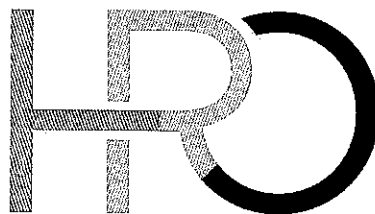


BATTLEFORDS AND DISTRICT COMMUNITY FOUNDATION INC.

Financial Statements

Year Ended September 30, 2020



HONEST. RELIABLE. ON POINT.
CHARTERED PROFESSIONAL ACCOUNTANTS

Management's Responsibility

To the Battlefords & District Community Foundation:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.


In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board is composed of directors who are not employees of the organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by the administration and discussing relevant matters with external auditors. The Board is also responsible for recommending the appointment of the organization's external auditors.

HRO, Chartered Professional Accountants an independent firm of chartered professional accountants, is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and administration to discuss their audit findings.

March 8, 2021

Date



Chairperson



Executive Director



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1321 101ST STREET
NORTH BATTLEFORD, SK S9A 0Z9

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INDEPENDENT AUDITOR'S REPORT

To the Members of Battlefords and District Community Foundation Inc.

Opinion

We have audited the financial statements of Battlefords and District Community Foundation Inc. (the Organization), which comprise the statement of financial position as at September 30, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at September 30, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 10 to the financial statements, which describes subsequent events related to the global COVID-19 pandemic declared by the World Health Organization. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

(continues)

LORALIE A. RAICHE, CPA, CA, CFP®
DALLAN D. OBERG, CPA, CA*

*BENEFIT A PROFESSIONAL CORPORATION

www.hrocpa.ca



Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

North Battleford, Saskatchewan
March 8, 2021

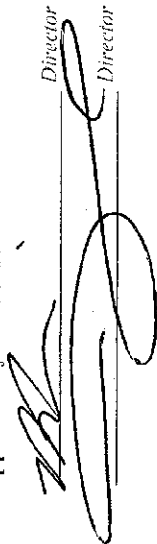
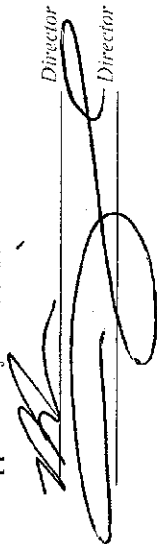
HRO

Chartered Professional Accountants

BATTLEFORDS AND DISTRICT COMMUNITY FOUNDATION INC.
Statement of Financial Position
September 30, 2020

	General fund	Capital fund	Investment fund	2020	2019
ASSETS					
Current					
Cash	\$ 59,060	\$ -	\$ 30,816	\$ 89,876	\$ 102,353
Accounts receivable (Note 3)	1,000	-	-	1,000	25,500
Interfund receivable (payable) (Note 4)	25,915	-	(25,915)	-	-
Goods and services tax recoverable	853	-	-	853	554
	<u>86,828</u>	<u>-</u>	<u>4,901</u>	<u>91,729</u>	<u>128,407</u>
Investments (Note 5)	-	-	1,719,388	1,719,388	1,627,970
Tangible capital assets (Note 6)	-	287	-	287	410
	<u>\$ 86,828</u>	<u>\$ 287</u>	<u>\$ 1,724,289</u>	<u>\$ 1,811,404</u>	<u>\$ 1,756,787</u>
LIABILITIES					
Current					
Accounts payable and accrued liabilities	\$ 6,972	\$ -	\$ -	\$ 6,972	\$ 16,889
Deferred income (Note 7)	30,607	-	-	30,607	-
Amounts held in trust	15,330	-	57,350	72,680	136,214
	<u>52,909</u>	<u>-</u>	<u>57,350</u>	<u>110,259</u>	<u>153,103</u>
NET ASSETS					
Endowment (Note 8)	-	-	1,462,850	1,462,850	1,455,610
Net assets	33,919	287	204,089	238,295	148,074
	<u>33,919</u>	<u>287</u>	<u>1,666,939</u>	<u>1,701,145</u>	<u>1,603,684</u>
	<u>\$ 86,828</u>	<u>\$ 287</u>	<u>\$ 1,724,289</u>	<u>\$ 1,811,404</u>	<u>\$ 1,756,787</u>

Approved by the Board

 Director
 Director

See notes to financial statements

BATTLEFORDS AND DISTRICT COMMUNITY FOUNDATION INC.

Statement of Operations

Year Ended September 30, 2020

	General Fund	Capital Fund	Investment Fund	2020	2019
Revenue					
Donations	\$ 14,211	\$ -	\$ 14,495	\$ 28,706	\$ 499,785
Flow through funds	147,725	-	-	147,725	24,710
Foreign exchange	-	-	4,571	4,571	(70)
Gain (loss) on sale of investments	-	-	(16,083)	(16,083)	79,199
Grants	11,993	-	-	11,993	-
Investment income	89	-	35,294	35,383	49,666
Other income	317	-	-	317	-
Unrealized (loss) gain on investments	-	-	176,846	176,846	(882)
	174,335	-	215,123	389,458	652,408
Expenses					
Advertising	3,423	-	-	3,423	524
Amortization	-	123	-	123	176
Bank charges and interest	34	-	-	34	112
Broker fee	-	-	24,220	24,220	14,772
Flow through funds	147,725	-	-	147,725	24,710
Grants and scholarships	22,500	-	51,578	74,078	41,640
Insurance	747	-	-	747	716
Meetings and conferences	85	-	-	85	5,616
Memberships	737	-	-	737	620
Office supplies	1,616	-	-	1,616	2,929
Truth and reconciliation program	11,993	-	-	11,993	-
Professional fees	6,381	-	-	6,381	6,413
Rent	10,000	-	-	10,000	-
Sub-contracts	10,263	-	-	10,263	13,568
Telephone	572	-	-	572	572
	216,076	123	75,798	291,997	112,368
Excess (deficiency) of revenue over expenses	\$ (41,741)	\$ (123)	\$ 139,325	\$ 97,461	\$ 540,040

See notes to financial statements

BATTLEFORDS AND DISTRICT COMMUNITY FOUNDATION INC.

Statement of Changes in Net Assets

Year Ended September 30, 2020

	General fund	Capital fund	Investment fund	2020	2019
Net assets - beginning of year	\$ 57,010	\$ 410	\$ 90,654	\$ 148,074	\$ 65,090
Excess (deficiency) of revenue over expenses	(41,741)	(123)	139,325	97,461	540,040
Administration fee transfer	18,650	-	(18,650)	-	-
Endowment fund donations	-	-	(7,240)	(7,240)	(457,056)
Net assets - end of year	\$ 33,919	\$ 287	\$ 204,089	\$ 238,295	\$ 148,074

Administration fee transfer is a transfer from the investment fund to operations to cover the costs associated with managing the investment fund. The administration fee is calculated as 1.5% of the average value of the investment fund for the preceding year.

BATTLEFORDS AND DISTRICT COMMUNITY FOUNDATION INC.

Statement of Cash Flows

Year Ended September 30, 2020

	General fund	Capital fund	Investment fund	2020	2019
Operating activities					
Cash receipts from donors	\$ 134,433	\$ -	\$ 95,401	\$ 229,834	\$ 478,880
Remove stock donations	-	-	(61,941)	(61,941)	(162,017)
Cash paid to suppliers and donees	(116,042)	-	(175,800)	(291,842)	(85,462)
Interest received	89	-	35,294	35,383	49,666
Cash flow from operating activities	18,480	-	(107,046)	(88,566)	281,067
Investing activities					
Proceeds from sale of investments	-	-	1,001,903	1,001,903	1,696,774
Purchase of investments	-	-	(925,814)	(925,814)	(1,925,102)
Cash flow from (used by) investing activities	-	-	76,089	76,089	(228,328)
Other cash flow items					
Administration fee transfer	18,650	-	(18,650)	-	-
Change in interfund receivable (payable)	(4,620)	-	4,620	-	-
	14,030	-	(14,030)	-	-
Increase (decrease) in cash flow	32,510	-	(44,987)	(12,477)	52,739
Cash - beginning of year	26,550	-	75,803	102,353	49,614
Cash - end of year	59,060	-	30,816	89,876	102,353
Cash consists of:					
Cash	\$ 59,060	\$ -	\$ 30,816	\$ 89,876	\$ 102,353

See notes to financial statements



BATTLEFORDS AND DISTRICT COMMUNITY FOUNDATION INC.

Notes to Financial Statements

Year Ended September 30, 2020

1. Purpose of the Organization

Battlefords and District Community Foundation Inc. (BDCF) (the "organization") is a not-for-profit organization incorporated provincially under the Non-profit Corporations Act of Saskatchewan. As a registered charity the organization is exempt from the payment of income tax under Section 149(1) of the *Income Tax Act*.

The BDCF is a volunteer organization that provides support and development of emerging community projects of arts, culture and recreation and creates and manages funds to meet and respond to community needs.

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFP). Outlined below are those policies the organization considered particularly significant.

Cash and cash equivalents

The organization's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn, bank lines of credit and term deposits with a maturity period of three months or less from the date of acquisition. Term deposits that the organization cannot use for current transactions because they are pledged as security are also excluded from cash and cash equivalents.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Computer hardware	30%	declining balance method
Computer software	100%	declining balance method

Tangible capital assets acquired during the year are amortized at one-half the annual rate.

The company tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Investments and other non-cash assets

All gains and losses from the sale, collection, or other disposition of investments and other non-cash assets are accounted for in the fund that owned the assets.

Ordinary income from investments, receivables, and similar assets is accounted for in the fund owning the assets, with the exception of income derived from investment of endowments funds. Unrestricted endowment fund investments are accounted for as revenue of the operation fund or, if they are restricted, as deferred amounts until the terms of the restriction have been met.

Investments consist of marketable securities and are recorded at their market value.

(continues)



BATTLEFORDS AND DISTRICT COMMUNITY FOUNDATION INC.

Notes to Financial Statements

Year Ended September 30, 2020

2. Significant accounting policies (continued)

Revenue recognition

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

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 investment fund.

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.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Fund accounting

Battlefords and District Community Foundation Inc. follows the restricted fund method of accounting for contributions.

The general fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The capital fund reports the assets, liabilities, revenues and expenses related to Battleford and District Community Foundation's capital assets.

The investment fund reports resources contributed for endowment. Investment income earned on resources of the endowment fund is reported in the investment fund or general fund depending on the nature of any restrictions imposed by contributors of funds for endowment.

Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the organization's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of capital assets;
- the recoverability of capital assets;

(continues)



BATTLEFORDS AND DISTRICT COMMUNITY FOUNDATION INC.

**Notes to Financial Statements
Year Ended September 30, 2020**

2. Significant accounting policies (continued)

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

3. Accounts receivable

	<u>2020</u>	<u>2019</u>
Battlefords Agency Tribal Chiefs - Community Development Grant	\$ 1,000	\$ 1,000
Community Foundations of Canada grant	-	24,500
	<u>\$ 1,000</u>	<u>\$ 25,500</u>

4. Interfund receivable (payable)

Excess funds have been advanced from the operating fund to the investment fund to earn interest in the investment fund investment accounts. Repayment will be at the board's discretion should they deem the funds are needed for operations.

5. Investments

	<u>2020</u>	<u>2019</u>
Credential Securities portfolio account	\$ 1,506,688	\$ 1,592,117
Fair value difference	212,700	35,854
	<u>\$ 1,719,388</u>	<u>\$ 1,627,971</u>

6. Tangible capital assets

	Cost	Accumulated amortization	<u>2020 Net book value</u>	<u>2019 Net book value</u>
Computer hardware	\$ 690	\$ 403	\$ 287	\$ 411



BATTLEFORDS AND DISTRICT COMMUNITY FOUNDATION INC.

**Notes to Financial Statements
Year Ended September 30, 2020**

7. Deferred income

<u>Section heading</u>	<u>2020</u>	<u>2019</u>
First Nations and Metis community engagement	<u>\$ 30,607</u>	<u>\$ -</u>

These funds are used for the Battlefords Truth and Reconciliation Steering Committee and are used for consultants, wages and planning activity expenses. These funds are recognized as income in the year the expenses are incurred.

8. Endowment donations

Endowment donations are donations that the organization has agreed to hold in perpetuity.

The organization may charge an administrative fee against the fund as per the administrative policy of the organization. The annual administrative fee may be paid out of the annual distributable earnings of the fund and transferred to the general fund of the organization.

Earnings distributions shall be made at least annually, in accordance with the distribution policy, to qualified donees based on the original agreement at the time of the original donation.

In the event of the death or incapacitation of the donor, shall give Battlefords and District Community Foundation input on the annual distribution of the fund income.

9. Financial instruments

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of September 30, 2020.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk. There are no allowance for bad debts for September 30, 2020 or 2019.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

(continues)



BATTLEFORDS AND DISTRICT COMMUNITY FOUNDATION INC.

Notes to Financial Statements

Year Ended September 30, 2020

9. Financial instruments (continued)

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 comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is mainly exposed to currency risk and interest rate risk.

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Other price risk

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

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

10. Subsequent events

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.