

**THE STEINBACH COMMUNITY FOUNDATION INC.**

**STEINBACH, MB**

**DECEMBER 31, 2023**



## **Independent Practitioners' Review Engagement Report**

To the Directors of:  
The Steinbach Community Foundation Inc.

We have reviewed the accompanying financial statements of The Steinbach Community Foundation Inc. that comprise the statement of financial position as at December 31, 2023, and the statements of revenue and expenditure, 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 private enterprises, 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.

### **Practitioners' 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 practitioners perform 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 The Steinbach Community Foundation Inc. as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

*Reid & Miller*

Winnipeg, Manitoba  
June 26, 2024

Chartered Professional Accountants Inc.

**THE STEINBACH COMMUNITY FOUNDATION INC.**

**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31**

	2023	2022
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	92,698	143,457
Restricted cash (note 3)	170,778	159,989
Accounts receivable	1,851	761
	<u>265,327</u>	<u>304,207</u>
<b>CAPITAL ASSETS (note 4)</b>	2,853	4,626
<b>FUNDS MANAGED BY THE WINNIPEG FOUNDATION (note 5)</b>	<u>2,683,816</u>	<u>2,745,378</u>
	<u>2,951,996</u>	<u>3,054,211</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	<u>19,313</u>	<u>6,569</u>
<b>DEFERRED CONTRIBUTIONS RELATED TO CAPITAL (note 8)</b>	<u>454</u>	<u>874</u>
	<u>19,767</u>	<u>7,443</u>
<b>NET ASSETS</b>		
<b>UNRESTRICTED NET ASSETS</b>	75,235	139,649
<b>RESTRICTED FUNDS (note 7)</b>	2,854,594	2,903,367
<b>INVESTMENT IN CAPITAL ASSETS</b>	2,399	3,752
	<u>2,932,228</u>	<u>3,046,768</u>
	<u>2,951,995</u>	<u>3,054,211</u>

**Approved on Behalf of the Board**

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Director

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Director

**The accompanying notes are an integral part of these financial statements**

**THE STEINBACH COMMUNITY FOUNDATION INC.****STATEMENT OF OPERATIONS**

	Year Ended December 31	
	2023	2022
	\$	\$
<b>REVENUE</b>		
Winnipeg Foundation grants	111,526	34,182
Other income	(597)	946
	<u>110,929</u>	<u>35,128</u>
<b>EXPENDITURE</b>		
Administrative expense	38,419	11,205
Grants approved	104,139	4,681
Advertising and promotion	12,190	2,601
Professional fees	5,142	3,710
Office and supplies	6,438	2,169
Rent	5,837	5,983
Memberships	3,178	1,026
	<u>175,343</u>	<u>31,375</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE BEFORE AMORTIZATION</b>	(64,414)	3,753
<b>AMORTIZATION</b>		
Current	1,773	1,774
Amortization of deferred contributions	(420)	(420)
	<u>1,353</u>	<u>1,354</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE</b>	<u>(65,767)</u>	<u>2,399</u>

The accompanying notes are an integral part of these financial statements

**THE STEINBACH COMMUNITY FOUNDATION INC.**

**STATEMENT OF CHANGES IN NET ASSETS**

	Year Ended December 31				
	Investment in Capital Assets	Consolidated Restricted Funds	Unrestricted Net Assets	2023 Total	2022 Total
	\$	\$	\$	\$	\$
<b>NET ASSETS</b>					
<b>Balance, beginning of year</b>	3,752	2,903,367	139,649	3,046,768	3,369,396
<b>Excess (deficiency) of revenue over expenditure</b>	-	-	(65,767)	(65,767)	2,399
<b>New gifts</b>	-	84,539	-	84,539	31,956
<b>Net change in unrealized gains (losses)</b>	-	125,911	-	125,911	(333,639)
<b>Investment income</b>	-	149,063	-	149,063	138,380
<b>Administration fees paid</b>	-	(42,524)	-	(42,524)	(45,373)
<b>Interfund transfer</b>	-	18,434	-	18,434	16,471
<b>Grants paid</b>	-	(384,196)	-	(384,196)	(132,822)
<b>Amortization</b>	(1,353)	-	1,353	-	-
<b>Balance, end of year</b>	<u>2,399</u>	<u>2,854,594</u>	<u>75,235</u>	<u>2,932,228</u>	<u>3,046,768</u>

The accompanying notes are an integral part of these financial statements

**THE STEINBACH COMMUNITY FOUNDATION INC.****STATEMENT OF CASH FLOWS**

	Year Ended December 31	
	2023	2022
	\$	\$
<b>CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES</b>		
<b>OPERATING</b>		
Excess (deficiency) of revenue over expenditure for the year	(65,767)	2,399
Items not affecting cash:		
Amortization	1,773	1,774
Amortization of deferred contributions	(420)	(420)
	<u>(64,414)</u>	<u>3,753</u>
Net changes in non-cash working capital affecting operations ( <i>note 10</i> )	866	(14,743)
	<u>(63,548)</u>	<u>(10,990)</u>
<b>FINANCING</b>		
Endowment fund administration and disbursements paid	<u>(48,773)</u>	<u>(325,027)</u>
<b>INVESTING</b>		
Change in value of funds managed by The Winnipeg Foundation	-	309,544
Purchase of funds managed by The Winnipeg Foundation	61,562	31,956
	<u>61,562</u>	<u>341,500</u>
<b>INCREASE (DECREASE) IN CASH RESOURCES</b>	(50,759)	5,483
<b>CASH RESOURCES, BEGINNING OF YEAR</b>	<u>143,457</u>	<u>137,974</u>
<b>CASH RESOURCES, END OF YEAR</b>	<u>92,698</u>	<u>143,457</u>

The accompanying notes are an integral part of these financial statements

# THE STEINBACH COMMUNITY FOUNDATION INC.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

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### 1. PURPOSE OF ORGANIZATION

The Steinbach Community Foundation Inc. ("Foundation") was established in 1998 to benefit the citizens of Steinbach and surrounding areas by supporting social services, arts and cultural services, education, medical services and other community activities or facilities of a charitable nature. The Foundation is incorporated under the Manitoba Companies Act as a not-for-profit organization and became a registered charity in 1999, classified as a public foundation.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for the organization.

#### a) MEASUREMENT UNCERTAINTY

When preparing financial statements according to Canadian accounting standards for not-for-profit organizations, the Foundation makes estimates and assumptions relating to reported amounts of revenue and expenses, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the Foundation may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions.

#### b) REVENUE RECOGNITION

The Foundation follows the deferral method of accounting for contributions under which restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred.

Endowment contributions are reported as direct increases in net assets. Unrealized gains or losses on endowment investments are recorded through net assets, without any allocation to the Statement of Operations. Unrealized gains or losses on other investments are included in investment income in the Statement of Operations.

Unrestricted grants and donations are recognized as revenue when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.

Other income is recognized as revenue when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.

Pledges are not recognized until collected, as the Foundation cannot make a reasonable estimate of the amount that will be collected and collection is not reasonably assured.

# THE STEINBACH COMMUNITY FOUNDATION INC.

## NOTES TO THE FINANCIAL STATEMENTS

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### c) CAPITAL ASSETS

Property and equipment are recorded at cost. Amortization is provided using methods and rates intended to amortize the cost of assets over their estimated useful lives.

	<u>Method</u>	<u>Rate</u>
Office equipment	declining balance	20 % per annum

### d) EXTERNALLY AND INTERNALLY RESTRICTED FUNDS

The Endowment Fund includes contributions from donors' and unused flow through donations and grants. The organization uses income derived from endowment investments, to provide grants as determined by the Board. See Note 6.

### e) FINANCIAL INSTRUMENTS

#### Initial and subsequent measurement

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred. Financial assets measured at amortized cost on a straight-line basis include cash, trade and other accounts receivable, notes receivable and long term investments. Financial liabilities measured at amortized cost on a straight-line basis include accounts payable, and wages payable reported as financial liabilities.

### 3. RESTRICTED CASH

Restricted cash consists of the Foundation's 2023 spending policy allocation from The Winnipeg Foundation received before year-end. The cash is to be used solely for the purpose of funding the Foundation's 2024 grant requests.

### 4. CAPITAL ASSETS

	<u>2023</u>			<u>2022</u>		
	Cost	Accumulated Amortization	Balance	Cost	Accumulated Amortization	Balance
	\$	\$	\$	\$	\$	\$
Office equipment	7,095	4,242	2,853	7,095	2,469	4,626

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# THE STEINBACH COMMUNITY FOUNDATION INC.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

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### 5. FUNDS MANAGED BY THE WINNIPEG FOUNDATION

As at December 31, the Foundation's investments are as follows:

	2023	2022
	\$	\$
The Winnipeg Foundation	<u>2,683,816</u>	<u>2,745,378</u>

In 2010, the "Community Foundation Managed Fund" was established within The Winnipeg Foundation to hold all of the Foundation's endowment funds.

Most endowment funds, which form the Foundation's "Consolidated Trust Fund", are established for gifts which are designated to remain under the Foundation's management in perpetuity. Certain endowment funds, also designated to remain under the Foundation's management in perpetuity, are operated outside of the Consolidated Trust Fund, in other trust funds, as a result of specific agreements with donors or their representatives.

Undesignated family funds and other undesignated endowment will be included in the Foundation's Consolidated Trust Fund, whereas The Chrysalis Fund, all designated family funds and the Art Stabilization Manitoba Fund were included in the Foundation's other trust funds.

In 2018, the Foundation started to assess a 1% administration fee on all funds, except the Mennonite Heritage Village Fund which has an administration fee of 0.5%

### 6. FINANCIAL INSTRUMENTS

The Foundation as part of its operations carries a number of financial instruments. It is management's opinion that the organization is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

#### Market risk

The Organization is exposed to market risk as the investments in publicly traded securities are subject to fluctuations due to price changes on the market.

**THE STEINBACH COMMUNITY FOUNDATION INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2023

**7. RESTRICTED FUNDS**

Changes in restricted funds for the year are as follows:

	Agency Funds	Designated funds	Donor advised	Undesignated funds	Field of interest
<b>Balance, beginning of year</b>	1,787,695	296,719	316,906	480,627	21,420
<b>New gifts</b>	-	-	14,743	24,796	-
<b>Net change in unrealized gains (losses)</b>	79,205	8,067	13,990	21,515	845
<b>Investment income</b>	95,817	8,282	16,676	26,438	1,032
<b>Administration fees paid</b>	(25,586)	(1,143)	(5,776)	(8,933)	(359)
<b>Interfund transfer</b>	(1,787)	10	12,004	7,215	992
<b>Grants paid</b>	(79,208)	(263,007)	(15,030)	(23,709)	(992)
<b>Balance, end of year</b>	1,856,136	48,928	353,513	527,949	22,938

	SCF Administration	2023	2022
<b>Balance, beginning of year</b>		\$ 2,903,367	\$ 3,228,394
<b>New gifts</b>	45,000	84,539	31,956
<b>Net change in unrealized gains (losses)</b>	2,289	125,911	(333,639)
<b>Investment income</b>	818	149,063	138,380
<b>Administration fees paid</b>	(727)	(42,524)	(45,373)
<b>Interfund transfer</b>		18,434	16,471
<b>Grants paid</b>	(2,250)	(384,196)	(132,822)
<b>Balance, end of year</b>	45,130	2,854,594	2,903,367

# THE STEINBACH COMMUNITY FOUNDATION INC.

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

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### 8. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL

	<u>2023</u>	<u>2022</u>
	\$	\$
Opening balance	874	1,294
Amortization	<u>(420)</u>	<u>(420)</u>
	<u>454</u>	<u>874</u>

### 9. COMMITMENTS

The organization has a lease commitment for office space ending July 2023. The minimum lease payments for the 2024 fiscal year are \$3,405 plus GST.

### 10. CASH FLOW STATEMENT

	<u>2023</u>	<u>2022</u>
	\$	\$
Net changes in non-cash working capital affecting operations		
Restricted cash	(10,789)	(18,471)
Accounts receivable	(1,090)	(439)
Accounts payable and accrued liabilities	<u>12,745</u>	<u>4,167</u>
	<u>866</u>	<u>(14,743)</u>

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REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC