

**SELKIRK & DISTRICT
COMMUNITY FOUNDATION INC.**

Financial Statements
For the year ended June 30, 2021

SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

Financial Statements

For the year ended June 30, 2021

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Independent Practitioner's Review Engagement Report

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, 2021 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, 2021, 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

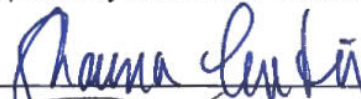
Chartered Professional Accountants

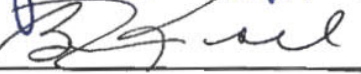
Winnipeg, Manitoba
December 14, 2021

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

As at June 30	2021	2020
Assets		
Current Assets		
Cash and bank	\$ 548,456	\$ 337,729
Investments (Note 3)	822,677	713,856
Receivables and other (Note 9)	52,416	54,715
	1,423,549	1,106,300
Investments (Note 3)	13,916,013	10,693,388
	\$ 15,339,562	\$ 11,799,688
Liabilities and Fund Balances		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 8,406	\$ 7,889
Grants payable	279,654	253,914
Designated contributions payable (Note 4)	87,081	133,768
Unearned revenue	9,200	5,100
	384,341	400,671
Managed funds (Note 5)	388,451	710,251
	772,792	1,110,922
Fund Balances		
Unrestricted	148,012	137,857
Endowment (Note 6)	14,418,758	10,550,909
	14,566,770	10,688,766
	\$ 15,339,562	\$ 11,799,688

Approved by the Board of Directors:





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

For the year ended June 30, 2021

	General Fund		Endowment Fund		Total	
	2021	2020	2021	2020	2021	2020
Revenue						
Donations (Note 9)	\$ 126,079	\$ 138,149	\$ 2,600,470	\$ 704,781	\$ 2,726,549	\$ 842,930
Grants and other	34,632	20,660	-	-	34,632	20,660
Special events	4,550	31,371	-	-	4,550	31,371
Investment income (Note 7)	-	-	1,709,567	174,892	1,709,567	174,892
Administration fee	177,631	171,166	(177,631)	(171,166)	-	-
	<u>342,892</u>	<u>361,346</u>	<u>4,132,406</u>	<u>708,507</u>	<u>4,475,298</u>	<u>1,069,853</u>
Expenses						
Salaries and benefits	131,315	128,334	-	-	131,315	128,334
Program and administration	43,160	39,642	-	-	43,160	39,642
Community awareness and fund development	33,954	20,322	-	-	33,954	20,322
Special events	3,051	21,133	-	-	3,051	21,133
	<u>211,480</u>	<u>209,431</u>	<u>-</u>	<u>-</u>	<u>211,480</u>	<u>209,431</u>
Excess of revenue over expenses before grants awarded	131,412	151,915	4,132,406	708,507	4,263,818	860,422
Grants awarded (Note 8)	(121,257)	(120,648)	(264,557)	(303,396)	(385,814)	(424,044)
Excess of revenue over expenses for the year	\$ 10,155	\$ 31,267	\$ 3,867,849	\$ 405,111	\$ 3,878,004	\$ 436,378

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

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

For the year ended June 30, 2021

	General Fund		Endowment Fund		Total	
	2021	2020	2021	2020	2021	2020
Fund balances, beginning of year	\$ 137,857	\$ 106,590	\$ 10,550,909	\$ 10,145,798	\$ 10,688,766	\$ 10,252,388
Excess of revenue over expense for the year	10,155	31,267	3,867,849	405,111	3,878,004	436,378
Fund balances, end of year	\$ 148,012	\$ 137,857	\$ 14,418,758	\$ 10,550,909	\$ 14,566,770	\$ 10,688,766

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

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

For the year ended June 30	2021	2020
Cash Flow from Operating Activities		
Excess of revenue over expenses for the year	\$ 3,878,004	\$ 436,378
Items not affecting cash		
Unrealized loss (gain) on investments	(1,548,785)	109,379
Changes in non-cash working capital balances		
Receivables and other	2,299	1,198
Accounts payable and accrued liabilities	517	(3,148)
Grants payable	25,740	14,059
Designated contributions payable	(46,687)	39,148
Unearned revenue	4,100	2,500
	<u>2,315,188</u>	<u>599,514</u>
Cash Flows Used in Investing Activities		
Acquisition of investments	(1,782,661)	(311,699)
Cash Flows from Financing Activities		
Net decrease in managed funds	(321,800)	7,130
Net increase in cash and bank during the year	210,727	294,945
Cash and bank, beginning of year	337,729	42,784
Cash and bank, end of year	\$ 548,456	\$ 337,729

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, 2021

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 Policy, which describes the processes put in place for the management of the Foundation's invested funds. The purpose of the Governance Policy 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.

SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

Notes to Financial Statements (Unaudited)

For the year ended June 30, 2021

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, 2021

3. Investments

	<u>2021</u>	<u>2020</u>
Current investments		
Savings	<u>\$ 822,677</u>	<u>\$ 713,856</u>
Long-term investments		
Securities	13,805,058	10,649,344
Charitable remainder trust	14,908	14,908
Held in trust with The Winnipeg Foundation	<u>96,047</u>	<u>29,136</u>
	<u>13,916,013</u>	<u>10,693,388</u>
	<u>\$14,738,690</u>	<u>\$11,407,244</u>

a) Current Investments

Current investments consist of deposits in savings earning interest at 1.10% (1.55% in 2020).

b) Securities

The Foundation holds the following securities at June 30:

	<u>2021</u>	<u>2020</u>
Bonds and mortgages	\$ 3,812,234	\$ 3,029,533
Canadian equities	3,359,696	2,404,767
U.S. and international equities	3,891,246	3,098,088
Real estate fund	2,741,358	2,116,847
Transaction accounts	<u>524</u>	<u>109</u>
	<u>\$13,805,058</u>	<u>\$10,649,344</u>

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.

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. This investment is presented at its fair value at June 30, 2021 and June 30, 2020.

SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

Notes to Financial Statements (Unaudited)

For the year ended June 30, 2021

4. Designated Contributions Payable

Designated contributions payable of \$87,081 (\$133,768 at June 30, 2020) 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.

5. 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. During the year, and pursuant to a signed agreement, the Lord Selkirk School Division Scholarship Foundation Fund has changed from a Managed Fund to an Endowment Fund. Managed funds are comprised of the following at year end:

	<u>2021</u>	<u>2020</u>
Anglican Parish of Christ Church Selkirk Fund	\$ 308,790	\$ 271,317
Chief Peguis Heritage Park Fund	79,661	65,411
Lord Selkirk School Division Scholarship Foundation Fund	-	373,523
	<u>\$ 388,451</u>	<u>\$ 710,251</u>

6. Endowment Fund

The Foundation holds the following endowment funds at June 30:

	<u>2021</u>	<u>2020</u>
Community Funds	\$ 3,650,091	\$ 2,973,422
Designated Funds	4,691,520	3,590,544
Donor Advised Funds	3,338,391	1,788,923
Field of Interest Funds	855,851	750,708
Scholarship and Bursary Funds	1,882,905	1,447,312
	<u>\$14,418,758</u>	<u>\$10,550,909</u>

SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

Notes to Financial Statements (Unaudited)

For the year ended June 30, 2021

7. Investment Income

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

	<u>2021</u>	<u>2020</u>
Realized	\$ 223,753	\$ 341,959
Unrealized gain (loss)	1,548,785	(109,379)
Investment management fees	<u>(62,971)</u>	<u>(57,688)</u>
	<u>\$ 1,709,567</u>	<u>\$ 174,892</u>

8. Grants Awarded

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

	<u>2021</u>	<u>2020</u>
Arts, culture, recreation and tourism	\$ 125,398	\$ 155,606
Community development	8,090	13,593
Environment	-	10,000
Health and wellness	27,449	35,321
Inclusive community	49,553	71,097
Income gap	11,600	26,500
Learning, kids and youth	36,317	34,781
Older adult and aging	6,800	6,100
Other community initiatives	121,257	71,085
Rescinded grants	<u>(650)</u>	<u>(39)</u>
	<u>\$ 385,814</u>	<u>\$ 424,044</u>

9. 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 \$67,636 (\$67,369 in 2020) 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 \$50,730 at June 30, 2021 (\$50,719 in 2020) 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, 2021, the fair value of the Maude Elizabeth Gordon Fund was \$1,549,310 (\$1,355,031 in 2020).

SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

Notes to Financial Statements (Unaudited)

For the year ended June 30, 2021

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 Policy and Statement of 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 Policy and Statement of Investment Policies and Guidelines to monitor the investments in an effort to minimize its exposure to foreign exchange risk.