

THOMPSON COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

THOMPSON COMMUNITY FOUNDATION
YEAR ENDED DECEMBER 31, 2021
TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF CHANGES IN EQUITY	3
STATEMENT OF REVENUE & EXPENDITURES	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6

**THOMPSON COMMUNITY FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021**

CURRENT ASSETS	<u>2021</u>	<u>2020</u>
Cash (Note 7)	\$ 255,601	\$ 311,906
Accounts receivable (Note 8)	394	493
	<u>255,995</u>	<u>312,399</u>
 INVESTMENTS (Note 6)	 <u>2,399,532</u>	 <u>2,199,241</u>
	<u>\$ 2,655,527</u>	<u>\$ 2,511,640</u>
 CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	\$ 4,500	\$ 4,200
Grant commitments (Note 10)	10,769	947
Build 150 commitment (Note 15)	-	54,595
Deferred revenue (Note 11)	7,737	7,492
	<u>23,006</u>	<u>67,234</u>
 NET ASSETS		
Surplus restricted for operating purposes	\$ 181,813	\$ 187,699
Surplus restricted for community allocations (Note 16)	192,492	198,784
Surplus restricted for endowment purposes (Note 17)	2,258,216	2,057,923
	<u>2,632,521</u>	<u>2,444,406</u>
	<u>\$ 2,655,527</u>	<u>\$ 2,511,640</u>

COMMITMENTS (Note 15)

Approved on behalf of the Board:

See accompanying notes.

**THOMPSON COMMUNITY FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS
AS AT DECEMBER 31, 2021**

	<u>Operating Purpose</u>	<u>(Note 16) Community Allocations</u>	<u>(Note 17) Endowment Purpose</u>	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 187,699	\$ 198,784	\$ 2,057,923	\$ 2,444,406	\$ 2,226,774
Excess of revenue over expenditures	37,101	-	-	37,101	12,926
Spending policy funds	-	71,238	(78,975)	(7,737)	(7,492)
Affiliate fees	2,418	-	-	2,418	2,048
Direct contributions	-	96,139	65,920	162,059	204,278
Investment and interest gains (losses)	-	-	266,402	266,402	213,607
Administration fees	-	-	(42,448)	(42,448)	(37,752)
Investment fees	-	-	(10,606)	(10,606)	(7,544)
Adjustment to fund	-	(8,175)	-	(8,175)	(23,076)
Disbursement to community projects	(45,405)	(154,725)	-	(200,130)	(139,363)
Balance, end of year	<u>\$ 181,813</u>	<u>\$ 203,261</u>	<u>\$ 2,258,216</u>	<u>\$ 2,643,290</u>	<u>\$ 2,444,406</u>

See accompanying notes.

**THOMPSON COMMUNITY FOUNDATION
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2021**

Revenue	<u>2021</u>	<u>2020</u>
Community foundation Affiliation administration fee	\$ 30,321	\$ 40,386
Raffle fundraiser	28,500	-
Interest	8,002	6,209
Rural Manitoba community foundation threshold grant	5,000	5,000
Fund administration fees	3,877	-
Fundraiser	1,810	-
Rural Manitoba community foundation administration support	1,500	-
Sustainability & growth grant	1,500	-
	<u>80,510</u>	<u>51,595</u>
 Expenditures		
Administration fee	\$ 22,007	\$ 22,007
Advertising and promotion	2,393	2,157
Audit fees	5,115	4,694
Bank charges and interest	67	56
Board and member recognition	78	95
Bookkeeping fees	1,070	1,097
Business fees	52	64
Equipment purchase	-	804
Fundraising	606	-
Insurance	2,061	1,850
Meeting expenses	-	255
Membership dues and subscriptions	849	168
Non-recoverable GST	881	865
Office supplies	1,917	1,299
Raffle fundraiser	2,563	-
Rent	3,000	2,940
Sponsorship	750	-
Website	-	318
	<u>43,409</u>	<u>38,669</u>
 Excess of revenue over expenditures	<u>\$ 37,101</u>	<u>\$ 12,926</u>

See accompanying notes.

**THOMPSON COMMUNITY FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021**

	2021	2020
Cash provided by operating activities:		
Excess of revenue over expenditures	\$ 37,101	\$ 12,926
Net changes in non-cash working capital:		
Accounts receivable	99	224
Accounts payable and accrued liabilities	300	(1,726)
Grant commitments	9,822	(29,822)
Build 150 commitment	(54,595)	54,595
Deferred revenue	245	1,867
	(7,028)	38,064
Cash provided used for investing activities		
Long term investments	(200,291)	(167,452)
	(200,291)	(167,452)
Cash provided by financing activities		
Endowment fund	200,293	167,452
Operating purposes	(42,987)	2,798
Community allocations	(6,292)	34,456
	151,014	204,706
Increase in cash and cash equivalents during the year	(56,305)	75,318
Cash and cash equivalents, beginning of year	311,906	236,588
Cash and cash equivalents, end of year	\$ 255,601	\$ 311,906
 Represented by:		
Unrestricted - Operating	\$ 128,380	\$ 63,695
Restricted - Grant commitments	82,041	204,437
Restricted - Reserve fund	45,180	43,774
	\$ 255,601	\$ 311,906

See accompanying notes.

THOMPSON COMMUNITY FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

1. NATURE OF ORGANIZATION

The Thompson Community Foundation ("The Foundation") is an incorporated, non-profit, organization operated by a volunteer board. The Foundation was established to benefit the community of Thompson by supporting not-for-profit, charitable, educational and cultural organizations.

The organization is a registered charity and is classified as a public foundation for the purposes of the Income Tax Act (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

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

FINANCIAL INSTRUMENTS

Measurement of financial instruments

Financial assets and financial liabilities are initially recognized at fair value when The Foundation becomes a party to the contractual provisions of the financial instrument. Financial instruments are 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 organization 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, and accounts receivable.

Financial liabilities measured at fair value include accounts payable, accrued liabilities and grant commitments.

The fair values of The Foundation's investments quoted in an active market are determined by reference to the latest closing transactional net asset value of each respective investment.

The fair value of cash, accounts receivable, marketable securities, accounts payable and accrued liabilities and deferred revenue approximates their carrying values due to their short-term maturity.

The organization has continued to apply Section 3861 - Financial Instruments - Disclosure and Presentation in place of Sections 3862 and 3863.

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 default or delinquency in interest or principal payments; or bankruptcy or other financial reorganization proceedings. When there is an indication of impairment, The Foundation 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.

THOMPSON COMMUNITY FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

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 reported amounts and disclosures of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. As a result of management's assumptions, actual results could differ from those estimates under different conditions. There are no areas of the financial statements where significant estimates or assumption were used.

3. REVENUE RECOGNITION

The Foundation uses the restricted fund method of accounting for contributions. Contributions are recognized as revenue in the year received or receivable when the amount is known or can be reasonably estimated and collection is reasonably assured.

Endowment contributions are reported as direct increases in net assets.

Due to the uncertainty of timing and amount, pledges are not recognized until collected.

Contributions relating to fundraising events are recognized as revenue on completion of the fundraising event.

Restricted contributions related to general operations are recognized as revenue for operating purposes in the year in which the related expenses are incurred.

4. FOUNDATION FUNDS

The Operational Endowment Fund is a savings account with interest earned on contributions designated to ongoing operational and administrative costs. Each quarter, endowed funds are charged a fee to be used for administration. In 2021, the percentage charged for this administration fee was 1.25% (2020 - 1.25%) of the fund balance. The Board of Directors may allocate a portion of net proceeds from fundraising events and special events of the Operations Fund to the Endowment Fund.

The Managed Endowment Fund is a savings account with interest earned on contributions granted to Community Projects. Income from the investment of endowed funds is disbursed in accordance with the Foundation's policy and in accordance with Canada Revenue Agency regulations. In 2021 the percentage of the funds distributed as grants was 3.75% (2020 - 3.75%)

The Endowment Fund includes contributions from donors' and unused flow through donations and grants. The Foundation uses income derived from endowment investments to provide grants as determined by the Board of Directors, to recipients located in Thompson, Manitoba. The Foundation is required to maintain endowment resources on a permanent basis. The Act under which The Foundation was created allows, with the approval of the Board of Directors, an authorized amount of the contributed capital of of the property of the Endowment Fund to be withdrawn and disbursed for any purpose consistent with the purposes or objectives within the scope of the Endowment Fund.

Flow through Funds represent resources available for granting by the organization where, at the time the donation is accepted by The Foundation, the specific purpose or recipient qualified donee may or may not have been determined by the donor with certainty. The disbursement of these funds is directed by the donor, and must be made to a qualified donee as defined in the Income Tax Act (Canada). Fees charged to the Flow Through Funds are used to support the administration and operating activities of The Foundation.

**THOMPSON COMMUNITY FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

The Foundation maintains the following funds:

Moffat Family Fund:

To provide grants to Community Projects.

Arnold Morberg Memorial Scholarship:

Established January 2006 to assist Northern Manitoba students pursuing careers in aviation. The scholarship is disbursed to students in support of their education in aviation.

Burntwood Junior Curling Club Fund:

A donor advised fund established August 2007. The Burntwood Junior Curling Club has placed funds into a Donor Advised Fund and is now receiving funds annually to put towards the needs of the Burntwood Junior Curling Club.

Kerrie Brown Memorial Bursary:

Established September 2007, and is awarded to the successful applicant with the highest grade point average in English graduating from RD Parker Collegiate.

Thompson Health Foundation Fund:

A field of interest fund established June 2009. All proceeds from donated funds will flow annually to the Northern Regional Health Authority.

CIM Scholarship:

Established December 2009 to assist Northern Manitoba students pursuing careers in a field that is applicable in the mining, metallurgy or petroleum sector. This scholarship is to be used by the successful applicant as financial assistance towards their education.

Thompson Science Fair Fund:

An agency fund, established December 2009, and is used for costs incurred with the Citywide Science Fair, as well as to provide for the costs of awards, and to support travel and accommodations for students selected to represent Thompson at the Regional and National Science Fairs.

Troy Anand Fund:

A donor advised fund, established in 2012, with all funds granted to support charitable activities or charitable organizations. The Fund will also support charitable activities or charitable organizations in the environment sector.

The Northern Social Work Scholarship Fund (NSWSF):

Established in 2012 and is awarded to a student from the University of Manitoba Northern Social Work Program (NSWP) based on the student's grades and financial needs.

Irene Moore Fund:

To provide grants to Community Projects.

Manitoba Winter Games Fund

To provide grants to youth groups to assist children and youth through sport, education and community enhancement. To promote the development of children and youth to enhance their quality of life through sport and to support and advance the economic, social, physical and intellectual well-being of children and families.

THOMPSON COMMUNITY FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

5. RISK MANAGEMENT

The Foundation is exposed to a variety of risks related to its financial assets and liabilities. Unless otherwise noted, it is management's opinion that The Foundation is not exposed to significant credit, interest rate, liquidity, or market (other price) risks arising from these financial instruments.

Following is a summary of the risks to which the organization is exposed:

Credit Risk

The Foundation is exposed to a variety of risks related to its financial assets and liabilities. Unless otherwise noted, it is management's opinion that The Foundation is not exposed to significant credit, interest rate, liquidity, or market (other price) risks arising from these financial instruments.

Credit risk associated with cash and long term investments is minimized by ensuring that the funds are invested with credit worthy financial institutions. The maximum exposure to credit risk on these financial instruments is their carrying value. The maximum exposure to credit risk on accounts receivable is \$394 (2020 - \$493) which was received at the audit report date. The organization has a low exposure to credit risk.

Liquidity Risk

Liquidity risk is the risk that The Foundation will not be able to meet a demand for cash or fund its obligations as they become due. The Foundation meets its liquidity requirements by monitoring cash flows and cash balances throughout the year and, when applicable, holding assets that can readily be converted to cash. An important liquidity requirement for The Foundation is grant commitments. As at December 31, 2021 The Foundation had \$255,995 (2020-\$312,399) in cash, and accounts receivable and \$15,269 (2020-\$59,742) in accounts payable, accrued liabilities and grant commitments. The Foundation has adequate liquid assets to cover contractual liabilities due within the year; as a result, liquidity risk is low.

Market Risk

Market risk is the potential for financial loss to The Foundation from changes in the values of its financial instruments due to changes in interest rates, currency exchange rates or other price risk. The investments of The Foundation are subject to normal market fluctuations and to the risk inherent in investment in capital markets.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when The Foundation holds interest-bearing financial instruments.

Currency Risk

Currency risk is the risk that the value of financial instruments denominated in currencies other than the functional currency of The Foundation, which is the Canadian dollar, will fluctuate due to changes in foreign exchange rates. The Foundation is exposed to currency risk on investments managed by The Winnipeg Foundation. Based on the audited financial statements for the Winnipeg Foundation the most significant exposure to currency risk is investments held in US Dollars which represents approximately 20.2% (2020-19.6%) of its total investment portfolio.

**THOMPSON COMMUNITY FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

6. INVESTMENTS

The Thompson Community Foundation has an agreement with the Winnipeg Foundation whereby the Winnipeg Foundation acts as a trustee on behalf of funds managed by Thompson Community Foundation. Funds contributed remain the property of Thompson Community Foundation and are used to purchase investments in the Consolidated Trust Fund of the Winnipeg Foundation. The income derived from the investments of the Thompson Community Foundation is paid quarterly.

	2021	2020
The Winnipeg Foundation Managed Funds	\$ 2,399,532	\$ 2,199,241

The Winnipeg Foundation has developed an 'Asset Management Governance Plan' and a 'Statement of Investment Policy and Guidelines', which maintains the purchasing power of the funds entrusted to the Foundation while achieving maximum returns consistent with prudent investment. The Winnipeg Foundation's investment policy applies to all investments held in the Foundation's Consolidated Trust Fund, as well as those held in Other Trust Funds. The investment policy includes restrictions regarding the minimum and maximum amount of equity holdings, the maximum amount of foreign equity holding and a maximum to be invested in any one related group or industry.

The above policy reduces the interest rate, credit, and foreign currency risk to the Thompson Community Foundation. Additional information regarding the potential risks, and investment strategy can be found on the Winnipeg Foundation's Audited Financial Statements.

7. CASH

	2021	2020
Unrestricted - Operating	\$ 128,380	\$ 63,695
Restricted - Grant commitments	82,041	204,437
Restricted - Reserve fund	45,180	43,774
	\$ 255,601	\$ 311,906

8. ACCOUNTS RECEIVABLE

	2021	2020
Government remittances	\$ 394	\$ 493

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Accrued liabilities	\$ 4,500	\$ 4,200
Accounts payable	-	-
	\$ 4,500	\$ 4,200

**THOMPSON COMMUNITY FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

10. GRANT COMMITMENTS

As at December 31, 2021 The Foundation had yet to disburse \$10,769 (2020 - \$947) of approved grant funds from the General Community Fund. The undisbursed grant relates to an approval from the 2019 fiscal year. All grant commitments are payable to the recipient pending project completion.

11. DEFERRED REVENUE

Operating expense endowment fund

<u>2021</u>	<u>2020</u>
<u>\$ 7,737</u>	<u>\$ 7,492</u>

12. COMPARATIVE FIGURES

Certain comparative figures have been changed to conform with current year presentation.

13. RELATED PARTY TRANSACTION

The Foundation no longer rents office space from a Director. There are no related party transactions to disclose.

14. OTHER MATTERS

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread in Canada and around the world.

Management is uncertain of the future effects of operational changes and market volatility on its financial statements and believes that any disturbance may be temporary. Due to the uncertainty about the duration and potential impact of COVID-19, it is not possible to reliably estimate the impact that these disturbances will have on the financial results of the Foundation in future periods.

15. COMMITMENTS

During 2021 The Foundation committed \$100,000 to the City of Thompson for the 'Build 150 - Eastwood Park Project'. The 'Build 150 - Eastwood Park Project' contributes to the community by providing funds for the purchase of play structures and equipment. The Foundation committed to provide the funds through the General Community Fund, surplus funds and fundraising initiatives. At December 31, 2021 the total amount of committed funds appropriated in the grant account for this project of \$54,595 were disbursed, fulfilling the Foundation's commitment.

**THOMPSON COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

16 SCHEDULE OF CHANGES IN COMMUNITY ALLOCATIONS

Restricted for community allocations:

The surpluses restricted for community allocations represent income earned on the endowment funds.

Direct contributions for the current year include Moffatt Family funds, Joe Brain funds, RBC challenge funds, and Community Foundations of Canada funds.

	General Community Fund	Scholarships & Bursary Fund	Youth (YIP & BJCC) Fund	Agency Fund	Thompson Health Fund	Troy Anand Fund	2021	2020
Balance, beginning of year	\$ 145,754	\$ 30,713	\$ 7,637	\$ 1,499	\$ 10,132	\$ 3,049	\$ 198,784	\$ 159,734
Spending policy funds	55,912	10,085	528	598	2,781	1,334	71,238	66,718
Direct contributions	96,139	-	-	-	-	-	96,139	130,926
Disbursement to community projects	(147,427)	(2,631)	(511)	(580)	(3,576)	-	(154,725)	(139,363)
Adjustment to fund	-	(6,945)	-	-	-	(1,230)	(8,175)	(19,231)
Balance, end of year	\$ 150,378	\$ 31,222	\$ 7,654	\$ 1,517	\$ 9,337	\$ 3,153	\$ 203,261	\$ 198,784

Note 1:

The Scholarships & Bursary fund is comprised of the Arnold Morberg Scholarship fund; the Kerrie Brown Memorial bursary; the CIM Scholarship fund, and the Northern Social Work Fund.

The Agency fund comprises the Thompson Science Fair fund.

The funds of the Manitoba Winter Games and Irene Moore are unrestricted and included in the balances for the General Community Fund.

**THOMPSON COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

17 SCHEDULE OF CHANGES IN FUNDS RESTRICTED FOR ENDOWMENT PURPOSES

Restricted for endowment purposes:

The surplus restricted for endowment represents income earned on the general endowments. The surplus restricted for endowment purposes must be maintained permanently by The Foundation. Allocations of earned income (spending policy funds) on endowment investments is determined by the Winnipeg Foundation, and is based on the individual funds' restrictions.

	Operating Expense Fund	General Community Fund	Scholarships & Bursary Fund	Youth (YIP & BJCC) Fund	Agency Fund	Thompson Health Fund	Troy Anand Fund	2021	2020
Balance, beginning of year	\$ 253,451	\$ 1,419,547	\$ 260,613	\$ 13,721	\$ 15,965	\$ 72,466	\$ 22,160	\$ 2,057,923	\$ 1,994,113
Spending policy funds	(7,737)	(55,912)	(10,085)	(528)	(598)	(2,781)	(1,334)	(78,975)	(74,210)
Direct contributions	-	58,683	6,945	-	247	-	45	65,920	73,352
Investment and interest gains (losses)	25,356	190,618	33,221	1,729	1,967	9,126	4,385	266,402	213,607
Administration fees	(4,023)	(30,451)	(5,245)	(274)	(311)	(1,448)	(696)	(42,448)	(37,752)
Investment fees	(1,010)	(7,591)	(1,320)	(69)	(78)	(363)	(175)	(10,606)	(7,544)
Adjustment to fund	-	-	-	-	-	-	-	-	(103,643)
Balance, end of year	\$ 266,037	\$ 1,574,894	\$ 284,129	\$ 14,579	\$ 17,192	\$ 77,000	\$ 24,385	\$ 2,258,216	\$ 2,057,923

Note 1:

The Scholarships & Bursary fund is comprised of the Arnold Morberg Scholarship fund; the Kerrie Brown Memorial bursary; the CIM Scholarship fund, and the Northern Social Work Fund.

The Agency fund comprises the Thompson Science Fair fund.

The funds of the Manitoba Winter Games and Irene Moore are unrestricted and included in the balances for the General Community Fund.