

**SELKIRK & DISTRICT
COMMUNITY FOUNDATION INC.**

Financial Statements
For the year ended June 30, 2024

SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

Financial Statements

For the year ended June 30, 2024

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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, 2024 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, 2024, 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 12, 2024

SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.
Statement of Financial Position

As at June 30	2024	2023
Assets		
Cash and bank	\$ 469,417	\$ 126,550
Receivables and other (Note 10)	65,416	53,418
Investments (Note 3)	18,807,317	15,779,940
	\$ 19,342,150	\$ 15,959,908
 Liabilities and Fund Balances		
Liabilities		
Accounts payable and accrued liabilities	\$ 16,360	\$ 12,863
Grants payable	328,138	345,075
Designated contributions payable (Note 4)	1,083,236	76,208
Managed funds (Note 5)	465,601	428,199
	1,893,335	862,345
 Fund Balances		
Unrestricted	342,231	277,257
Endowment (Note 7)	17,106,584	14,820,306
	17,448,815	15,097,563
	\$ 19,342,150	\$ 15,959,908

Approved by the Board of Directors:

The image shows two horizontal lines representing signature lines. The top line has a large, loopy handwritten signature in black ink. The bottom line has a signature in blue ink that appears to be 'RA'.

SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.
Statement of Operations

For the year ended June 30, 2024

	General Fund		Endowment Fund		Total	
	2024	2023	2024	2023	2024	2023
Revenue						
Donations (Note 10)	\$ 95,331	\$ 278,205	\$ 2,085,098	\$ 511,983	\$ 2,180,429	\$ 790,188
Grants and other	22,428	57,417	-	-	22,428	57,417
Special events	24,512	25,306	-	-	24,512	25,306
Investment income (Note 8)	28,602	3,706	1,110,301	1,060,274	1,138,903	1,063,980
Administration fee	242,412	222,246	(242,412)	(222,246)	-	-
	<u>413,285</u>	<u>586,880</u>	<u>2,952,987</u>	<u>1,350,011</u>	<u>3,366,272</u>	<u>1,936,891</u>
Expenses						
Salaries and benefits	205,275	150,685	-	-	205,275	150,685
Program and administration	78,136	76,464	-	-	78,136	76,464
Community awareness and fund development	18,483	27,168	-	-	18,483	27,168
Special events	20,035	18,421	-	-	20,035	18,421
	<u>321,929</u>	<u>272,738</u>	<u>-</u>	<u>-</u>	<u>321,929</u>	<u>272,738</u>
Excess of revenue over expenses before grants awarded	91,356	314,142	2,952,987	1,350,011	3,044,343	1,664,153
Grants awarded (Note 9)	(26,382)	(208,993)	(666,709)	(613,733)	(693,091)	(822,726)
Excess of revenue over expenses for the year	\$ 64,974	\$ 105,149	\$ 2,286,278	\$ 736,278	\$ 2,351,252	\$ 841,427

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

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

For the year ended June 30, 2024

	General Fund		Endowment Fund		Total	
	2024	2023	2024	2023	2024	2023
Fund balances , beginning of year	\$ 277,257	\$ 172,108	\$ 14,820,306	\$ 14,084,028	\$ 15,097,563	\$ 14,256,136
Excess of revenue over expense for the year	<u>64,974</u>	<u>105,149</u>	<u>2,286,278</u>	<u>736,278</u>	<u>2,351,252</u>	<u>841,427</u>
Fund balances , end of year	<u>\$ 342,231</u>	<u>\$ 277,257</u>	<u>\$ 17,106,584</u>	<u>\$ 14,820,306</u>	<u>\$ 17,448,815</u>	<u>\$ 15,097,563</u>

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

SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.
Statement of Cash Flows

For the year ended June 30	2024	2023
Cash flows provided by (applied to) the following:		
Operating Activities		
Excess of revenue over expenses for the year	\$ 2,351,252	\$ 841,427
Items not affecting cash		
Unrealized gain on investments	(529,293)	(980,222)
Changes in non-cash working capital balances		
Receivables and other	(11,998)	1,971
Accounts payable and accrued liabilities	3,497	4,065
Grants payable	(16,937)	13,628
Designated contributions payable	1,007,028	19,357
Unearned revenue	-	(9,200)
	2,803,549	(108,974)
Investing Activities		
Acquisition of investments	(2,498,084)	(109,967)
Financing Activities		
Net increase in managed funds	37,402	37,259
Net increase (decrease) in cash and bank during the year	342,867	(181,682)
Cash and bank, beginning of year	126,550	308,232
Cash and bank, end of year	\$ 469,417	\$ 126,550

SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

Notes to Financial Statements

For the year ended June 30, 2024

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

For the year ended June 30, 2024

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

For the year ended June 30, 2024

3. Investments

	2024	2023
Savings	\$ 1,829,249	\$ 913,338
Securities	16,865,355	14,759,129
Charitable remainder trust	14,908	14,908
Held in trust with The Winnipeg Foundation	97,805	92,565
	\$18,807,317	\$15,779,940

a) Savings

Deposits in savings earning interest at 3.6% (3.5% in 2023).

b) Securities

The Foundation holds the following securities at June 30:

	2024	2023
Bonds and mortgages	\$ 5,222,554	\$ 4,112,836
Canadian equities	4,028,798	3,339,073
U.S. and international equities	4,984,934	4,530,333
Real estate fund	2,629,069	2,776,887
	\$16,865,355	\$14,759,129

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 and the SDCF-Heritage-Cooks Creek Heritage Museum and Social Club Fund which are held by and managed by The Winnipeg Foundation in accordance with an agreement. This investment is presented at its fair value at June 30, 2024 and June 30, 2023.

SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

Notes to Financial Statements

For the year ended June 30, 2024

4. Designated Contributions Payable

Designated contributions payable of \$1,083,236 (\$76,208 at June 30, 2023) 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 and with the assumption these funds would transfer to endowment funds in the future. 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:

	2024	2023
Anglican Parish of Christ Church Selkirk Fund	\$ 332,589	\$ 314,881
Chief Peguis Heritage Park Fund	133,012	113,318
	\$ 465,601	\$ 428,199

6. Commitment

The Foundation has entered into a lease for its premises expiring December 2024 with minimum lease payment of \$1,814 for the year ending June 30, 2025 (\$3,453 for the year ending June 30, 2024).

7. Endowment Fund

The Foundation holds the following endowment funds at June 30:

	2024	2023
Community Funds	\$ 5,284,682	\$ 3,774,600
Designated Funds	5,635,926	5,047,454
Donor Advised Funds	3,403,196	3,275,333
Field of Interest Funds	862,243	855,656
Scholarship and Bursary Funds	1,920,536	1,867,263
	\$17,106,583	\$14,820,306

SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

Notes to Financial Statements

For the year ended June 30, 2024

8. Investment Income

Endowment investment income is as follows for the year ended June 30:

	<u>2024</u>	<u>2023</u>
Realized	\$ 660,923	\$ 158,770
Unrealized gain	529,292	980,222
Investment management fees	<u>(79,916)</u>	<u>(75,012)</u>
	<u>\$ 1,110,299</u>	<u>\$ 1,063,980</u>

9. Grants Awarded

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

	<u>2024</u>	<u>2023</u>
Arts, culture, recreation and tourism	\$ 194,860	\$ 192,731
Community development	23,748	54,346
Environment	12,387	10,000
Health and wellness	95,279	107,539
Inclusive community	118,323	51,483
Income gap	33,026	38,420
Learning, kids and youth	82,855	56,185
Older adult and aging	-	5,000
Other community initiatives	26,382	208,993
Rescinded grants	(910)	(457)
Scholarships and bursaries	<u>107,141</u>	<u>98,486</u>
	<u>\$ 693,091</u>	<u>\$ 822,726</u>

10. 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 \$68,410 (\$68,212 in 2023) 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 \$51,308 at June 30, 2024 (\$51,306 in 2023) 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, 2024, the fair value of the Maude Elizabeth Gordon Fund was \$1,483,713 (\$1,417,644 in 2023).

SELKIRK & DISTRICT COMMUNITY FOUNDATION INC.

Notes to Financial Statements

For the year ended June 30, 2024

11. 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. There have been no changes in the Foundation's exposure to credit risk, liquidity risk, interest rate and market risk since the prior year.

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. 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.