

PRINCE ALBERT



PRINCE ALBERT AND AREA COMMUNITY FOUNDATION INC.
Financial Statements
Year Ended June 30, 2020

PRINCE ALBERT AND AREA COMMUNITY FOUNDATION INC.

Index to the Financial Statements

Year Ended June 30, 2020

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

October 21, 2020

To the Members of
PRINCE ALBERT AND AREA COMMUNITY FOUNDATION INC.

We have reviewed the accompanying financial statements of PRINCE ALBERT AND AREA COMMUNITY FOUNDATION INC., which comprise the statement of financial position as at June 30, 2020 and the statements of income, net assets and cash flow 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.

Auditor'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.

Opinion

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 PRINCE ALBERT AND AREA COMMUNITY FOUNDATION INC. as at June 30, 2020 and the the results of its operations and cash flow of the Organization for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Candice Hesje-Luchinski, CPA, CA

North Country Accounting

Carrot River, SK

PRINCE ALBERT AND AREA COMMUNITY FOUNDATION INC.
Statement of Financial Position as at
June 30, 2020

	Restricted Funds						2020	2019
	Operating Fund	MNP Restricted Fund	Hartsook Restricted Fund	Kiwanis Restricted Fund	General Restricted Fund (note 6)	Endowment Funds (note 5)		
ASSETS								
Current								
Cash & equivalents	\$ 97,261	\$ -	\$ 1,313	\$ -	\$ -	\$ -	\$ 98,574	\$ 382,863
Investments held for sale	-	22,575	165,154	27,139	209,119	-	423,987	616,464
Short term deposits	-	65,955	25,256	-	75,241	-	166,452	137,912
Grant receivables (note 4)	-	-	-	-	37,500	-	37,500	-
	97,261	88,530	191,723	27,139	321,860	-	726,513	1,137,239
Long term deposits	-	-	25,198	-	75,022	-	100,220	100,488
Long term investments	3,952	-	-	-	-	-	3,952	3,952
	\$ 101,213	\$ 88,530	\$ 216,921	\$ 27,139	\$ 396,882	\$ -	\$ 830,685	\$ 1,241,679
LIABILITIES AND NET ASSETS								
Current liabilities								
Accounts payable	3,850	-	-	-	-	-	3,850	3,850
Grants payable	-	-	-	-	44,252	-	44,252	18,194
Fund due from <to> (note 8)	(4,678)	-	10,000	-	(5,322)	-	-	-
	(828)	-	10,000	-	38,930	-	48,102	22,044
FUND BALANCES								
Operating fund	102,041	-	-	-	-	-	102,041	89,408
Internally restricted fund	-	88,530	206,921	27,139	357,952	-	680,542	626,821
Endowment fund	-	-	-	-	-	-	-	503,406
	102,041	88,530	206,921	27,139	357,952	-	782,583	1,219,635
	\$ 101,213	\$ 88,530	\$ 216,921	\$ 27,139	\$ 396,882	\$ -	\$ 830,685	\$ 1,241,679

ON BEHALF OF THE BOARD
 Director
 Director

PRINCE ALBERT AND AREA COMMUNITY FOUNDATION INC.

Statement of Net Assets for the year ended

June 30, 2020

	Restricted Funds						2020	2019
	Operating Fund	MNP Retstricted Fund	Hartsook Restricted Fund	Kiwanis Restricted Fund	General Restricted Fund (note 6)	Endowment Funds		
FUND BALANCES - BEGINNING OF YEAR	89,408	58,074	206,767	-	361,980	503,406	\$ 1,219,635	\$ 1,168,467
EXCESS OF REVENUE OVER EXPENSES	12,633	30,456	154	27,139	(4,028)	(1,645)	64,709	51,168
FUND RETURN (note 5)					-	(501,761)	(501,761)	-
FUND BALANCES - END OF YEAR	\$ 102,041	\$ 88,530	\$ 206,921	\$ 27,139	\$ 357,952	\$ -	\$ 782,583	\$ 1,219,635

PRINCE ALBERT AND AREA COMMUNITY FOUNDATION INC.

Statement of Income for the year ended

June 30, 2020

	Restricted Funds						2020	2019
	Operating Fund	MNP Restricted Fund	Hartsook Restricted Fund	Kiwanis Restricted Fund	General Restricted Fund (note 6)	Endowment Funds		
REVENUE								
Advertising income	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ -
Dividend income	-	501	6,863	731	4,267	-	12,362	11,428
Donations received	90	34,000	-	29,050	256,220	-	319,360	144,174
Gain/loss on sale of investments	-	-	15,035	-	13,038	189	28,262	11,500
Unrealized gain/loss on investments	-	-	(16,043)	(142)	(29,135)	-	(45,320)	-
Interest	102	955	1,299	-	4,232	59	6,647	13,677
Just in Case binder sales	1,214	-	-	-	-	-	1,214	240
	<u>1,606</u>	<u>35,456</u>	<u>7,154</u>	<u>29,639</u>	<u>248,622</u>	<u>248</u>	<u>322,725</u>	<u>181,019</u>
EXPENSES								
Advertising and promotion	722	-	-	-	-	-	722	1,845
Bank charges and interest expense	-	-	-	-	-	-	-	134
Board meeting and travel expenses	133	-	-	-	-	-	133	134
Business licenses, fees and memberships	628	-	-	-	-	-	628	613
Fund Administration charges	(21,637)	-	-	-	19,744	1,893	-	-
Grants and donations	-	5,000	7,000	2,500	232,906	-	247,406	114,432
Honorariums	1,686	-	-	-	-	-	1,686	3,600
Office supplies	603	-	-	-	-	-	603	1,795
Professional fees	6,399	-	-	-	-	-	6,399	6,858
Telephone	439	-	-	-	-	-	439	440
	<u>(11,027)</u>	<u>5,000</u>	<u>7,000</u>	<u>2,500</u>	<u>252,650</u>	<u>1,893</u>	<u>258,016</u>	<u>129,851</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 12,633</u>	<u>\$ 30,456</u>	<u>\$ 154</u>	<u>\$ 27,139</u>	<u>\$ (4,028)</u>	<u>\$ (1,645)</u>	<u>\$ 64,709</u>	<u>\$ 51,168</u>

PRINCE ALBERT AND AREA COMMUNITY FOUNDATION INC.

**Statement of Cash Flows for the year ended
June 30, 2020**

	Restricted Funds					Endowment Funds	2020	2019
	Operating Fund	MNP Restricted Fund	Hartsook Restricted Fund	Kiwanis Restricted Fund	General Restricted Fund			
Cash flows from operating activities								
Net income	\$ 12,633	\$ 30,456	\$ 154	\$ 27,139	\$ (4,028)	\$ (1,645)	\$ 64,709	\$ 51,168
Items not affecting cash:								
Gains on disposal of investments	-	-	(15,035)	-	(13,038)	(189)	(28,262)	(11,428)
Changes in non-cash working capital:								
Grant receivable	-	-	-	-	(37,500)	-	(37,500)	-
Accounts payable	-	-	-	-	-	-	-	1,350
Grants payable	-	-	-	-	26,058	-	26,058	10,364
Fund due to/from	(14,872)	-	7,000	-	7,872	-	-	-
Net cash provided by operating activities	(2,239)	30,456	(7,881)	27,139	(20,636)	(1,834)	25,005	51,454
Cash flows from investing activities								
Purchase of marketable securities		(34,501)	(169,949)	(29,781)	(231,949)		(466,180)	(234,474)
Proceeds from sale of marketable securities		70,000	160,848	2,500	220,626	187,624	641,598	202,581
Purchase of term deposits		(65,955)	(25,201)		(79,231)		(170,387)	(138,248)
Term Deposits matured			25,215		79,357	37,544	142,116	403,375
Unrealized gain/loss on investments			16,043	142	29,135		45,320	-
Net cash provided by investing activities	-	(30,456)	6,956	(27,139)	17,938	225,168	192,467	233,234
Cash flows from financing activities								
Repayment of fund balance						(501,761)	(501,761)	-
Net cash provided by (used in) financing activities	-	-	-	-	-	(501,761)	(501,761)	-
Net increase (decrease) in cash and cash equivalents	(2,239)	-	(925)	-	(2,698)	(278,427)	(284,289)	284,688
Cash and cash equivalents at the beginning of the year	99,500	-	2,238	-	2,698	278,427	382,863	98,175
Cash and cash equivalents at the end of the year	\$ 97,261	\$ -	\$ 1,313	\$ -	\$ -	\$ -	\$ 98,574	\$ 382,863

PRINCE ALBERT AND AREA COMMUNITY FOUNDATION INC.

Notes to Financial Statements

Year Ended June 30, 2020

1. DESCRIPTION OF OPERATIONS

Prince Albert and Area Community Foundation Inc. (the "Organization") is incorporated provincially under the Non-Profit Corporations Act of the province of Saskatchewan. The organization is a registered charity with Canada Revenue Agency and is exempt from income tax under section 149(1)(c) of the Income Tax Act. The organization operates to encourage philanthropy within the City of Prince Albert and surrounding area, by administering a number of funds used to fund specific charitable activities to improve the quality of life in Prince Albert and area.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were presented, in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) in Part III of the Chartered Professional Accountants of Canada ("CPA Canada") Handbook, which sets out the generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

Fund accounting

Prince Albert and Area Community Foundation Inc. follows the restricted fund method of accounting for contributions.

- a) Operating Fund: The purpose of the Operating Fund is to record the unrestricted administrative and operating activities of the Organization. This includes unrestricted resources, donations and operating grants.

- b) Restricted Funds: The purpose of the Restricted Funds are to provide funding for specific organizations, activities, or scholarships as designated by the original donor requests or the organization. These funds are either retained and invested for future use or granted in the year. The Organization exercises discretionary control over the investment of these funds through external investment fund managers.

- c) Endowment Fund: The purpose of the Endowment Fund is to provide funding for specific organizations, activities, or scholarships as designated by the original donor requests. These funds are required to be maintained with expenditures paid only out of investment income from the principal donation. The Organization exercises discretionary control over the investment of these funds through external investment fund managers.

PRINCE ALBERT AND AREA COMMUNITY FOUNDATION INC.

Notes to Financial Statements

Year Ended June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

The Organization initially recognizes its financial assets and liabilities at fair value. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income.

The Organization subsequently measures all other financial assets and liabilities at amortized cost, net of any provisions for impairment. Financial assets are assessed for impairment on an annual basis at the end of each fiscal year for indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows. The carrying value of the financial asset is then reduced to the highest of the present value of expected cash flows, the amount that could be realized from selling the financial asset, or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Revenue recognition

Prince Albert and Area Community Foundation Inc. follows the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to general operations, as well as, restricted contributions received for which there is not a restricted fund established are deferred in the General Fund and recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Investment income earned on Restricted or Endowment Fund resources that must be spent on Restricted or Endowment Fund activities is recognized as revenue of the relating Restricted or Endowment Fund. All other investment income earned is recognized as revenue of the Operating Fund.

All other fees are recognized as revenue of the General Fund when earned.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations (ASNPO) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates include grants payable, as final payouts are contingent on final report receipt and approval, and the fair value of investments. These amounts are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

PRINCE ALBERT AND AREA COMMUNITY FOUNDATION INC.

Notes to Financial Statements

Year Ended June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed services

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

3. FINANCIAL INSTRUMENTS

The Organization is exposed to risk 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 June 30, 2020.

(a) Market risk

Market risk includes exposure to fluctuations in market values, currency rates and interest rates. The Organization is exposed to fluctuations in equity markets on its investments. It mitigates this risk through investing in lower risk securities and diversification of the investment portfolios. This investment policy considers market risk and the Organization has mitigated this risk to the financial statements as a whole.

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

4. GRANT RECEIVABLES

The following grants remain receivable at year end.

	<u>2020</u>	<u>2019</u>
Emergency COVID Support	\$ 37,500	\$ -

5. PRINCE ALBERT ARTS BOARD MANAGED FUND

The Organization's endowment fund is comprised of the Prince Albert Arts Board Managed Fund. The Organization has entered into an agreement to administer these endowment funds for the Prince Albert Arts Board, the revenue of which is used by the Prince Albert Arts Board Inc. to contribute to the operating costs of the E.A. Rawlinson Centre. The endowment funds originated from a bequest to the City of Prince Albert made by the Honourable John G. Diefenbaker and from a donation to the Arts Board by the Kinsmen Club of Prince Albert. These funds were returned to the City of Prince Albert for continued management this year.

PRINCE ALBERT AND AREA COMMUNITY FOUNDATION INC.

Notes to Financial Statements

Year Ended June 30, 2020

6. GENERALLY RESTRICTED FUNDS

The Organization's Generally Restricted Fund is comprised of a number of different restricted funds which are not required to be kept in segregated investments. Additional information concerning the excess of revenue over expenditures and net assets of each of these funds is included in Schedule 1 and Schedule 2 of these financial statements.

7. RELATED PARTY TRANSACTIONS

The Organization pays for board member travel, training, and other expenses required in the course of supporting the organization. These amounts are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

8. INTERFUND AMOUNTS RECEIVABLE/PAYABLE AND TRANSFERS

The amount payable from the Hartsook Restricted Fund of \$10,000 relates to fund administrative charges and grants paid from the operating fund.

The amount payable to the General Restricted Fund of \$5,322 relates to grant payable funds remaining in the operating bank account, donation income left in the operating account, excess of revenue over expenses of the Moffat and D. Rindal funds held in the Operating fund and scholarship expenses paid out of the Operating fund.

PRINCE ALBERT AND AREA COMMUNITY FOUNDATION INC.
SCHEDULE 1 Generally Restricted Fund Combined Statement of Excess of Revenue Over Expenses and Changes in Net Assets
June 30, 2020

	General Restricted Fund													2020	
	Sports & Recreation	Hemstad	Diabetes	Houle	Catholic Family Services	Millenium	Scholarship	RBC	Gender Equality Fund	Lawson Foundation Fund	Emergency COVID Support Fund	D. Rindal Memorial Fund	Moffat Family		United Way
REVENUE															
Dividend income	383	384	43	43	384	1,793	1,152	85	-	-	-	-	-	-	4,267
Donations received	-	-	-	-	-	-	-	25,500	26,400	20,000	81,375	1,545	93,750	7,650	256,220
Gain/loss on sale of investments	1,174	1,173	130	130	1,173	5,476	3,520	262	-	-	-	-	-	-	13,038
Unrealized gain/loss on investments	(2,621)	(2,622)	(291)	(291)	(2,622)	(12,237)	(7,867)	(584)	-	-	-	-	-	-	(29,135)
Interest	\$ 381	\$ 381	\$ 42	\$ 42	\$ 381	\$ 1,777	\$ 1,143	\$ 85	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,232
	(683)	(684)	(76)	(76)	(684)	(3,191)	(2,052)	25,348	26,400	20,000	81,375	1,545	93,750	7,650	248,622
EXPENSES															
Fund Administration charges	-	-	-	-	-	-	-	9,000	1,400	-	6,375	-	2,816	153	19,744
Grants and donations	-	-	-	-	-	2,300	2,000	15,000	25,000	20,000	75,000	375	85,734	7,497	232,906
	-	-	-	-	-	2,300	2,000	24,000	26,400	20,000	81,375	375	88,550	7,650	252,650
EXCESS OF EXPENSES OVER REVENUE	\$ (683)	\$ (684)	\$ (76)	\$ (76)	\$ (684)	\$ (5,491)	\$ (4,052)	\$ 1,348	\$ -	\$ -	\$ -	\$ 1,170	\$ 5,200	\$ -	\$ (4,028)
NET ASSETS BEGINNING	32,114	30,919	3,478	4,960	33,878	152,485	98,079	6,067	-	-	-	-	-	-	361,980
NET ASSETS ENDING	\$ 31,431	\$ 30,235	\$ 3,402	\$ 4,884	\$ 33,194	\$ 146,994	\$ 94,027	\$ 7,415	\$ -	\$ -	\$ -	\$ 1,170	\$ 5,200	\$ -	\$ 357,952

PRINCE ALBERT AND AREA COMMUNITY FOUNDATION INC.
SCHEDULE 2 Millenium Fund Combined Statement of Excess of Revenue Over Expenses and Changes in Net Assets
June 30, 2020

	Millenium Fund					2020
	General	Gustafson	Catholic Family Services	Scholarship	Diabetes	
REVENUE						
Dividend income	\$ 1,135	\$ 104	\$ 290	\$ 106	\$ 158	\$ 1,793
Gain/loss on sale of investments	3,466	318	887	323	482	5,476
Unrealized gain/loss on investments	(7,746)	(710)	(1,982)	(722)	(1,077)	(12,237)
Interest (note 9)	1,125	103	288	105	156	1,777
	(2,020)	(185)	(517)	(188)	(281)	(3,191)
EXPENSES						
Grants and donations	-	-	-	-	-	-
	-	2,000	-	300	-	2,300
	-	2,000	-	300	-	2,300
EXCESS OF EXPENSES OVER REVENUE	\$ (2,020)	\$ (2,185)	\$ (517)	\$ (488)	\$ (281)	\$ (5,491)
NET ASSETS BEGINNING	96,738	8,802	24,591	8,935	13,419	152,485
NET ASSETS ENDING	\$ 94,718	\$ 6,617	\$ 24,074	\$ 8,447	\$ 13,138	\$ 146,994