

**SELKIRK AND DISTRICT  
COMMUNITY FOUNDATION INC.**

**Financial Statements  
For the year ended June 30, 2020**

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

## **Financial Statements**

**For the year ended June 30, 2020**

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## Independent Practitioner's Review Engagement Report

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**To the Board of Directors of Selkirk & District Community Foundation Inc.**

We have reviewed the accompanying financial statements of **Selkirk & District Community Foundation Inc.** that comprise the statement of financial position as at June 30, 2020 and the statement of operations, the statement of changes in fund balance and the statement of 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 **Selkirk & District Community Foundation Inc.** as at June 30, 2020, 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.

*BDO Canada LLP*

Chartered Professional Accountants

Winnipeg, Manitoba  
November 10, 2020



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

**As at June 30** **2020** **2019**

(Restated - Note 12)

<b>Assets</b>		
<b>Current Assets</b>		
Cash and bank	\$ 337,729	\$ 42,784
Investments (Note 3)	713,856	698,817
Receivables and other (Note 4)	54,715	55,913
	1,106,300	797,514
<b>Investments (Note 3)</b>	<b>10,693,388</b>	<b>10,506,107</b>
	<b>\$ 11,799,688</b>	<b>\$ 11,303,621</b>
<b>Liabilities and Fund Balances</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 7,889	\$ 11,037
Grants payable	253,914	239,855
Designated contributions payable (Note 5)	133,768	94,620
Unearned revenue	5,100	2,600
	400,671	348,112
<b>Managed funds (Note 6)</b>	<b>710,251</b>	<b>703,121</b>
	<b>1,110,922</b>	<b>1,051,233</b>
<b>Fund Balances</b>		
Unrestricted	137,857	106,590
Endowment (Note 7)	10,550,909	10,145,798
	10,688,766	10,252,388
	<b>\$ 11,799,688</b>	<b>\$ 11,303,621</b>

Approved by the Board of Directors:

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

**For the year ended June 30, 2020**

	General Fund		Endowment Fund		Total	
	2020	2019 (Restated - Note 12)	2020	2019 (Restated - Note 12)	2020	2019 (Restated - Note 12)
<b>Revenue</b>						
Donations (Note 4)	138,149	70,934	704,781	2,052,338	842,930	2,123,272
Grants and other	20,660	20,202	-	-	20,660	20,202
Special events	31,371	35,186	-	-	31,371	35,186
Investment income (Note 8)	-	-	174,892	465,896	174,892	465,896
Administration fee	171,166	147,315	(171,166)	(147,315)	-	-
	<u>361,346</u>	<u>273,637</u>	<u>708,507</u>	<u>2,370,919</u>	<u>1,069,853</u>	<u>2,644,556</u>
<b>Expenses</b>						
Salaries and benefits	128,334	125,959	-	-	128,334	125,959
Program and administration	39,642	38,155	-	-	39,642	38,155
Community awareness and fund development	20,322	24,484	-	-	20,322	24,484
Special events	21,133	23,400	-	-	21,133	23,400
	<u>209,431</u>	<u>211,998</u>	<u>-</u>	<u>-</u>	<u>209,431</u>	<u>211,998</u>
<b>Excess of revenue over expenses before grants awarded</b>	<b>151,915</b>	<b>61,639</b>	<b>708,507</b>	<b>2,370,919</b>	<b>860,422</b>	<b>2,432,558</b>
<b>Grants awarded (Note 9)</b>	<b>(120,648)</b>	<b>(52,732)</b>	<b>(303,396)</b>	<b>(281,529)</b>	<b>(424,044)</b>	<b>(334,261)</b>
<b>Excess of revenue over expenses for the year</b>	<b>\$ 31,267</b>	<b>\$ 8,907</b>	<b>\$ 405,111</b>	<b>\$ 2,089,390</b>	<b>\$ 436,378</b>	<b>\$ 2,098,297</b>

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

**SELKIRK AND DISTRICT COMMUNITY FOUNDATION INC.**  
**Statement of Changes in Fund Balances**  
(Unaudited)

For the year ended June 30, 2020

	General Fund		Endowment Fund		Total	
	2020	2019	2020	2019	2020	2019
Fund balances, beginning of year, as previously reported	\$ 68,115	\$ 62,580	\$ 11,577,483	\$ 9,497,119	\$ 11,645,598	\$ 9,559,699
Correction of error in prior period (Note 12)	38,475	35,103	(1,431,685)	(1,440,711)	(1,393,210)	(1,405,608)
Fund balances for the year, restated	106,590	97,683	10,145,798	8,056,408	10,252,388	8,154,091
Excess of revenue over expense for the year	31,267	8,907	405,111	2,089,390	436,378	2,098,297
Fund balances, end of year	\$ 137,857	\$ 106,590	\$ 10,550,909	\$ 10,145,798	\$ 10,688,766	\$ 10,252,388

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

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

<b>For the year ended June 30</b>	<b>2020</b>	<b>2019</b>
		(Restated - Note 12)
<b>Cash Flow from Operating Activities</b>		
Excess of revenue over expenses for the year	\$ 436,378	\$ 2,098,297
Items not affecting cash		
Unrealized loss (gain) on investments	109,379	(206,881)
Changes in non-cash working capital balances		
Receivables and other	1,198	(5,282)
Accounts payable and accrued liabilities	(3,148)	1,981
Grants payable	14,059	25,332
Designated contributions payable	39,148	21,940
Unearned revenue	2,500	(1,205)
	<u>599,514</u>	<u>1,934,182</u>
<b>Cash Flows Used in Investing Activities</b>		
Acquisition of investments	<u>(311,699)</u>	<u>(1,949,458)</u>
<b>Cash Flows from Financing Activities</b>		
Net increase in managed funds	<u>7,130</u>	<u>36,360</u>
<b>Net increase in cash and bank during the year</b>	<b>294,945</b>	<b>21,084</b>
<b>Cash and bank, beginning of year</b>	<u>42,784</u>	<u>21,700</u>
<b>Cash and bank, end of year</b>	<b>\$ 337,729</b>	<b>\$ 42,784</b>

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

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# SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

## Notes to Financial Statements

(Unaudited)

For the year ended June 30, 2020

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### 1. Nature of the Foundation

The Selkirk & District Community Foundation Inc. ("the Foundation") has as its mandate to raise, invest and allocate funds in support of the citizens of Selkirk and District by supporting health, social, heritage, educational, cultural, environmental, and community charitable needs in the community.

The Foundation defines its capital as its unrestricted and endowment fund balances. 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 that contains investment objectives, investment guidelines, and monitoring procedures.

The Foundation is incorporated under The Corporations Act of Manitoba. The Foundation is a registered charity and is classified as a public foundation for purposes of the Income Tax Act.

### 2. Summary of Significant Accounting Policies

#### a) Basis of Accounting

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

#### b) Fund Accounting

The General Fund reports the Foundation's program delivery and administrative activities including designated non-endowed donations and grants.

The Endowment Fund reports resources donated to the Foundation to be maintained in perpetuity. The Endowment Funds of the Foundation are comprised of funds subject to varying degrees of restriction on the use of capital and investment income. Income earned on resources of the Endowment Fund is used to distribute grants or to be maintained in perpetuity based on the restrictions imposed by donors and the distribution policy of the Foundation.

#### c) Revenue Recognition

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

Restricted contributions for general operations including designated donations and grants are recognized as revenue of the General Fund in the year the related expenses are incurred.

Restricted contributions for endowment are recognized as revenue in the Endowment Fund when the funds are received. Pledges received by the Foundation are not recognized in these financial statements.



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# SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

## Notes to Financial Statements (Unaudited)

For the year ended June 30, 2020

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### 2. Summary of Significant Accounting Policies (continued)

#### c) Revenue Recognition (continued)

Unrestricted contributions for general operations including donations and grants are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Special events revenue is recognized in the period the event occurs.

Investment income earned on Endowment Fund assets is recognized as revenue of the Endowment Fund in accordance with Board policy. Other investment income is recognized as revenue of the General Fund when received.

#### d) 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.

#### e) Capital Assets

Capital assets are recorded at original cost less accumulated amortization. Contributed capital assets are recorded at fair value on the date of contribution. Amortization is provided on a straight-line basis over the estimated useful life of the asset. The Foundation does not own capital assets at the current or prior year ends.

#### f) 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.

#### g) Use of 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, 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.

# SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

## Notes to Financial Statements (Unaudited)

For the year ended June 30, 2020

### 3. Investments

	2020	2019
Current investments		
Savings	<b>\$ 713,856</b>	\$ 698,817
Long-term investments		
Securities	<b>\$10,649,344</b>	\$10,491,199
Charitable remainder trust	<b>14,908</b>	14,908
Held in trust with The Winnipeg Foundation	<b>29,136</b>	-
	<b>\$10,693,388</b>	\$10,506,107
	<b>\$11,407,244</b>	\$11,204,924

a) Current Investments

Current investments consist of deposits in savings earning interest at 1.55% (2.35% in 2019).

b) Securities

The Foundation holds the following securities at June 30:

	2020	2019
Bonds and mortgages	<b>\$ 3,029,533</b>	\$ 2,566,306
Canadian equities	<b>2,404,767</b>	2,566,315
U.S. and international equities	<b>3,098,088</b>	3,079,578
Real estate fund	<b>2,116,847</b>	2,053,052
Transaction accounts	<b>109</b>	225,948
	<b>\$10,649,344</b>	\$10,491,199

The COVID-19 pandemic has had a significant effect on the financial markets. The Foundation's investments measured at fair value are reported in these financial statements at their fair value on June 30, 2020. These investments are experiencing fluctuations in fair value. The extent of any future impact on the Foundation's investments as a result of the COVID-19 pandemic is unknown.

c) Charitable Remainder Trust

The Foundation received the gift and title to irrevocable interest of property through the settlement of a charitable remainder trust in prior years. The asset is recorded as a long-term asset as the date of the transfer of the interest is not known.

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# SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

## Notes to Financial Statements

(Unaudited)

For the year ended June 30, 2020

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### 3. Investments (continued)

#### d) Investment Held in Trust with The Winnipeg Foundation

The Foundation holds title to the SDCF–Heritage–Marine Museum of Manitoba (Selkirk) Inc. Fund that is held by and managed by The Winnipeg Foundation in accordance with an agreement.

### 4. Endowment Fund Held by The Winnipeg Foundation

The Foundation has an agreement with The Winnipeg Foundation whereby The Winnipeg Foundation holds in perpetuity and manages the Maude Elizabeth Gordon Fund. The Winnipeg Foundation will preserve the capital contributed and will distribute all income generated thereon to the Foundation in perpetuity. During the year, the Foundation received contributions of \$67,369 (\$65,594 in 2019) from the Maude Elizabeth Gordon Fund which are included in donation revenue of the General Fund in the Statement of Operations. The contributions receivable from the Maude Elizabeth Gordon Fund are \$50,719 at June 30, 2020 (\$49,951 in 2019) and are included in receivables and other in the Statement of Financial Position.

The fair value of the Maude Elizabeth Gordon Fund is not reflected in the Foundation's financial statements. As at June 30, 2020, the fair value of the Maude Elizabeth Gordon Fund was \$1,355,031 (\$1,376,560 in 2019).

### 5. Designated Contributions Payable

Designated contributions payable of \$133,768 (\$94,620 at June 30, 2019) represent gifts from donors and restricted grants for various expenses or charitable projects. These contributions will be recognized as revenue when the expenses are incurred.

### 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 and are subject to withdrawal at any time with reasonable notice. Managed funds are comprised of the following at year end:

	<u>2020</u>	<u>2019</u>
Lord Selkirk School Division Scholarship Foundation Fund	\$ 373,523	\$ 373,870
Anglican Parish of Christ Church Selkirk Fund	271,317	271,570
Chief Peguis Heritage Park Fund	<u>65,411</u>	<u>57,681</u>
	<u>\$ 710,251</u>	<u>\$ 703,121</u>

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# SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

## Notes to Financial Statements

(Unaudited)

For the year ended June 30, 2020

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### 7. Endowment Fund

The Foundation holds the following endowment funds at June 30:

	<u>2020</u>	<u>2019</u>
Community Funds	\$ 2,973,422	\$ 2,768,513
Designated Funds	3,590,544	3,330,917
Donor Advised Funds	1,788,923	1,849,199
Field of Interest Funds	750,708	744,204
Scholarship and Bursary Funds	1,447,312	1,452,965
	<u>\$10,550,909</u>	<u>\$10,145,798</u>

### 8. Investment Income

Investment income is as follows for the year ended June 30:

	<u>2020</u>	<u>2019</u>
Realized	\$ 341,959	\$ 308,581
Unrealized gain (loss)	(109,379)	206,881
Investment management fees	(57,688)	(49,566)
	<u>\$ 174,892</u>	<u>\$ 465,896</u>

### 9. Grants Awarded

The Foundation awarded the following grants for the year ended June 30:

	<u>2020</u>	<u>2019</u>
Arts, culture, recreation and tourism	\$ 155,606	\$ 118,797
Community development	13,593	38,651
Environment	10,000	-
Health and wellness	35,321	50,674
Inclusive community	71,097	27,497
Income gap	26,500	14,500
Learning, kids and youth	34,781	76,636
Older adult and aging	6,100	9,643
Other community initiatives	71,085	5,035
Rescinded grants	(39)	(7,172)
	<u>\$ 424,044</u>	<u>\$ 334,261</u>

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# SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

## Notes to Financial Statements

(Unaudited)

For the year ended June 30, 2020

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### 10. 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 bank, receivables, and investments. The Foundation is not exposed to significant credit risk as the receivables are typically paid when due, investments in savings accounts are held at a credit union with deposits fully guaranteed, investments in securities are invested in accordance with the Foundation's investment policy and the investments held in trust by The Winnipeg Foundation are invested in accordance with The Winnipeg Foundation's investment policy.

#### Liquidity Risk

Liquidity risk is the risk that the Foundation will not be able to meet its obligations as they fall due. Financial instruments that subject the Foundation to significant concentrations of liquidity risk consist primarily of accounts payable and accrued liabilities. The Foundation manages its working capital to maintain adequate levels of liquidity to ensure 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 through investments in savings since they are held in short-term products at floating interest rates. The Foundation is exposed to interest rate risk through its investments held in bonds and mortgages and is exposed to market risk in its investments in securities. The Foundation follows its Asset Management Governance Plan and Investment Policies and Guidelines to monitor the investments in an effort to safeguard against interest rate risk and 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.

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# SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

## Notes to Financial Statements (Unaudited)

For the year ended June 30, 2020

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### 11. Uncertainty Related to COVID-19 Pandemic

On March 13, 2019, the World Health Organization, declared COVID-19 a global pandemic. This has had adverse impacts in Canada and on the global economy. As this continues, there could be further impact on the Foundation, its donors and funders. Management is actively monitoring the effect on its financial condition, liquidity and operations. As a result, management anticipates a temporary decline in donation revenue. Given the daily evolution of the pandemic and the global responses to curb its spread, the Association is not able to estimate fully the effects at this time.

### 12. Correction of Error Relating to the Maude Elizabeth Gordon Fund

During the year, the Foundation determined that the Maude Elizabeth Gordon Fund described in note 3 to these financial statements is controlled by The Winnipeg Foundation and does not meet the definition of an asset of the Foundation under Canadian accounting standards for not-for-profit organizations. As a result, comparative amounts presented in these financial statements have been restated as follows:

	As Previously Reported	Adjustment	Restated
<b>Statement of Financial Position</b>			
Investments	\$ 12,598,134	\$ (1,393,210)	\$ 11,204,924
Fund balances, beginning of year			
Unrestricted	68,115	38,475	106,590
Endowment	11,577,483	(1,431,685)	10,145,798
Fund balances, end of year			
Unrestricted	62,580	35,103	97,683
Endowment	9,497,119	(1,440,711)	8,056,408
<b>Statement of Operations</b>			
Revenue			
General Fund			
Donations	5,340	65,594	70,934
Endowment Fund			
Investment income	519,092	(53,196)	465,896
Total excess of revenue over expenses for the year	2,085,899	12,398	2,098,297

### 13. Comparative Figures

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