

Request for Proposal: For External Auditor

INTRODUCTION

The Saskatchewan Community Foundation (www.SaskFoundation.ca) is a not-for-profit charitable organization that focuses on the growth of Legacy (endowment) Funds to support provincial grant-making, capacity building and charitable sector collaboration. Since its inception 53 years ago, the Community Foundation has granted over \$80 million back into the community. By connecting donors with causes they care about, we are able to invest in our local community, creating a lasting impact today, tomorrow, and forever.

Currently, our assets are nearly \$170 million with an annual operating budget of approximately \$3,000,000. The Foundation operates on a calendar year basis from Jan 1 to Dec 31st.

The Foundation prefers to have an audit opinion on its annual financial statements, and audit service proposals are being requested from qualified accounting firms for the upcoming five-year term beginning with the year ending December 31, 2026. A maximum extension of three-years is available upon board approval.

This Request for Proposal (RFP), and supporting documentation supplied with it, define the content required for your proposal. We request that you structure your response in accordance with the requirements contained in this document. These criteria will demonstrate the qualifications of the proponent and assist in determining whether a response is complete.

SCHEDULE OF EVENTS

The following schedule is planned. The Foundation reserves the right to modify this RFP or change the schedule at any time.

Event	Expected Date
RFP Issued	February 11, 2026
End of Opportunity to Raise Questions re: RFP	March 6, 2026, 4:30 pm
RFP Submission Deadline	March 13, 2026, 11:59 pm
Interviews Scheduled	April 27, 2026 – May 1, 2026
Finance Committee Recommendation	May 20, 2026
Final Selection of Service Provider: Board Meeting	May 27, 2026
End of opportunity to request feedback on submissions	June 12, 2026

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info@sscf.ca www.SaskFoundation.ca

Registered Charity No. 890271448 RR0001



RFP for Audit Services

SCOPE OF EXPECTATIONS

An auditor is appointed to conduct an annual audit of the Foundation's financial records that will enable the auditor to express, on the basis of sufficient audit evidence, an opinion on the fairness of the presentation of the December 31st Foundation's annual financial statements in accordance with the Accounting Standards for Non-for-Profit Organizations as a part of the Canadian Generally Accepted Accounting Principles. Our Foundation used fund accounting to segregate the approximately 300 different funds we manage.

The deadline for the presentation of the audited financial statements to the Finance Committee and Board of Directors would be approximately the middle to end of May each year.

Auditor Report/Management Letter

During the engagement, the Auditor should report:

- Deficiencies in internal controls or issues that come up that are of sufficient importance to merit the attention of Management and/or the Board of Directors;
- Any relative business advisory recommendations;
- Significant or unusual transactions entered into by the Foundation that Management and/or the Board should be aware of; and
- Any lack of compliance with financial or other relevant legislation.

The auditors must immediately upon discovery of information or conditions, which would otherwise lead to a qualified opinion with respect to the financial statements, inform and discuss such matters with the appropriate staff. In addition, the auditors must, allow a reasonable period of time for the Foundation to make an investigation, analyze, report and take such corrective action as to avoid the inclusion of such qualification.

Outline Additional Services and Related Expenses

At times the Foundation may require additional services and please ensure you outline these in your proposal:

- Audits on large 50/50's through the SLGA. Currently there are multiple lottery licenses the Foundation manages and each will be over \$100,000. Please provide the additional services of lottery licenses audits as an additional fee and proposal.
- Guidance on very unique donations typically with a written opinion provided to management and/or the Board. Perhaps one two requests per year.

EXPECTED DELIVERABLES AND SERVICES

Other requirements to deliver timely and appropriate services to the Foundation such as:

- Prepare an auditor's report and management letters in a format consistent with accounting standards for charitable organizations;
- Discuss the auditor's report and management letters with Management, Finance Committee and the Board of Directors prior to distribution;



RFP for Audit Services

- Representation letter prior to commencing the audit;
- Complete scope of work;
- Ease of accessibility to the Foundation;
- Preparedness to respond to limited time frames;
- Direct consultation with the Foundation Finance Committee and Board of Directors; and
- To be available to attend meetings to present and report on the annual audit or other specific matters for which support is requested (typically twice a year).

REQUIREMENTS FOR PROPOSALS

1. Professional information

Proposals must include information of a general nature explaining the firm, current staffing expertise and the types of clients served by the firm. Proponents are requested to describe their experience and resources as it relates to not-for-profit audits, registered charities, and community foundations of similar scale and complexity.

In addition, specific information is requested for those staff members who are proposed to assist in the audit of the Community Foundation. This should include:

- Name and credentials;
- Training and experience;
- Position and area of practice; and
- Individual fee scale.

2. Transition

The proposal shall include a description of the proponent's requirements to assume work on behalf of the Foundation. State in detail all assumptions and recommendations about the manner in which the Foundation's audit will be transferred and include resources and time requirements for the proponent.

3. Audit approach

Proposals shall include a description of the audit approach that will be used for the Foundation's audit, including a statement of the understanding of the work to be done, audit approach and commitment to perform work within the time period. Describe how your firm will approach the audit of the Foundation, including the areas that will receive primary emphasis including materiality approach. Also discuss the communication process you use to discuss issues with management and the Finance Committee of the Board.

General audit strategies and methodologies employed, including but not limited to:

- Business risks, internal control, and use of technology;



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- The depth of perceived audit needs and understanding of the key issues facing the Foundation. Implications of these issues for the audit conduct and specific audit strategies and methodologies, including but not limited to: audit procedures, and report deliverables;
- A planned audit approach outlining the substantive versus control testing to be completed; and
- A time budget, including estimated total hours for the audit team, broken down by role, etc.

4. Costs

Proposals shall include a detailed description of all costs and recommended methods of billing and payment. Where applicable, proposals must include all taxes, rates and charges applicable at the time the proposal is awarded. For comparative purposes, it is preferable that cost information be reported in the following manner:

Annual Audit

- Fee scales associated with various members of the firm who will be assigned to the audit;
- Anticipated hour requirement to complete audit;
- Total audit cost;
- Items which would be assumed to be provided by the Foundation staff in order to reduce costs; and
- Whether or not the total audit costs above are fixed or if they will vary as the actual hours vary, or whether costs will vary from year to year.

Other Services

- Services to be charged at a flat rate and fee requested for each; and
- Services to be charged at an hourly rate and the rates to be charged.

General Information

- Disbursement items charged; and
- Other charges or charging methods proposed.

5. Value-added services

Proposals should describe the methodology to be used for keeping the Foundation abreast of any changes in accounting standards, or legislation that impact financial reporting.

Proposals should describe the firms experience in providing additional services to other charities, not-for-profit or community foundations, and the nature of such services.

6. References

At least three (3) references from comparable organizations must be provided. Please include the name of a contact person, position, email address, and phone number and submit with your proposal.



RFP for Audit Services

SUBMISSION REQUIREMENTS

Please email proposals to ensure receipt by the Saskatchewan Community Foundation prior to 11:59 pm, Friday, March 13, 2026.

Email: adam.hicks@saskfoundation.ca;

Adam Hicks, Director of Finance & Strategic Operations

- Late proposals will not be accepted.
- Respondents are advised that any proposal may be disqualified if an unfair advantage has been gained through conflict of interest, collusion, or the improper assistance of a Community Foundation stakeholder.

PROPOSAL REGULATIONS

The Saskatchewan Community Foundation reserves the right to reject any or all proposals or parts thereof and the lowest priced proposals may not be accepted.

All proposals shall be and remain irrevocable unless withdrawn prior to the designated closing time.

No fees or other payments will be made to the auditors for any cost incurred in the preparation and submission of the proposal or for participation in this RFP process.

The selection of any auditor by the Community Foundation as the preferred auditor shall not constitute a contract between the Community Foundation and the auditor. Any contractual relationship to be established between the parties will be governed by the provision of the engagement letter.

QUESTIONS CONCERNING THE REQUIREMENTS

Questions regarding the RFP should be directed to:

Adam Hicks, Director of Finance & Strategic Operations

adam.hicks@saskfoundation.ca or 306-912-5689

The Foundation reserves the right to make any questions & answers available to all other auditors at its discretion.

The Foundation will respond to requests for clarification as soon as is reasonably possible in writing or orally as deemed appropriate in the circumstances.

EVALUATION PROCEDURE

All proposals will be evaluated for completeness and suitability of the requirements. Auditors will be contacted, if necessary, to clarify any major items in question. Further discussion may be required during the proposal evaluation stage. Based on the analysis of the proposals, a ranking of auditors will be established



RFP for Audit Services

based on the ability to meet the present and future needs of the Foundation. At least three auditors may be invited to an interview between February 18, 2026, to April 30, 2026.

SUPPLEMENTARY INFORMATION PROVIDED

- Previous Audited Financial Statements up to and including December 31, 2024. Historical versions are available at <https://saskfoundation.ca/reports/>.

THE SOUTH SASKATCHEWAN COMMUNITY FOUNDATION INC.

FINANCIAL STATEMENTS
December 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of **The South Saskatchewan Community Foundation Inc.** have been prepared by the Foundation's management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgement and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The board of directors has reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, **Virtus Group LLP**, and their report is presented separately.

DocuSigned by:

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Donna Ziegler
Executive Director

DocuSigned by:

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Adam Hicks, CPA
Director, Finance & Strategic Operations



INDEPENDENT AUDITOR'S REPORT

**To the Directors,
The South Saskatchewan Community Foundation Inc.**

Opinion

We have audited the financial statements of **The South Saskatchewan Community Foundation Inc.**, which comprise the statement of financial position as at December 31, 2024, and the statements of operations and 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 Foundation as at December 31, 2024, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT (continued)

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

- 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 Foundation'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 Foundation'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 Foundation 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.

May 21, 2025
Regina, Saskatchewan

VIRTUS GROUP LLP
Chartered Professional Accountants

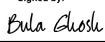
THE SOUTH SASKATCHEWAN COMMUNITY FOUNDATION INC.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

(with comparative figures as at December 31, 2023)

	Assets	
	2024	2023
Current assets		
Cash	\$ 1,600,798	\$ 790,918
Accounts receivable	288,904	7,652,162
Property held for sale	10,420	-
Prepaid expenses	7,240	18,957
Impact investments - current portion (Note 5)	153,000	-
	2,060,362	8,462,037
Tangible capital assets (Note 3)	7,615	10,972
Investments (Note 4)	122,088,897	102,013,992
Impact investments (Note 5)	487,000	-
Intangible assets (Note 6)	2,000,000	2,000,000
	\$ 126,643,874	\$ 112,487,001
	Liabilities	
Current liabilities		
Accounts payable and accrued liabilities	\$ 348,559	\$ 295,175
Charitable assets under administration (Note 7)	106,882	-
Deferred revenue	39,581	37,398
	495,022	332,573
	Net Assets	
Donor funds:		
Endowment fund	91,303,631	87,301,871
Accumulated appreciation - endowment fund	21,986,087	12,895,666
Non-endowment fund	9,312,152	8,956,031
Internal reserves:		
General reserve	2,096,425	1,550,303
Operational reserve	500,000	500,000
Special projects reserve	620,557	620,557
Sustainability reserve	330,000	330,000
	126,148,852	112,154,428
	\$ 126,643,874	\$ 112,487,001
Commitments (Note 10)		

See accompanying notes to the financial statements.

Approved on behalf of the board:

Signed by:


Signed by:


THE SOUTH SASKATCHEWAN COMMUNITY FOUNDATION INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

(with comparative figures for the year ended December 31, 2023)

	General and Internal Reserves	Endowment and Non-Endowment Funds	Total 2024	Total 2023
Revenue				
Contributions (Note 8)	\$ 100,689	\$ 5,553,252	\$ 5,653,941	\$ 12,064,210
Investment income	210,198	6,302,071	6,512,269	1,464,875
Royalty revenue	-	687,095	687,095	944,462
Fund administration	545	-	545	2,874
Shared services (Note 11)	13,149	-	13,149	-
Realized gain on sale of investments	161,322	4,676,036	4,837,358	645,489
Unrealized gain on investments	213,120	6,183,329	6,396,449	7,766,133
	<u>699,023</u>	<u>23,401,783</u>	<u>24,100,806</u>	<u>22,888,043</u>
Expenses				
Distributions	200	7,182,546	7,182,746	5,640,950
Investment management fees	19,767	768,755	788,522	610,758
Life insurance premiums	-	11,237	11,237	11,237
Amortization	6,821	-	6,821	7,160
Mineral royalty taxes	-	5,327	5,327	5,372
Direct fund expenses	-	30,762	30,762	23,542
Administration (Schedule 1)	653,111	1,427,856	2,080,967	1,477,192
	<u>679,899</u>	<u>9,426,483</u>	<u>10,106,382</u>	<u>7,776,211</u>
Increase in net assets	19,124	13,975,300	13,994,424	15,111,832
Net assets - beginning of year	3,000,860	109,153,568	112,154,428	97,042,596
Transfers (Note 8)	526,998	(526,998)	-	-
Net assets - end of year	<u>\$ 3,546,982</u>	<u>\$ 122,601,870</u>	<u>\$ 126,148,852</u>	<u>\$ 112,154,428</u>

See accompanying notes to the financial statements.

THE SOUTH SASKATCHEWAN COMMUNITY FOUNDATION INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(with comparative figures for the year ended December 31, 2023)

	2024	2023
Cash provided by (used in) operating activities:		
Increase in net assets	\$ 13,994,424	\$ 15,111,832
Non-cash items:		
Amortization	6,821	7,160
Unrealized gains on investments	(6,396,449)	(7,766,133)
Change in non-cash operating working capital:		
Accounts receivable	7,363,258	(7,437,091)
Property held for sale	(10,420)	-
Prepaid expenses	11,717	(13,072)
Accounts payable	106,882	134,233
Deferred revenue	2,183	(104,380)
Charitable assets under administration	53,384	-
	<u>15,131,800</u>	<u>(67,451)</u>
Cash provided by (used in) investing activities:		
Purchase of tangible capital assets	(3,721)	-
Proceeds on the disposal of tangible capital assets	257	-
Additions to impact loan receivable	(640,000)	-
Net increase in investments	<u>(13,678,456)</u>	<u>(1,293,356)</u>
	<u>(14,321,920)</u>	<u>(1,293,356)</u>
Increase (decrease) in cash	809,880	(1,360,807)
Cash position - beginning of year	<u>790,918</u>	<u>2,151,725</u>
Cash position - end of year	<u>\$ 1,600,798</u>	<u>\$ 790,918</u>

See accompanying notes to the financial statements.

THE SOUTH SASKATCHEWAN COMMUNITY FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(with comparative figures as at December 31, 2023)

1. Nature of operations

The South Saskatchewan Community Foundation Inc. (the "Foundation") was incorporated on July 15, 1969, and is continued under *The Non-Profit Corporations Act, 2022*, in Saskatchewan. It uses revenue earned from donated funds to provide financial assistance for charitable, educational and cultural purposes. In the course of executing its mandate, the Foundation supports other community organizations. The Foundation is exempt from income taxes as it is a registered charity under the *Income Tax Act*.

2. Summary of significant accounting policies

The Foundation's significant accounting policies are as follows:

(a) Basis of presentation

The Foundation utilizes the restricted fund method of accounting. The Foundation classifies the resources which it holds into the following funds:

Endowment Fund

The Endowment Fund (Legacy Fund) reflects amounts donated or bequeathed to the Foundation where the donor identifies the funds as endowment funds that may have terms of reference that have varying time frames for the capital contributions to be held. In making such donations, donors may suggest that the contributions be used for a specific charitable purpose (referred to as "designated funds"), make specific recommendations regarding the charitable use from time to time (referred to as "donor advised"), make a contribution for the broad charitable purpose of the Foundation (referred to as "undesignated"), or make a contribution where the investment income earned net of administration expenses is used for the administration of the Foundation (referred to as "contributed") and, except in unusual circumstances, it is the practice of the Foundation to follow such suggestions where it is permitted to do so by applicable laws.

Investment income, including realized and unrealized investment gains and losses, and investment management fees are recognized in each endowment fund, in proportion to its percentage of the total investment portfolio. Distributions for each fund are set annually by the board of directors. Other expenses, such as charitable administrative fees, are allocated to each endowment fund at a tiered rate of 1.0% to 1.5% based on the size of the fund. The expenses are calculated on the closing balance at each fiscal quarter end. Administrative fees are used to support the operating activities of the Foundation.

Royalty revenues are recognized in the endowment funds that contributed the underlying mineral right assets.

Non-Endowment Funds

The Non-Endowment Fund (Flow-Through Fund) reflects amounts donated or bequeathed to the Foundation where there is no set length of time that the contribution must be held. The non-endowment fund operates in a similar fashion to the endowment fund, with other expenses charged at 2.0% of the grants. If there is limited or no activity, expenses are charged at the fiscal year end to match the endowment expense structure. Administrative fees are used to support the operating activities of the Foundation.

THE SOUTH SASKATCHEWAN COMMUNITY FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(with comparative figures as at December 31, 2023)

2. Summary of significant accounting policies (continued)

General Reserve

The General Reserve reports resources allocated for the Foundation's general operations and administration.

Operational Reserve

The Operational Reserve was established by the Board in 2019 to ensure the sustainability of the Foundation. Each year, at the Board's discretion, amounts can be transferred to or from the fund.

Sustainability and Special Projects Reserves

The Sustainability and Special Projects Reserves were established by the Board in 2021 to be used by the Foundation for specific projects as identified by the Board.

Charitable Assets Under Administration

The Foundation accepts amounts from other charitable and not-for-profit organizations for the purpose of investment pooling. These amounts are included in the assets of the Foundation, and the fund balances are recorded as liabilities. Investment revenue (loss) is recognized as a direct increase (decrease) in the funds. Disbursements, investment management fees, and the Foundation cost recovery from such funds are recognized as a decrease in charitable assets under administration.

With required notice, as defined by the Foundation's Charitable Assets Under Administration Policy, funds held on behalf of community organizations are payable within one week if under \$100,000 and payable within 30 days if over \$100,000. The Foundation holds sufficient liquid assets to meet all requests for withdrawals.

(b) Financial assets and liabilities

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry instruments at fair value. The Foundation has elected to carry all investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment and the Foundation determines that there is a significant adverse change in the expected amount or timing of future cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset and the amount the Foundation 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.

(c) Investments

Investments are recorded at fair market value. Impact investments are recorded at carrying value.

THE SOUTH SASKATCHEWAN COMMUNITY FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(with comparative figures as at December 31, 2023)

2. Summary of significant accounting policies (continued)

(d) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is provided on the straight line basis over the estimated useful life of the assets at the following annual rates:

Computer hardware	4 years
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(e) Intangible assets

Intangible assets are recorded at the fair market value at the date of contribution. The carrying value is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair market value.

(f) Impact investments

The Foundation makes program-related investments in the form of loans to charitable organizations which are funded from existing donor funds. The purpose of these investments is to have greater charitable impact by utilizing the capital itself, and not just the return on that capital, for charitable purposes.

(g) Revenue recognition

Contributions and donations are recognized on the earlier of when they are received and when the rights of ownership have been transferred to the Foundation.

Bequests are recorded when the assets are received. Royalty revenues are recognized in the period they are received. Shared services revenues are recorded when services have been provided.

Interest on bonds and debentures, term deposits and guaranteed investment certificates are recorded on the accrual basis. Dividends are recorded as income as they are declared. Realized and unrealized gains (losses) on investments are recognized as they occur.

(h) Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of contingent assets and liabilities at the date of the financial statements and the reported assets and liabilities and disclosure of amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3. Tangible capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2024 Net Book Value</u>	<u>2023 Net Book Value</u>
Computer hardware	\$ 32,104	\$ 24,489	\$ 7,615	\$ 10,972

THE SOUTH SASKATCHEWAN COMMUNITY FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(with comparative figures as at December 31, 2023)

4. Investments

The Foundation's objective for investments under its management is to generate a total return that achieves the granting objectives as set each year by the Board, recovers the cost of administering the funds, protects the purchasing power of the capital, and establishes a reserve for future market declines. Approximately 72% of the investment assets are managed by TDAM, 27% by PH&N and the remaining 1% is managed by CIBC. An investment consultant, George & Bell, is utilized to guide the Board's Investment Committee in investment strategies. These investments are managed under the Foundation's Investment Policy as approved by the Board and is regularly monitored and reviewed. An additional investment report is produced by the Foundation and provides additional insight into the investment pool.

	2024	2023
Cash surrender value of life insurance policies	\$ 36,794	\$ 34,719
Preferred shares	37,917	-
Equities:		
Bonds	11,360,590	8,923,260
Canadian equities	11,614,810	9,138,214
Global equities	35,781,450	35,341,420
Infrastructure	38,184,068	32,486,030
Mortgages	14,703,002	7,069,113
Real estate	10,370,266	9,021,236
	<u>\$ 122,088,897</u>	<u>\$ 102,013,992</u>

5. Impact investments

	2024	2023
Promissory note receivable, repayable in monthly payments of \$4,259, including interest at 6%, maturing December 2027.	\$ 140,000	\$ -
Loan receivable, repayable in monthly payments of \$11,067, including interest at 3% per annum, maturing January 2029.	500,000	-
	640,000	-
Less current portion	(153,000)	-
Long term portion	<u>\$ 487,000</u>	<u>\$ -</u>

6. Intangible assets

Intangible assets consist of mineral rights on various properties in Saskatchewan. These assets were recognized at their fair market value at the time the rights were received, totaling \$3,091,050. In 2019, an external valuation was prepared and an impairment loss of \$1,091,050 was recognized, resulting in a final net book value of \$2,000,000. No additional impairment or reversal of impairments have been recognized in the year (2023 - \$nil).

THE SOUTH SASKATCHEWAN COMMUNITY FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(with comparative figures as at December 31, 2023)

7. Charitable assets under administration

Activity during the year in charitable assets under administration funds was as follows:

	2024	2023
Balance - beginning of year	\$ -	\$ -
Funds received in trust	100,000	-
Income allocated	7,657	-
Investment management fee expense	(305)	-
Administration expense (cost recovery by the Foundation)	(470)	-
Balance - end of year	\$ 106,882	\$ -

8. Transfers between funds

Contribution revenue in the endowment fund does not include transfers among the endowed and non-endowed funds, as the original contribution has already been recognized as revenue. Transfers among funds net to zero, as they are a contribution to one fund and a distribution from another fund. The transfers between operating and the endowment funds were \$134,110 (2023 - \$174,008) during the year.

During the year \$nil (2023 - \$231,110) was transferred from the special projects reserve to the general reserve and \$526,988 (2023 - \$40,058) was transferred from endowed funds to the general reserve.

9. Restricted funds - endowment incentives component

The Foundation complied with its contractual obligations pursuant to the grants it has received under the Endowment Incentives component of the Canadian Cultural Investment Fund of the Department of Canadian Heritage, whereby it is required to maintain, in perpetuity, in the capital of the endowment fund, the amount of the grants received plus the equivalent amount received from the private sector. Since the program inception in 2001, the Foundation first participated in 2008 and up to December 31, 2024, \$220,211 has been received in endowment incentives grants, and is therefore required to maintain the equivalent sum received from the private sector, representing \$1,109,494. A total of \$1,320,634 will be held in perpetuity in the Foundation's restricted assets. This amount is for the benefit of three associated not-for-profit professional arts organizations who are recipients of the income generated from the Foundation's investment.

THE SOUTH SASKATCHEWAN COMMUNITY FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(with comparative figures as at December 31, 2023)

10. Commitments

The Foundation is committed under a lease for office space for the next two years as follows:

2025	\$	66,000
2026		33,000

11. Shared services

The Foundation has offered booking keeping and administration services to other community foundations as a fee for service based on cost recovery. This program is managed internally and has five clients.

12. Financial risk management

Exposure to credit risk, liquidity risk, interest rate risk and market risk arises in the normal course of the Foundation's operations.

The Foundation adheres to an investment policy, which is approved by the Board of Directors, which outlines the objectives, policies and processes related to its investing activities. The policy prescribes limits around the quality and concentration of investments held by the Foundation. The Board of Directors has overall responsibility for the establishment and oversight of the Foundation's risk management framework.

Credit risk

The Foundation's principal financial assets are cash, accounts receivable, impact investments receivable and investments. The carrying amounts of financial assets on the statement of financial position represent the Foundation's maximum credit exposure at the statement of financial position date. The credit risk on these financial assets is managed through the investment policy, which outlines the quality of investments that may be purchased. The Foundation has recognized \$nil (2023 - \$nil) as an allowance for doubtful accounts.

Liquidity risk

The Foundation is exposed to liquidity risk as it must ensure that there are sufficient resources available to provide distributions in accordance with donor agreements. Liquidity risk is managed through the investment policy, which requires a specific portion of the portfolio be held in liquid investments.

Interest rate risk

The Foundation is exposed to interest rate risk arising from fluctuation in interest rates on amounts invested in interest bearing accounts and investments. Cash, when received, is deposited into an interest bearing account. Investments consist of bonds, debentures, mortgages and real estate funds which the Foundation is exposed to changes in interest rates. Interest rate risk is managed through the investment policy.

Market risk

The Foundation is exposed to market risk on its equity funds, common and preferred share investments due to changing market conditions. The Foundation manages this risk by establishing and monitoring asset allocation strategies and diversifying its investments.

THE SOUTH SASKATCHEWAN COMMUNITY FOUNDATION INC.
SCHEDULE OF ADMINISTRATION EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(with comparative figures as at December 31, 2023)

Schedule 1

	2024	2023
Advertising	\$ 21,781	\$ 29,693
Bank charges	7,961	5,104
Communications	3,777	21,825
Conferences, board meetings and professional development	35,765	29,013
Contracted services - web and computer equipment	100,343	79,371
Insurance	20,232	20,372
Memberships	34,565	35,803
Office rent	80,708	64,153
Office	11,198	13,499
Professional services	60,795	97,920
Salaries and benefits	990,104	931,484
Special project expenses	603,720	91,823
Stewardship and development	76,032	26,328
Telephone and internet	12,935	13,281
Travel	21,051	17,523
	<u>2,080,967</u>	<u>1,477,192</u>
Less administration levy allocated to funds	(1,427,856)	(1,080,288)
Total administration expenses allocated to the general fund	<u>\$ 653,111</u>	<u>\$ 396,904</u>

See accompanying notes to the financial statements.