

**SELKIRK AND DISTRICT  
COMMUNITY FOUNDATION INC.**

**Financial Statements**  
For the year ended June 30, 2017

# **SELKIRK AND DISTRICT COMMUNITY FOUNDATION INC.**

## **Financial Statements**

For the year ended June 30, 2017

	<b>Contents</b>
<b>Review Engagement Report</b>	<b>2</b>
<b>Financial Statements</b>	
Statement of Financial Position	<b>3</b>
Statement of Operations and Changes in Net Assets	
Endowment Funds and Charitable Remainder Trusts	<b>4</b>
Administration Fund and Flow Through	<b>5</b>
Statement of Cash Flows	<b>6</b>
Notes to Financial Statements	<b>7 - 10</b>
Schedule of Endowment Funds	<b>11</b>



Tel: 204 956 7200  
Fax: 204 926 7201  
Toll-Free: 866 863 6601  
www.bdo.ca

BDO Canada LLP  
700 - 200 Graham Avenue  
Winnipeg MB R3C 4L5 Canada

---

## Review Engagement Report

---

To the Members of  
**SELKIRK & DISTRICT COMMUNITY FOUNDATION INC. INC.**

We have reviewed the statements of financial position of the **SELKIRK & DISTRICT COMMUNITY FOUNDATION INC. INC.** as at June 30, 2017, and the statements of operations and changes in net assets, and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Foundation.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

*BDO Canada LLP*

Chartered Professional Accountants

Winnipeg, Manitoba  
November 14, 2017

**SELKIRK AND DISTRICT COMMUNITY FOUNDATION INC.**  
**Statement of Financial Position**  
(Unaudited)

As at June 30	2017	2016
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Credit Union	\$ 48,974	\$ 30,041
Receivables	896	3,905
Income Receivable (Note 2)	43,707	39,686
Short-term Investment, Savings Account	327,801	291,044
Prepaid Expenses	2,540	2,685
	<u>423,918</u>	<u>367,361</u>
Investments, at market (Note 3)	<u>8,000,202</u>	<u>7,298,447</u>
<b>Other</b>		
Funds Held in Trust, at market (Note 2)	1,368,045	1,289,802
Charitable Remainder Trust (Note 4)	14,908	14,908
Cash Surrender Value of Life Insurance Policy	-	2,244
	<u>1,382,953</u>	<u>1,306,954</u>
	<u>\$ 9,807,073</u>	<u>\$ 8,972,762</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 2,955	\$ 10,166
Salaries and Employee Deductions Payable	10,641	11,689
Grants Payable	189,217	155,425
Designated Donations (Note 5)	42,592	57,663
	<u>245,405</u>	<u>234,943</u>
<b>Long-term Liabilities</b>		
Managed Funds (Note 6)	<u>650,091</u>	<u>602,561</u>
<b>Net Assets</b>		
<b>Endowment Funds</b>		
Community Funds	3,127,464	2,899,937
Designated Funds	2,881,905	2,596,636
Donor Advised Funds	1,752,142	1,638,370
Field of Interest Funds	655,734	583,246
Scholarship and Bursary Funds	451,405	371,338
	<u>8,868,650</u>	<u>8,089,527</u>
Charitable Remainder Trusts (Note 4)	<u>14,908</u>	<u>14,908</u>
	<u>8,883,558</u>	<u>8,104,435</u>
Administration Fund	<u>28,019</u>	<u>30,823</u>
	<u>8,911,577</u>	<u>8,135,258</u>
	<u>\$ 9,807,073</u>	<u>\$ 8,972,762</u>

The accompanying notes form an integral part of these financial statements.

**SELKIRK AND DISTRICT COMMUNITY FOUNDATION INC.**  
**Statement of Operations and Changes in Net Assets - Endowment**  
**Funds and Charitable Remainder Trusts**  
(Unaudited)

<b>Year ended June 30</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Income Earned on Investments	\$ 280,414	\$ 328,536
Income Earned on Trust Funds	56,935	51,373
Unrealized Capital Gains/(Losses) on Investments	504,353	(107,627)
Contributions for Administration	(128,490)	(74,511)
Investment Management Fees Paid	(43,703)	(39,608)
<b>Net Revenue for the year before Donations</b>	<b>669,509</b>	<b>158,163</b>
<b>Donations Received</b>		
Community/Undesignated Funds	94,571	111,112
Designated Funds	114,390	64,999
Donor Advised Funds	24,541	30,745
Field of Interest Funds	42,839	41,486
Scholarship and Bursary Funds	55,800	31,391
Agency Funds	9,458	7,755
Administration Funds	2,950	2,500
<b>Total Donations for the year</b>	<b>344,549</b>	<b>289,988</b>
<b>Total Revenue</b>	<b>1,014,058</b>	<b>448,151</b>
<b>Grants made during the year</b>		
Arts and Culture	3,260	6,000
Children and Youth	48,356	71,512
Community Services	64,619	53,246
Education	16,747	1,481
Environment	2,500	7,272
Faith Based Designations	613	486
Health	28,770	16,615
Heritage and Restoration	41,179	23,426
Scholarship and Bursary	9,100	7,450
Services for Seniors	5,600	-
Sports and Recreation	19,549	29,876
Youth Advisory Committee	2,500	2,500
Grants payable cancelled	(7,858)	(2,962)
<b>Total Grants</b>	<b>234,935</b>	<b>216,902</b>
<b>Excess of Revenue over Grants for the year</b>	<b>779,123</b>	<b>231,249</b>
<b>Net Assets, beginning of year</b>	<b>8,104,435</b>	<b>7,873,186</b>
<b>Net Assets, end of year</b>	<b>\$ 8,883,558</b>	<b>\$ 8,104,435</b>

The accompanying notes form an integral part of these financial statements.

**SELKIRK AND DISTRICT COMMUNITY FOUNDATION INC.**  
**Statement of Operations and Changes in Net Assets - Administration**  
(Unaudited)

<b>Year ended June 30</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Contributions to Administration - Endowment Funds	\$ 128,490	\$ 74,511
Winnipeg Foundation Grant	10,492	9,420
Donations and Grants for Administration	4,650	4,111
Bob Jefferson Memorial Golf Tournament	10,000	11,577
Vital Signs 2018 Grants	10,963	-
Special Events	1,372	-
Management fee on flow through donations	372	4,489
Donations for life insurance premiums	-	191
<b>Revenue for Administration</b>	<b>166,339</b>	<b>104,299</b>
<b>Flow Through Donations</b>	<b>54,018</b>	<b>556,869</b>
<b>Total Revenue</b>	<b>220,357</b>	<b>661,168</b>
<b>Flow Through Donations Granted</b>	<b>54,018</b>	<b>556,869</b>
<b>Program and Administration Expenses</b>		
Wages, Salaries and Employee Benefits	108,617	57,269
Community Awareness and Fund Development	19,469	20,328
Conferences	4,400	-
Information Technology and Website	7,382	3,533
Membership Dues	2,864	2,432
Rent & Office Expenses	7,742	7,491
Learning and Development	1,324	1,189
Professional Fees	2,873	2,431
Travel Expenses	1,546	924
CFC Board Member Expenses	1,439	1,576
Other Expenses	524	282
Vital Signs 2018	10,963	-
Life Insurance Premiums	-	191
<b>Total Program and Administration Expenses</b>	<b>169,143</b>	<b>97,646</b>
<b>Total Flow Through Donations and Admin Expenses</b>	<b>223,161</b>	<b>654,515</b>
<b>Excess/(Deficiency) of Revenue over Expenses</b>	<b>(2,804)</b>	<b>6,653</b>
<b>Net Assets, beginning of year</b>	<b>30,823</b>	<b>24,170</b>
<b>Net Assets, end of year</b>	<b>\$ 28,019</b>	<b>\$ 30,823</b>

The accompanying notes form an integral part of these financial statements.

**SELKIRK AND DISTRICT COMMUNITY FOUNDATION INC.**  
**Statement of Cash Flows**  
(Unaudited)

Year ended June 30	2017	2016
<b>Cash Flow from Operating Activities</b>		
Excess/(Deficiency) of Revenue over Expenses	\$ (2,804)	\$ 6,653
Items not affecting cash		
Unrealized (Gains)/Losses on Investments	(462,134)	81,583
Changes in Non-Cash Working Capital		
Accounts Receivable	3,009	102
Income Receivable	(4,021)	(4,622)
Prepaid Expenses	145	1,574
Accounts Payable and Accrued Liabilities	(7,212)	(14,319)
Salaries and Employee Deductions Payable	(1,048)	4,188
Prior years Grants Payable	(114,680)	(112,834)
Current Year Grants Payable	146,973	117,649
Bursaries Payable	1,500	(150)
Deferred Donations	(15,070)	(452,278)
	<u>(455,342)</u>	<u>(372,454)</u>
<b>Cash Flows Used in Investing Activities</b>		
Net Increase in Investments	(237,378)	(338,430)
Funds Held in Trust	(78,243)	32,742
	<u>(315,621)</u>	<u>(305,688)</u>
<b>Cash Flows from Financing Activities</b>		
Managed Funds	47,530	10,538
Endowment Funds	779,123	231,249
	<u>826,653</u>	<u>241,787</u>
<b>Net Increase (Decrease) in Cash, Credit Union and Savings</b>	<b>55,690</b>	<b>(436,355)</b>
<b>Cash, Credit Union and Savings, beginning of year</b>	<b>321,085</b>	<b>757,440</b>
<b>Cash, Credit Union and Savings, end of year</b>	<b>\$ 376,775</b>	<b>\$ 321,085</b>
<b>Represented by:</b>		
Cash and Credit Union	\$ 48,974	\$ 30,041
Short-term Investment, Savings Account	327,801	291,044
	<u>\$ 376,775</u>	<u>\$ 321,085</u>

The accompanying notes form an integral part of these financial statements.

---

**SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.**  
**Notes to Financial Statements**  
(Unaudited)

**For the year ended June 30, 2017**

---

**1. Nature of the Foundation Summary of Significant Accounting Policies**

**a. Nature of the Foundation**

The Foundation was incorporated in June 1995 as a non-profit charitable organization, established to benefit the citizens of Selkirk and District by supporting health, social, heritage, educational, cultural, environmental, and community charitable needs in the community.

The Foundation is a registered charity and is classified as a Public Foundation for purposes of the Income Tax Act.

**b. Basis of Accounting**

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

**c. Fund Accounting**

The Foundation follows the restricted fund method of accounting for contributions. The Endowment funds report only the resources that are to be used for Endowment fund purposes. The Administration fund accounts for the Foundation's program delivery and administrative activities.

**d. Revenue Recognition**

Bequests and other donations are recorded when received. Unless a donor specifies otherwise, donations received are generally considered contributions to the capital of the Foundation and are, therefore, reflected as revenue of the Endowment funds. If a donor specifies that the contribution is not to be retained permanently, it is recognized as revenue of the Administration Fund.

**e. Endowment Funds**

Endowment funds are established for donations which will remain under the Foundation's management in perpetuity. Such donations are used to acquire units in the Foundation's consolidated investments, so that each fund is increased (or decreased) periodically by its proportionate share of the investment income, gains and losses that are allocated to the Endowment funds.

The Endowment funds of the Foundation are comprised of funds subject to varying degrees of restriction on the use of capital and income. Income earned on the funds is used to provide grants to qualifying registered charities.

**f. Investments**

The investments of the Foundation and the funds held in trust are recorded at year-end market values. Revenue includes interest, dividends, realized capital gains (losses), and the net change in unrealized capital gains (losses) for the year.

**g. Charitable Remainder Trusts**

Charitable remainder trusts are a form of a residual interest gifts. The donor transfers property to a trustee who holds and manages it. If the property is income-producing, net income after payment of all expenses will be paid to the donor and/or other named beneficiary. When the trust terminates (either at the death of the beneficiary/ies or after a term of years), the trust remainder is distributed to the Foundation. If the trust is irrevocable, the donor is entitled to a gift receipt for the present value of the residual trust.



---

**SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.**  
**Notes to Financial Statements**  
(Unaudited)

**For the year ended June 30, 2017**

---

**1. Nature of the Foundation Summary of Significant Accounting Policies (continued)**

**h. Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market are reported at fair value, with any unrealized gains and losses reported in operations. In addition, guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

**i. Contributed Services**

The Foundation is governed and supported by volunteers. Contributed services are not reflected in the financial statements due to the difficulty in determining their fair value.

**j. Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

**2. Funds Held in Trust**

Funds from the Estate of Maude Gordon are held in trust by The Winnipeg Foundation. Income earned on the funds is transferred to the Selkirk and District Community Foundation Inc. as per the spending policy of The Winnipeg Foundation (4.6% in 2017, 4.4% in 2016 of the average value of the fund, calculated over three years).

The Winnipeg Foundation charges fees for administration and investment management expenses of 0.85% in 2017 (2016 was 0.85%) of the September 30th values of the fund.

The income available for grant making is calculated monthly and at June 30, 2017 was \$43,707 (2016 was \$39,686).

**3. Investments**

	June 30 2017	June 30 2016
Bonds and mortgages	\$ 1,807,803	\$ 1,707,586
Canadian equities	1,999,782	1,941,103
US & international equities	2,591,717	2,189,213
Real estate fund	1,599,826	1,459,476
Transaction accounts	1,074	1,069
	<u>\$ 8,000,202</u>	<u>\$ 7,298,447</u>

---

**SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.**  
**Notes to Financial Statements**  
(Unaudited)

**For the year ended June 30, 2017**

---

**4. Charitable Remainder Trust**

The Foundation is the capital beneficiary of the charitable remainder trust and will become entitled to the investment income from these funds upon the death of the income beneficiary.

The balance of \$14,908 (\$14,908 at June 30, 2016) represents the net present value of the irrevocable trust at the date of funding. New charitable remainder trusts received are recorded in the Foundation's records at their net present value and as an increase to net assets.

**5. Designated Donations**

Designated donations of \$42,592 (\$57,633 at June 30, 2016) represent gifts from donors for various expenses or charitable projects. These donations will be paid out when the expenses are incurred or the various projects are started or completed.

**6. Managed Funds**

The Foundation manages funds for various organizations for a management fee based on the market value of the investments. These funds have been transferred to the Foundation for long-term management, but are subject to withdrawal at any time with reasonable notice. Managed funds are comprised of the following at year end:

	<b>June 30 2017</b>	<b>June 30 2016</b>
Lord Selkirk School Division Scholarship Foundation Fund	<b>\$ 341,706</b>	\$ 315,399
Anglican Parish of Christ Church Selkirk Fund	<b>246,356</b>	227,767
Chief Peguis Heritage Park Fund	<b>62,029</b>	59,395
	<b><u>\$ 650,091</u></b>	<b><u>\$ 602,561</u></b>

**7. Management of Capital**

The Foundation defines its capital as its Endowment Funds, Charitable Remainder Trusts and Administration Fund net assets. The Foundation's ultimate goal is to provide for grant making in perpetuity. In order to achieve that goal, the Board of Directors follows its Asset Management Governance Plan, which describes the processes put in place for the management of the Foundation's invested funds. The purpose of the Governance Plan is to ensure that the invested funds are managed effectively, prudently and in compliance with all applicable laws. In addition, the Board of Directors follows its Statement of Investment Policies and Guidelines which contains investment objectives, investment guidelines, and monitoring procedures.

---

**SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.**  
**Notes to Financial Statements**  
(Unaudited)

**For the year ended June 30, 2017**

---

**8. Financial Instrument Risk Management**

The Foundation, through its financial assets and liabilities, is exposed to various risks in the normal course of operations. The Foundation's objective in risk management is to optimize the risk return trade-off, within set limits, by applying integrated risk management and control strategies, policies and procedures throughout the Foundation's activities. The following analysis provides a measurement of those risks at year end.

Credit Risk

Credit risk is the risk that the Foundation will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist primarily of cash and credit union, receivables, income receivable, short-term investments and investments. The Foundation is not exposed to significant credit risk as the receivables and income receivable have typically been paid when due, short-term investments are held in savings accounts and term deposits, and investments are diversified.

Liquidity Risk

Liquidity risk is the risk that the Foundation will not be able to meet its obligations as they fall due. The Foundation maintains adequate levels of working capital to ensure all its obligations can be met when they fall due.

Interest Rate and Market Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market conditions and interest rates. The Foundation is not exposed to significant interest rate risk as cash and short-term investments are held in short-term products and floating interest rates, and investments are diversified. The Foundation is exposed to market risk and follows its Asset Management Governance Plan and Investment Policies and Guidelines to monitor the investments in an effort to safeguard against market fluctuations.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to foreign exchange risk since it holds a portion of its investments in U.S. and international equities. The Foundation follows its Asset Management Governance Plan and Investment Policies and Guidelines to monitor the investments in an effort to minimize its exposure to foreign exchange risk.

**9. Comparative Figures**

Certain comparative figures have been restated to conform to the current year's presentation.

**SELKIRK AND DISTRICT COMMUNITY FOUNDATION INC.**  
**Schedule of Endowment Funds**  
(Unaudited)

Years ended June 30, 2016 and 2017

	Community							
	Undesignated	Maude Gordon (Poulter Family)	Gaynor Family	Designated	Field of Interest & Donor Advised	Scholarship & Bursary	Total	
<b>Balance in funds, June 30, 2015</b>	<b>\$ 1,491,212</b>	<b>\$ 1,354,546</b>	<b>\$ 1,482,268</b>	<b>\$ 2,494,201</b>	<b>\$ 695,906</b>	<b>\$ 340,145</b>	<b>\$ 7,858,278</b>	
Transfers between funds	(11,080)	-	-	630	10,450	-	-	
Donations and bequests received	111,112	-	-	75,254	72,231	31,391	289,988	
Income earned during the year	53,547	44,819	49,698	80,864	24,971	11,891	265,790	
Allocation of unrealized gains	(15,209)	(32,742)	(17,530)	(28,322)	(9,185)	(4,639)	(107,627)	
Grants made during the year	(54,513)	(41,755)	(62,776)	(25,991)	(24,417)	(7,450)	(216,902)	
<b>Balance in funds, June 30, 2016</b>	<b>1,575,069</b>	<b>1,324,868</b>	<b>1,451,660</b>	<b>2,596,636</b>	<b>769,956</b>	<b>371,338</b>	<b>8,089,527</b>	
Transfers between funds	(12,188)	-	-	-	12,188	-	-	
Donations and bequests received	94,571	-	-	126,798	67,380	55,800	344,549	
Income earned during the year	24,040	44,037	32,345	45,382	11,881	7,471	165,156	
Allocation of unrealized gains	100,362	78,243	83,366	165,581	52,505	24,296	504,353	
Grants made during the year	(55,938)	(45,600)	(51,154)	(52,492)	(22,251)	(7,500)	(234,935)	
<b>Balance in funds, June 30, 2017</b>	<b>\$ 1,725,916</b>	<b>\$ 1,401,548</b>	<b>\$ 1,516,217</b>	<b>\$ 2,881,905</b>	<b>\$ 891,659</b>	<b>\$ 451,405</b>	<b>\$ 8,868,650</b>	
<b>Historical Summary</b>								
Donations and bequests received	\$ 1,332,726	\$ 1,054,702	\$ 1,109,741	\$ 2,273,492	\$ 697,223	\$ 382,238	\$ 6,850,122	
Appropriation for inflation capitalized	215,841	397,691	107,619	325,301	90,227	23,264	1,159,943	
Inflation adjusted donations & bequests	1,548,567	1,452,393	1,217,360	2,598,793	787,450	405,502	8,010,065	
Income earned	318,927	834,894	227,158	533,843	136,569	40,900	2,092,291	
Allocation of unrealized gains	455,628	313,343	432,535	473,203	224,604	80,467	1,979,780	
Appropriation for inflation (see Note below)	(215,841)	(397,691)	(107,619)	(325,301)	(90,227)	(23,264)	(1,159,943)	
Grants made	(381,366)	(801,390)	(253,216)	(398,634)	(166,737)	(52,200)	(2,053,543)	
Unallocated Income (Deficit)	177,348	(50,844)	298,858	283,111	104,209	45,903	858,585	
<b>Balance in funds, June 30, 2017</b>	<b>\$ 1,725,915</b>	<b>\$ 1,401,549</b>	<b>\$ 1,516,218</b>	<b>\$ 2,881,904</b>	<b>\$ 891,659</b>	<b>\$ 451,405</b>	<b>\$ 8,868,650</b>	

Note: Maude Gordon (Poulter Family) Fund is an undesignated fund.

Note: Gaynor Family Fund is a donor advised fund.

Note: In order to give recognition to the effects of inflation on the purchasing power of the Foundation's donations and bequests a portion of income has been appropriated each year and capitalized for each endowment fund. The amount recorded is based upon the rate of inflation for the past twelve months in Canada as determined by the Bank of Canada. The inflation is calculated based upon the inflation adjusted balances at the beginning of the year.

The inflation rate for 2017 was 1% and the appropriation was \$75,896 (2016 was 1.5%, \$105,995)