

Financial Statements of

**DEEP RIVER & DISTRICT
COMMUNITY FOUNDATION**

Year ended December 31, 2021
(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, 2021, 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, 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.

Chartered Professional Accountants
Licensed Public Accountants

Pembroke, Ontario
March 23, 2022

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Balance Sheet
(Unaudited)

December 31, 2021, with comparative figures for 2020

				December 31 2021	December 31 2020
	General Fund	Restricted Funds (note 4)	Endowment Funds (note 5)	Total	Total
Assets					
Current assets:					
Cash (note 2)	\$ 19,740	\$ -	\$ -	\$ 19,740	\$ 27,650
Investments (note 3)	15,446	144,682	1,442,585	1,602,713	1,393,281
Accounts receivable	-	1,017	-	1,017	-
Government remittances receivable	963	-	-	963	1,091
Accrued interest receivable	-	1,995	-	1,995	2,593
Prepaid expenses	64	644	-	708	580
Current portion of loan receivable	-	-	4,529	4,529	4,396
	36,213	148,338	1,447,114	1,631,665	1,429,591
3% Loan receivable, repayable \$1,189 quarterly including principal and interest, maturing October 2023	-	-	9,197	9,197	13,601
Less current portion of loan receivable	-	-	4,529	4,529	4,396
	-	-	4,668	4,668	9,205
	\$ 36,213	\$ 148,338	\$ 1,451,782	\$ 1,636,333	\$ 1,438,796

Liabilities and Fund Balances

Current liabilities:					
Accounts payable and accrued liabilities	\$ 3,800	\$ -	\$ -	\$ 3,800	\$ 3,200
Deferred donations	-	-	-	-	-
	3,800	-	-	3,800	3,200
Fund balances:					
Restricted	-	148,338	1,451,782	1,600,120	1,421,912
Unrestricted Funds	32,413	-	-	32,413	13,684
	32,413	148,338	1,451,782	1,632,533	1,435,596
	\$ 36,213	\$ 148,338	\$ 1,451,782	\$ 1,636,333	\$ 1,438,796

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director _____ Director
_____ Treasurer

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Statement of Operations (Unaudited)

Year ended December 31, 2021, with comparative figures for 2020

	2021	General Fund 2020	2021	Restricted Funds 2020	2021	Endowment Funds 2020
Revenue:						
Donations	\$ -	\$ 100	\$ 41,483	\$ 55,899	\$ 81,404	\$ 318,546
Interest and dividends	-	-	31,898	33,349	-	-
Realized gain (loss) on investments	-	-	41,520	2,938	-	(430)
Unrealized gain on investments	-	-	84,126	3,330	-	-
Operating fund income	27,859	5,823	-	-	-	-
Special events	-	-	-	3,407	-	-
Fundraising income	-	-	1,017	-	-	-
	27,859	5,923	200,044	98,923	81,404	318,116
Expenses:						
Charitable disbursements	-	-	52,201	87,881	-	-
Operating fund expense	-	-	27,859	5,823	-	-
Investment counsel fees	-	-	17,190	13,591	-	-
Office supplies	322	264	-	83	-	-
Professional fees	7,538	5,015	-	1,247	-	-
Advertising	1,564	604	807	2,017	-	-
Conferences and training	-	-	346	368	-	-
Fees and dues	450	462	-	-	-	-
Fundraising expenses	-	-	3,051	3,407	-	-
Insurance	937	-	-	832	-	-
Charitable program expenses	-	-	105	-	-	-
	10,811	6,345	101,559	115,249	-	-
Excess of revenue over expenses (expenses over revenue)	\$ 17,048	\$ (422)	\$ 98,485	\$ (16,326)	\$ 81,404	\$ 318,116

See accompanying notes to financial statements.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Statement of Changes in Fund Balances (Unaudited)

Year ended December 31, 2021, with comparative figures for 2020

	Externally Restricted Endowment Fund	Restricted Funds	Unrestricted	Total 2021	Total 2020
Balance, beginning of year	\$ 1,359,226	\$ 62,686	\$ 13,684	\$ 1,435,596	\$ 1,134,228
Excess of revenue over expenses (expenses over revenue)	81,404	98,485	17,048	196,937	301,368
Interfund transfers	11,152	(12,833)	1,681	-	-
Balance, end of year	\$ 1,451,782	\$ 148,338	\$ 32,413	\$ 1,632,533	\$ 1,435,596

See accompanying notes to financial statements.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Statement of Changes in Financial Position
(Unaudited)

Year ended December 31, 2021, with comparative figures for 2020

	General Fund	Restricted Funds	Endowment Funds	Total	Total
	2021	2021	2021	2021	2020
Cash provided by (used in):					
Operations:					
Cash received from donors and members	\$ 27,987	\$ 42,081	\$ 81,404	\$ 151,472	\$ 383,492
Cash paid to suppliers and spent on charitable activities	(9,695)	(85,013)	-	(94,708)	(108,385)
Interest and dividend income	-	31,898	-	31,898	33,349
Gain on sale of investments	-	41,520	-	41,520	2,508
Unrealized gain on investments	-	84,126	-	84,126	3,330
Investment fees paid	-	(17,190)	-	(17,190)	(13,591)
	18,292	97,422	81,404	197,118	300,703
Financing:					
Interfund transfers	1,681	(12,833)	11,152	-	-
Decrease in long term receivable	-	-	4,404	4,404	4,258
	1,681	(12,833)	15,556	4,404	4,258
Increase (decrease) in cash position	19,973	84,589	96,960	201,522	304,961
Cash position, beginning of year	15,213	60,093	1,345,625	1,420,931	1,115,970
Cash position, end of year	\$ 35,186	\$ 144,682	\$ 1,442,585	\$ 1,622,453	\$ 1,420,931
Represented by:					
Cash	\$ 19,740	\$ -	\$ -	\$ 19,740	\$ 27,650
Investments	15,446	144,682	1,442,585	1,602,713	1,393,281
	\$ 35,186	\$ 144,682	\$ 1,442,585	\$ 1,622,453	\$ 1,420,931

See accompanying notes to financial statements.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2021

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 Deep River and District 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, 2021

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, 2021

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, 2021

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:

	2021		2020	
Cash on deposit	\$	20,885	\$	31,833
Cheques issued and outstanding		(1,145)		(4,183)
	\$	19,740	\$	27,650

3. Investments (at market value):

	2021		2020	
Cash accounts	\$	48,443	\$	30,812
Fixed Income		609,657		662,016
Corporate Equity		944,613		700,453
	\$	1,602,713	\$	1,393,281

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, 2021

4. Restricted Funds:

Externally restricted:

	Balance January 1 2020	Income	Transfers and Expenditures	Balance December 31 2021
Community Fund	\$ 4,841	\$ 18,532	\$ (2,855)	\$ 20,518
Four Seasons Fund	11,344	3,477	-	14,821
Deep River Science Academy Scholarship Fund	413	908	(413)	908
Elizabeth Hulbert Memorial Fund	2,001	690	-	2,691
Milton Family Fund	2,929	7,070	(2,900)	7,099
MHS Reunion Award Fund	309	655	(309)	655
The Original Six Hockey Fund	5,331	722	-	6,053
Mary Moore Ecological Fund	2,491	5,753	(2,400)	5,844
Rotary Club of North Renfrew Fund	217	502	-	719
Foundation Development Fund	231	533	(231)	533
Arts and Education Fund	137	316	-	453
The North Renfrew Family Services Fund	1,704	4,025	(1,704)	4,025
Library Endowment Fund	489	1,129	(489)	1,129
Environmental Legacy Fund	383	888	(380)	891
Mary-Jane and Bob Brown Memorial Fund	95	220	-	315
W. G. Cross Concert Piano Fund	2,003	435	-	2,438
Order of the Eastern Star (Pembroke #288) Bursary Fund	1,417	825	-	2,242
Jean and Bruce Bigham Student Activity Fund	1,191	589	(1,191)	589
Deep River Area Health Care Fund	1,883	428	(1,800)	511
Renfrew County United Way Fund	100	232	-	332
Laura Alice Cooper Memorial	620	1,445	(620)	1,445
Cuthbert Family Fund	272	690	-	962
Tucker Tennant Fund	280	710	-	990
Bourns Vocal Student Support Fund	3,524	426	-	3,950
Hinds Family Fund	793	2,429	(790)	2,432
Beth and Ivan Ophel Memorial Fund	113	262	-	375
Women's Day Fund	627	712	-	1,339
Emergency Community Support Fund 1	1,335	-	(1,335)	-
Emergency Community Support Fund 2	2,917	-	(2,917)	-
RBC Future Launch	2,096	-	(2,096)	-
Flow Through Donations	600	33,072	(33,572)	100
Direct Charitable	-	10,442	3,056	13,498
	\$ 52,686	\$ 98,117	\$ (52,946)	\$ 97,857

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2021

4. Restricted Funds (continued):

Internally restricted:

	Balance January 1 2020	Income	Transfers and Expenditures	Balance December 31 2021
Reserve Fund	\$ 10,000	\$ 40,481	\$ -	\$ 50,481
	\$ 10,000	\$ 40,481	\$ -	\$ 50,481
Total Restricted Funds	\$ 62,686	\$ 138,598	\$ (52,946)	\$ 148,338

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2021

5. Externally restricted endowment funds:

	Balance January 1 2021	Additions (transfers)	Balance December 31 2021
Community Fund	\$ 456,704	\$ 38,755	\$ 495,459
Four Seasons Fund	88,727	887	89,614
Deep River Science Academy Scholarship Fund	23,813	(1,355)	22,458
Elizabeth Hulbert Memorial Fund	11,762	10,176	21,938
Milton Family Fund	179,969	6,804	186,773
MHS Reunion Award Fund	17,426	(1,524)	15,902
The Original Six Hockey Fund	18,422	184	18,606
Mary Moore Ecological Fund	146,738	1,468	148,206
Rotary Club of North Renfrew Fund	12,793	128	12,921
Foundation Development Fund	13,611	146	13,757
Arts and Education Fund	8,066	81	8,147
The North Renfrew Family Services Fund	101,334	3,429	104,763
Library Endowment Fund	28,792	288	29,080
Environmental Legacy Fund	22,644	726	23,370
Mary-Jane and Bob Brown Memorial Fund	5,604	56	5,660
W. G. Cross Concert Piano Fund	11,089	111	11,200
Order of the Eastern Star (Pembroke #288) Bursary Fund	20,444	1,910	22,354
Jean and Bruce Bigham Student Activity Fund	15,018	150	15,168
Deep River Area Health Care Fund	10,899	109	11,008
Renfrew County United Way Fund	5,905	59	5,964
Laura Alice Cooper Memorial Fund	36,716	812	37,528
Ken and Maragret Cuthbert Family Fund	16,114	3,716	19,830
Thomas "Tucker" Tennant Memorial Fund	16,614	3,722	20,336
Lorna Bourns Vocal Bursary Fund	10,864	108	10,972
Hinds Family Fund	59,724	14,082	73,806
Beth and Ivan Ophel Memorial Fund	6,675	67	6,742
Women's Day Fund	12,759	7,461	20,220
	\$ 1,359,226	\$ 92,556	\$ 1,451,782

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2021

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, 2021

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. Uncertainty Due to COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national, and global economies. The overall effect of these events on the organization and its operations is too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed.