

**SELKIRK & DISTRICT
COMMUNITY FOUNDATION INC.**

Financial Statements
For the year ended June 30, 2022

SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

Financial Statements

For the year ended June 30, 2022

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Tel.: 204 956 7200
Fax.: 833 888 1678
Toll Free: 800 268 3337
www.bdo.ca

BDO Canada LLP
201 Portage Avenue, 26th Floor
Winnipeg MB R3B 3K6 Canada

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, 2022 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, 2022, 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 15, 2022

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

As at June 30	2022	2021
Assets		
Cash and bank	\$ 308,232	\$ 548,456
Receivables and other (Note 9)	55,389	52,416
Investments (Note 3)	14,689,751	14,738,690
	\$ 15,053,372	\$ 15,339,562
Liabilities and Fund Balances		
Liabilities		
Accounts payable and accrued liabilities	\$ 8,798	\$ 8,406
Grants payable	331,447	279,654
Designated contributions payable (Note 4)	56,851	87,081
Unearned revenue	9,200	9,200
Managed funds (Note 5)	390,940	388,451
	797,236	772,792
Fund Balances		
Unrestricted	172,108	148,012
Endowment (Note 6)	14,084,028	14,418,758
	14,256,136	14,566,770
	\$ 15,053,372	\$ 15,339,562

Approved by the Board of Directors:



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

For the year ended June 30, 2022

	General Fund		Endowment Fund		Total	
	2022	2021	2022	2021	2022	2021
Revenue						
Donations (Note 9)	\$ 85,897	\$ 126,079	\$ 654,940	\$ 2,600,470	\$ 740,837	\$ 2,726,549
Grants and other	17,300	34,632	-	-	17,300	34,632
Special events	19,830	4,550	-	-	19,830	4,550
Investment income (Note 7)	-	-	(324,567)	1,709,567	(324,567)	1,709,567
Administration fee	214,209	177,631	(214,209)	(177,631)	-	-
	<u>337,236</u>	<u>342,892</u>	<u>116,164</u>	<u>4,132,406</u>	<u>453,400</u>	<u>4,475,298</u>
Expenses						
Salaries and benefits	137,516	131,315	-	-	137,516	131,315
Program and administration	60,470	43,160	-	-	60,470	43,160
Community awareness and fund development	28,365	33,954	-	-	28,365	33,954
Special events	17,098	3,051	-	-	17,098	3,051
	<u>243,449</u>	<u>211,480</u>	<u>-</u>	<u>-</u>	<u>243,449</u>	<u>211,480</u>
Excess of revenue over expenses before grants awarded	93,787	131,412	116,164	4,132,406	209,951	4,263,818
Grants awarded (Note 8)	(69,691)	(121,257)	(450,894)	(264,557)	(520,585)	(385,814)
Excess of revenue over expenses for the year	\$ 24,096	\$ 10,155	\$ (334,730)	\$ 3,867,849	\$ (310,634)	\$ 3,878,004

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, 2022

	General Fund		Endowment Fund		Total	
	2022	2021	2022	2021	2022	2021
Fund balances, beginning of year	\$ 148,012	\$ 137,857	\$ 14,418,758	\$ 10,550,909	\$ 14,566,770	\$ 10,688,766
Excess of revenue over expense for the year	24,096	10,155	(334,730)	3,867,849	(310,634)	3,878,004
Fund balances, end of year	\$ 172,108	\$ 148,012	\$ 14,084,028	\$ 14,418,758	\$ 14,256,136	\$ 14,566,770

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	2022	2021
Cash Flow from Operating Activities		
Excess of revenue over expenses for the year	\$ (310,634)	\$ 3,878,004
Items not affecting cash		
Unrealized loss (gain) on investments	788,297	(1,548,785)
Changes in non-cash working capital balances		
Receivables and other	(2,973)	2,299
Accounts payable and accrued liabilities	392	517
Grants payable	51,793	25,740
Designated contributions payable	(30,230)	(46,687)
Unearned revenue	-	4,100
	<u>496,645</u>	<u>2,315,188</u>
Cash Flows Used in Investing Activities		
Acquisition of investments	<u>(739,358)</u>	<u>(1,782,661)</u>
Cash Flows from Financing Activities		
Net decrease in managed funds	<u>2,489</u>	<u>(321,800)</u>
Net increase (decrease) in cash and bank during the year	(240,224)	210,727
Cash and bank, beginning of year	<u>548,456</u>	<u>337,729</u>
Cash and bank, end of year	\$ 308,232	\$ 548,456

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, 2022

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 this 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 Policy 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, 2022

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, 2022

3. Investments

	<u>2022</u>	<u>2021</u>
Savings	\$ 884,323	\$ 822,677
Securities	13,705,932	13,805,058
Charitable remainder trust	14,908	14,908
Held in trust with The Winnipeg Foundation	84,588	96,047
	<u>\$14,689,751</u>	<u>\$14,738,690</u>

a) Savings

Deposits in savings earning interest at 2.05% (1.10% in 2021).

b) Securities

The Foundation holds the following securities at June 30:

	<u>2022</u>	<u>2021</u>
Bonds and mortgages	\$ 3,999,676	\$ 3,812,234
Canadian equities	3,127,286	3,359,696
U.S. and international equities	3,754,581	3,891,246
Real estate fund	2,824,389	2,741,358
Transaction accounts	-	524
	<u>\$13,705,932</u>	<u>\$13,805,058</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, 2022 and June 30, 2021.

SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

Notes to Financial Statements (Unaudited)

For the year ended June 30, 2022

4. Designated Contributions Payable

Designated contributions payable of \$56,851 (\$87,081 at June 30, 2021) 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 fair 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>2022</u>	<u>2021</u>
Anglican Parish of Christ Church Selkirk Fund	\$ 296,957	\$ 308,790
Chief Peguis Heritage Park Fund	<u>93,983</u>	<u>79,661</u>
	<u>\$ 390,940</u>	<u>\$ 388,451</u>

6. Endowment Fund

The Foundation holds the following endowment funds at June 30:

	<u>2022</u>	<u>2021</u>
Community Funds	\$ 3,591,792	\$ 3,650,091
Designated Funds	4,729,215	4,691,520
Donor Advised Funds	3,162,179	3,338,391
Field of Interest Funds	815,662	855,851
Scholarship and Bursary Funds	<u>1,785,180</u>	<u>1,882,905</u>
	<u>\$14,084,028</u>	<u>\$14,418,758</u>

SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

Notes to Financial Statements (Unaudited)

For the year ended June 30, 2022

7. Investment Income

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

	<u>2022</u>	<u>2021</u>
Realized	\$ 539,907	\$ 223,753
Unrealized gain (loss)	(788,297)	1,548,785
Investment management fees	(76,177)	(62,971)
	<u>\$ (324,567)</u>	<u>\$ 1,709,567</u>

8. Grants Awarded

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

	<u>2022</u>	<u>2021</u>
Arts, culture, recreation and tourism	\$ 172,452	\$ 125,398
Community development	12,663	8,090
Environment	-	-
Health and wellness	78,857	27,449
Inclusive community	66,140	49,553
Income gap	4,216	11,600
Learning, kids and youth	42,081	35,161
Older adult and aging	3,590	6,800
Other community initiatives	69,691	121,257
Rescinded grants	-	(650)
Scholarships and bursaries	70,895	1,156
	<u>\$ 520,585</u>	<u>\$ 385,814</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 \$69,893 (\$67,636 in 2021) 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 \$52,987 at June 30, 2022 (\$50,730 in 2021) 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, 2022, the fair value of the Maude Elizabeth Gordon Fund was \$1,355,919 (\$1,549,310 in 2021).

SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

Notes to Financial Statements (Unaudited)

For the year ended June 30, 2022

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.