

Financial Statements of

**DEEP RIVER & DISTRICT
COMMUNITY FOUNDATION**

Year ended December 31, 2022
(Unaudited)



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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Deep River & District Community Foundation

We have reviewed the accompanying financial statements of Deep River & District Community Foundation that comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and 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 Deep River & District Community Foundation as at December 31, 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.

Chartered Professional Accountants
Licensed Public Accountants

Pembroke, Ontario
March 22, 2023

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Balance Sheet (Unaudited)

December 31, 2022, with comparative figures for 2021

				December 31 2022	December 31 2021
	General Fund	Restricted Funds (note 4)	Endowment Funds (note 5)	Total	Total
Assets					
Current assets:					
Cash (note 2)	\$ 26,495	\$ 2,012	\$ -	\$ 28,507	\$ 19,740
Investments (note 3)	-	71,577	1,318,572	1,390,149	1,602,713
Accounts receivable	-	-	-	-	1,017
Government remittances receivable	887	-	-	887	963
Accrued interest receivable	-	2,105	-	2,105	1,995
Prepaid expenses	2,105	644	-	2,749	708
Current portion of loan receivable	-	-	4,668	4,668	4,529
	29,487	76,338	1,323,240	1,429,065	1,631,665
3% Loan receivable, repayable \$1,189 quarterly including principal and interest, maturing October 2023	-	-	4,668	4,668	9,197
Less current portion of loan receivable	-	-	4,668	4,668	4,529
	-	-	-	-	4,668
	\$ 29,487	\$ 76,338	\$ 1,323,240	\$ 1,429,065	\$ 1,636,333

Liabilities and Fund Balances

Current liabilities:					
Accounts payable and accrued liabilities	\$ 4,879	\$ -	\$ -	\$ 4,879	\$ 3,800
Deferred donations	-	-	-	-	-
	4,879	-	-	4,879	3,800
Fund balances:					
Restricted	-	76,338	1,323,240	1,399,578	1,600,120
Unrestricted Funds	24,608	-	-	24,608	32,413
	24,608	76,338	1,323,240	1,424,186	1,632,533
	\$ 29,487	\$ 76,338	\$ 1,323,240	\$ 1,429,065	\$ 1,636,333

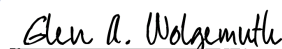
See accompanying notes to financial statements.

On behalf of the Board:

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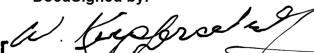
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Director

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Director

Treasurer

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Statement of Operations (Unaudited)

Year ended December 31, 2022, with comparative figures for 2021

	2022	General Fund 2021	2022	Restricted Funds 2021	2022	Endowment Funds 2021
Revenue:						
Donations	\$ -	\$ -	\$ 17,588	\$ 41,483	\$ 42,433	\$ 81,404
Interest and dividends	-	-	33,973	31,898	-	-
Realized gain (loss) on investments	-	-	(19,160)	41,520	-	-
Unrealized gain (loss) on investments	-	-	(183,998)	84,126	-	-
Operating fund income	14,633	27,859	-	-	-	-
Fundraising income	-	-	14,665	1,017	5,350	-
	14,633	27,859	(136,932)	200,044	47,783	81,404
Expenses:						
Charitable disbursements	-	-	69,325	52,201	-	-
Operating fund expense	-	-	14,633	27,859	-	-
Investment counsel fees	-	-	15,761	17,190	-	-
Office supplies	383	322	182	-	-	-
Professional fees (note 7)	19,009	7,538	-	-	-	-
Advertising	3,641	1,564	-	807	-	-
Conferences and training	30	-	-	346	-	-
Fees and dues	462	450	-	-	-	-
Fundraising expenses	-	-	9,651	3,051	-	-
Insurance	453	937	301	-	-	-
Charitable program expenses	-	-	-	105	-	-
	23,978	10,811	109,853	101,559	-	-
Excess of revenue over expenses (expenses over revenue)	\$ (9,345)	\$ 17,048	\$(246,785)	\$ 98,485	\$ 47,783	\$ 81,404

See accompanying notes to financial statements.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Statement of Changes in Fund Balances

(Unaudited)

Year ended December 31, 2022, with comparative figures for 2021

	Externally Restricted Endowment Fund	Restricted Funds	Unrestricted	Total 2022	Total 2021
Balance, beginning of year	\$ 1,451,782	\$ 148,338	\$ 32,413	\$ 1,632,533	\$ 1,435,596
Excess of revenue over expenses (expenses over revenue)	47,783	(246,785)	(9,345)	(208,347)	196,937
Interfund transfers	(176,325)	174,785	1,540	-	-
Balance, end of year	\$ 1,323,240	\$ 76,338	\$ 24,608	\$ 1,424,186	\$ 1,632,533

See accompanying notes to financial statements.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Statement of Changes in Financial Position (Unaudited)

Year ended December 31, 2022, with comparative figures for 2021

	General Fund	Restricted Funds	Endowment Funds	Total	Total
	2022	2022	2022	2022	2021
Cash provided by (used in):					
Operations:					
Cash received from donors and members	\$ 14,709	\$ 33,160	\$ 47,783	\$ 95,652	\$ 151,472
Cash paid to suppliers and spent on charitable activities	(24,940)	(94,092)	-	(119,032)	(94,708)
Interest and dividend income	-	33,973	-	33,973	31,898
Gain on sale of investments	-	(19,160)	-	(19,160)	41,520
Unrealized gain on investments	-	(183,998)	-	(183,998)	84,126
Investment fees paid	-	(15,761)	-	(15,761)	(17,190)
	(10,231)	(245,878)	47,783	(208,326)	197,118
Financing:					
Interfund transfers	1,540	174,785	(176,325)	-	-
Decrease in long term receivable	-	-	4,529	4,529	4,404
	1,540	174,785	(171,796)	4,529	4,404
Increase (decrease) in cash position	(8,691)	(71,093)	(124,013)	(203,797)	201,522
Cash position, beginning of year	35,186	144,682	1,442,585	1,622,453	1,420,931
Cash position, end of year	\$ 26,495	\$ 73,589	\$ 1,318,572	\$ 1,418,656	\$ 1,622,453
Represented by:					
Cash	\$ 26,495	\$ 2,012	\$ -	\$ 28,507	\$ 19,740
Investments	-	71,577	1,318,572	1,390,149	1,602,713
	\$ 26,495	\$ 73,589	\$ 1,318,572	\$ 1,418,656	\$ 1,622,453

See accompanying notes to financial statements.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2022

Deep River and District Community Foundation is a charitable public foundation incorporated without share capital under the Canada Not-for-Profit Corporations Act. The organization's object is to improve the quality of life for every resident of the municipalities of Deep River, Laurentian Hills, Head, Clara & Maria and Rapides-des-Joachims by supporting social services, promoting arts and cultural activities, and by advancing education and medical services. The organization is a registered charity under The Income Tax Act and accordingly is exempt from income taxes provided certain requirements of The Income Tax Act are met.

1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Fund accounting:

Deep River and District Community Foundation follows the restricted fund method of accounting for contributions.

The Restricted Funds reports the investment income earned on the various Endowment Funds according to the restrictions imposed by the contributors of the funds for endowment. The Restricted Funds also reports internally restricted funds.

The General Fund accounts for the organizations' program delivery and administrative activities. This fund reports unrestricted resources.

The Endowment Fund reports resources contributed for endowment. Investment income earned on resources of the Endowment Fund is reported in the Restricted Funds or General Fund depending on the nature of any restrictions imposed by contributors of the funds for endowment.

(b) Revenue recognition:

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions 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.

Contributions for endowment are recognized as revenue in the Endowment Fund.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2022

1. Significant accounting policies (continued):

Restricted investment income earned on Endowment Fund resources is recognized as revenue of the Restricted Funds according to the restrictions imposed by the contributors of the funds for endowment. Unrestricted investment income earned on Endowment Fund resources is recognized as revenue of the General Fund. Other investment income is recognized as revenue of the General Fund when earned.

(c) Cash:

Cash includes cash on hand and cash on deposit net of cheques issued and outstanding at the reporting date.

(d) Expenditure recognition:

Expenses are reported on the accrual basis of accounting. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(e) Financial Instruments:

i) Measurement of financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statements of operations in the period incurred. Financial assets measured at amortized cost include cash, amounts receivable, prepaid expenses and fixed income investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2022

1. Significant accounting policies (continued):

ii) Impairment:

At the end of each reporting period, the Foundation assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Foundation, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; or bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the company determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

When the Foundation identifies adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the asset to the highest of the following:

- i) the present value of the cash flows expected to be generated by holding the asset discounted using a current market rate of interest appropriate to the asset;
- ii) the amount that could be realized by selling the asset at the statement of financial position date; and
- iii) the amount the Foundation expects to realize by exercising its rights to any collateral held to secure repayment of the asset net of all costs necessary to exercise those rights.

The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the reduction is recognized as an impairment loss in the statements of operations.

When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed.

(f) Use of estimates:

The preparation of financial statements in conformity with Canadian standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(g) Contributed services:

Volunteers contribute a significant amount of time to assist Deep River and District Community Foundation in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

2. Cash:

	2022	2021
Cash on deposit	\$ 36,367	\$ 20,885
Cheques issued and outstanding	(8,800)	(1,145)
Outstanding deposits	940	-
	\$ 28,507	\$ 19,740

3. Investments (at market value):

	2022	2021
Cash accounts	\$ 25,166	\$ 48,443
Fixed Income	561,620	609,657
Corporate Equity	803,363	944,613
	\$ 1,390,149	\$ 1,602,713

The Foundation is exposed to market risk on its publicly traded investments as described in note 6.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2022

4. Restricted Funds:

Externally restricted:

	Balance January 1 2022	Income	Transfers and Expenditures	Balance December 31 2022
Community Fund	\$ 20,518	\$ 6,510	\$ (19,950)	\$ 7,078
Four Seasons Fund	14,821	1,839	(14,821)	1,839
Deep River Science Academy Scholarship Fund	908	535	(908)	535
Elizabeth Hulbert Memorial Fund	2,691	244	-	2,935
Milton Family Fund	7,099	3,229	(1,400)	8,928
MHS Reunion Award Fund	655	400	(655)	400
The Original Six Hockey Fund	6,053	425	-	6,478
Mary Moore Ecological Fund	5,844	3,047	-	8,891
Rotary Club of North Renfrew Fund	719	262	(700)	281
Foundation Development Fund	533	287	(533)	287
Arts and Education Fund	453	169	(400)	222
The North Renfrew Family Services Fund	4,025	2,089	(3,999)	2,115
Library Endowment Fund	1,129	601	(1,129)	601
Environmental Legacy Fund	891	493	(891)	493
Mary-Jane and Bob Brown Memorial Fund	315	118	(315)	118
W. G. Cross Concert Piano Fund	2,438	241	(1,000)	1,679
Order of the Eastern Star (Pembroke #288) Bursary Fund	2,242	421	(2,175)	488
Jean and Bruce Bigham Student Activity Fund	589	309	-	898
Deep River Area Health Care Fund	511	236	(501)	246
Renfrew County United Way Fund	332	129	(300)	161
Laura Alice Cooper Memorial	1,445	759	-	2,204
Cuthbert Family Fund	962	294	(899)	357
Tucker Tennant Fund	990	303	(989)	304
Bourns Vocal Student Support Fund	3,950	235	-	4,185
Hinds Family Fund	2,432	814	(2,430)	816
Beth and Ivan Ophel Memorial Fund	375	138	(375)	138
Women's Day Fund	1,339	164	(1,300)	203
Flow Through Donations	100	13,954	(10,300)	3,754
Direct Charitable	13,498	12,825	(6,619)	19,704
	\$ 97,857	\$ 51,070	\$ (72,589)	\$ 76,338

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2022

4. Restricted Funds (continued):

Internally restricted:

	Balance January 1 2022	Income	Transfers and Expenditures	Balance December 31 2022
Reserve Fund	\$ 50,481	\$ -	\$ (50,481)	\$ -
	\$ 50,481	\$ -	\$ (50,481)	\$ -
Total Restricted Funds	\$ 148,338	\$ 51,070	\$ (123,070)	\$ 76,338

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2022

5. Externally restricted endowment funds:

	Balance January 1 2022	Additions (transfers)	Balance December 31 2022
Community Fund	\$ 495,459	\$ (53,364)	\$ 442,095
Four Seasons Fund	89,614	(6,624)	82,990
Deep River Science Academy Scholarship Fund	22,458	(3,705)	18,753
Elizabeth Hulbert Memorial Fund	21,938	(2,599)	19,339
Milton Family Fund	186,773	(22,055)	164,718
MHS Reunion Award Fund	15,902	(3,656)	12,246
The Original Six Hockey Fund	18,606	(2,204)	16,402
Mary Moore Ecological Fund	148,206	(17,561)	130,645
Rotary Club of North Renfrew Fund	12,921	(1,297)	11,624
Foundation Development Fund	13,757	(1,630)	12,127
Arts and Education Fund	8,147	(965)	7,182
The North Renfrew Family Services Fund	104,763	(12,317)	92,446
Library Endowment Fund	29,080	(3,445)	25,635
Environmental Legacy Fund	23,370	(2,769)	20,601
Mary-Jane and Bob Brown Memorial Fund	5,660	(671)	4,989
W. G. Cross Concert Piano Fund	11,200	(1,327)	9,873
Order of the Eastern Star (Pembroke #288) Bursary Fund	22,354	(2,649)	19,705
Jean and Bruce Bigham Student Activity Fund	15,168	(1,282)	13,886
Deep River Area Health Care Fund	11,008	(1,304)	9,704
Renfrew County United Way Fund	5,964	(707)	5,257
Laura Alice Cooper Memorial Fund	37,528	(4,022)	33,506
Ken and Maragret Cuthbert Family Fund	19,830	(64)	19,766
Thomas "Tucker" Tennant Memorial Fund	20,336	345	20,681
Lorna Bourns Vocal Bursary Fund	10,972	(1,300)	9,672
Hinds Family Fund	73,806	16,114	89,920
Beth and Ivan Ophel Memorial Fund	6,742	38	6,780
Women's Day Fund	20,220	2,478	22,698
	\$ 1,451,782	\$ (128,542)	\$ 1,323,240

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2022

6. Financial instruments:

The carrying value of the cash, investments, accounts payable and accrued liabilities and managed funds approximate the fair value due to the short-term nature of the financial assets and liabilities.

All managed funds are non-interest bearing. Consequently the debt risk exposure is not significant.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

Currency Risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchanges. The Foundation uses BMO Nesbitt Burns to manage its investment portfolio. BMO Nesbitt Burns monitors the investments daily and adjusts the portfolio to manage currency risk.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The foundation has no interest bearing liabilities.

The primary objective of the Foundation with respect to its investments in fixed income investments is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory investment return.

The Foundation manages the interest rate risk exposure of its fixed income investments by using a laddered portfolio with varying terms of maturity. The laddered structure of maturities helps to enhance the average portfolio yield while reducing the sensitivity of the portfolio to the impact of interest rate fluctuations.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2022

6. Financial instruments (continued):

Other Price Risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The Foundation uses BMO Nesbitt Burns to manage its investment portfolio. The investment policy provides for an asset mix of 55% equities and 45% fixed income investments and is monitored monthly. Risk and volatility of investment returns are mitigated through diversification of investments.

7. Professional fees

The professional fees expense includes the cost of the public accountant, the treasurer and the executive director.