amortized cost include accounts payable and accrued charges.

(g) Contributed services

Volunteers contribute a substantial number of hours each year to assist the Foundation in carrying out its activities. Because of the difficulty of determining the fair value, contributions of such services are not recognized in the financial statements.

**COMMUNITY FOUNDATION FOR KINGSTON & AREA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

2. ACCOUNTING POLICIES (Cont'd)

(h) Foreign Currency Translation

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year-end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income and expenses in the current period.

(i) Income Taxes

The corporation is exempt from paying income taxes, as it is a registered charity.

(j) Cash and Equivalents

Cash and equivalents consist of cash on deposit.

3. CASH

The Foundation holds bank accounts at two credit unions and two investment dealers. The accounts earn interest from 0.0% - 2.1%.

The Foundation holds U.S. currency totaling CAN\$10,600 (2017 - \$3,423) with an investment dealer.

**COMMUNITY FOUNDATION FOR KINGSTON & AREA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

4. INVESTMENTS

Investments for the Endowment Fund, Restricted Funds for Charitable Distribution and Operating Fund are pooled and investment income is allocated to these funds on a prorated basis based on monthly market value.

The Foundation holds U.S. investments totaling CAN\$7,324,077 (2017 - \$7,450,525) with an investment dealer.

	2018 \$	2017 \$
Fixed income	7,258,656	7,048,223
Equities, mutual and segregated funds	12,396,580	12,775,556
	19,655,236	19,823,779

5. TRUST FUND LIABILITY

The Foundation has entered into various agreements to manage funds on behalf of charitable organizations.

	Year of Agreement	2018 \$	2017 \$
Cataraqui Conservation Foundation	2012	33,545	34,664
Seniors Association Kingston Region	2015	82,011	84,686
Rotary Club of Kingston	2016	51,035	54,702
		166,591	174,052

**COMMUNITY FOUNDATION FOR KINGSTON & AREA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

6. RESTRICTED FUNDS FOR CHARITABLE DISTRIBUTION AND ENDOWMENT FUND

The Foundation has various Restricted Funds for Charitable Distribution and endowment fund that must be used for specific purposes and in accordance with short, medium and long-term time horizons established by the specific fund.

Internally Restricted Funds

Internally Restricted Funds are established for specific purposes and may be redesignated at any time by the Board of Directors.

The Office Relocation Fund was established in 2015 from operating surplus for the purposes of relocating, renovating or designing office space in preparation of the lease on its offices expiring in 2018. In prior years the Foundation internally restricted \$51,000 for this purpose. In 2018 the Foundation relocated and the balance of \$51,000 was used for the stated purposes.

The Smart and Caring Community Fund is designed to support community projects and was established in 2014 as a spend-down Restricted Fund for Charitable Distribution, meaning that the encroachment on capital is subject to the Enhanced Spending Policy. In prior years \$25,000 was internally restricted for this purpose.

During the 2018 fiscal year the Foundation transferred \$6,000 from its accumulated operating surplus to the Regina Rosen Food First endowment fund in support of its fundraising initiative.

The Community Fund and the Operating Endowment Fund are considered permanent endowment funds and are reflected in the Endowment Fund balances in these financial statements. In prior years the Foundation internally restricted bequests of \$257,236, representing \$116,118 for the Community Fund and \$141,118 for the Operating Endowment Fund.

Donor Restricted Funds

Donor Restricted Funds are established by the donor for specific purposes and may not be redesignated.

In 2011, the Foundation's Board of Directors approved an annual transfer between the Operating Fund and the Operating Endowment Fund. Significant volatility in the markets had resulted in large fluctuations in investment income being earned by the Operating Endowment Fund. To stabilize the transfer of investment income to operations, the Board agreed to transfer between the Operating Endowment Fund and operations, on an annual basis, the amount equal to the difference between the income earned on the Operating Endowment Funds and the three year average rate of return multiplied by the balance of the Operating Endowment Fund at January 1 of each year. In 2018, \$80,470 was transferred to the Operating Fund (2017 - \$35,319 was transferred to the Operating Endowment Fund).

Periodically, donors of Restricted Funds for Charitable Distribution request that grant amounts be made to the Foundation's operations or to Endowment Funds held by the Foundation. During 2018, donors of Restricted Funds for Charitable Distribution requested the transfer of \$57,230 to Endowment Funds.

**COMMUNITY FOUNDATION FOR KINGSTON & AREA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

6. RESTRICTED FUNDS FOR CHARITABLE DISTRIBUTION (Cont'd)

The summary of transfers in 2018 is as follows:

	Operating Fund \$	Restricted Funds for Charitable Distribution \$	Endowment Fund \$
Transfer to Operating Endowment	80,470	(80,470)	
Transfer of funds to Endowment Fund	(6,000)	(57,230)	63,230
	74,470	(137,700)	63,230

7. GRANTS

The Foundation incurs expenditures on an annual basis in the form of grants to qualified donees. The funds received for granting purposes are derived from three sources. The first source is through investment income earned on the Foundation's endowed capital. The second source is through gifts received from donors, whereby the donor has designated that the amount of the gift, less an agreed upon administrative fee, is to be directed to an agency or agencies specified by the donor (provided that the agency is a 'qualified donee'). These are referred to as 'flow through' grants. The third source is the capital portion of the disbursements from spend-down funds.

8. LIFE INSURANCE POLICIES

The Foundation is the assignee and owner of eight separate life insurance policies (2017 - eight) providing for death benefits totaling \$1,569,260 (2017 - \$1,569,260).

No value related to the ownership of these policies is included in these financial statements. Annual ongoing costs of maintaining the policies are generally funded by the original donors each year, however the Foundation has ultimate responsibility for continuing payments to maintain the policies in the future. During the year, payments of \$36,475 were received from donors and paid to maintain the policies.

**COMMUNITY FOUNDATION FOR KINGSTON & AREA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

9. FINANCIAL INSTRUMENTS

The fair values of cash, accounts receivable, prepaid expenses and accounts payable and accrued charges, are equivalent to their respective carrying values given the short term nature of the accounts.

Investments are measured at fair value on the statement of financial position as quoted by the Foundation's investment brokers.

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

As a result of holding financial instruments, the Foundation is exposed to investment risk, market risk, and interest rate risk.

In 2015 the Foundation launched a microloan program ("First Capital Community Development Loan Program"). As a result of this program, the Foundation is exposed to some credit risk.

The following is a description of those risks and how the Foundation manages its exposure to them. The Foundation's risk management has not changed from the prior year.

(a) Investment risk

Risk management relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. Investments are primarily exposed to interest rate and market risk.

The Foundation mitigates these risks with an investment policy designed to limit exposure and concentration while achieving optimal return within reasonable risk tolerances.

(b) Market and interest rate risk

The risks associated with the investments are the risks associated with the securities in which the funds are invested. The value of equity securities changes with stock market conditions, which are affected by general economic and market conditions. The value of securities will vary with developments within the specific companies or governments which issue the securities. The value of fixed income securities will generally rise if interest rates fall and fall if interest rates rise. Changes in interest rates may also affect the value of equity securities.

(c) Credit risk

The risk associated with the microloan program is the risk of borrowers defaulting on loan payments that have been guaranteed by the Foundation. In the event of a loan default, the lender is entitled to claim the full amount of the outstanding loan from the Foundation. The Foundation mitigates this risk by: limiting its exposure only to the amount of funds in its First Capital Community Development Loan Program (currently \$78,974); conducting credit checks before guaranteeing a loan; maintaining a Due Diligence Committee to review, approve and follow up with loan applicants; maintaining procedures guiding the loan approval process; and reserving the right to pursue collections on defaulted loans.

**COMMUNITY FOUNDATION FOR KINGSTON & AREA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

10. COMMITMENTS

In December 2017, the Foundation entered into an agreement to lease 2,679 square feet of office space from J.S.M. Corporation (Ontario) Ltd. for \$17,199 per annum plus common costs. This lease expires on January 31, 2023. The Foundation has an option to extend this lease for 3 periods of 5 years each. Minimum annual lease payments for the next 5 years, excluding common costs, are as follows:

	\$
2019	17,199
2020	17,199
2021	17,199
2022	17,199
2023	1,433
	<hr/>
	70,229

The common area costs for 2018 were \$27,783 and are subject to annual adjustments under the terms of the lease agreement.

11. CAPITAL DISCLOSURE

The Foundation defines its capital as the amounts included in its fund balances.

The Foundation manages its capital in accordance with its Investment Policy.

The Foundation's objective when managing capital is to safeguard its ability to sustain itself as a going concern so that it can continue to provide the appropriate level of benefits and services to its beneficiaries and stakeholders.

A portion of the Foundation's capital is restricted in that the Foundation is required to meet certain requirements to utilize its externally and internally restricted fund balances. The Foundation has internal control procedures to ensure that the restrictions are met prior to the utilization of these resources and has been in compliance with these restrictions throughout the year.

SCHEDULE A

COMMUNITY FOUNDATION FOR KINGSTON & AREA
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	Operating 2017
	\$	\$
Bank and credit card fees	2,685	2,363
Fundraising expenditures	658	1,210
Information technology	27,238	20,773
Insurance	6,158	5,029
Marketing	4,804	4,615
Meetings and promotions	2,415	4,609
Membership fees	5,567	5,958
Miscellaneous	300	2,339
Moving	47,386	5,753
Office	19,045	12,452
Professional fees	10,990	9,943
Publication and printing	7,735	6,427
Rent	46,447	38,552
Wages, benefits and consulting fees	220,779	218,115
	402,207	338,138