

Community Foundation of Portage and District Inc.
Financial Statements
December 31, 2020

Management's Responsibility

To the Board of Community Foundation of Portage and District Inc.:

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

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

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Foundation. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, and external auditors. The Board is also responsible for recommending the appointment of the Foundation's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

May 18, 2021

Chair

Treasurer

Independent Auditor's Report

To the Board of Community Foundation of Portage and District Inc.:

Opinion

We have audited the financial statements of Community Foundation of Portage and District Inc. (the "Foundation"), which comprise the statement of financial position of the Endowment Fund and Operating Fund as at December 31, 2020, and the statements of operations of the Endowment Fund and Operating Fund, 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, 2020, and the results of its operations and its 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 Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Portage la Prairie, Manitoba

May 18, 2021

MNP LLP

Chartered Professional Accountants

Community Foundation of Portage and District, Inc.
Statement of Financial Position - Endowment Fund

As at December 31, 2020

	2020	2019
Assets		
Current		
Cash and cash equivalents <i>(Note 3)</i>	588,300	736,258
Accounts receivable	83,655	79,500
	671,955	815,758
Trust funds on deposit <i>(Note 4)</i>	104,657	118,766
Investments <i>(Note 5)</i>	11,010,498	9,828,067
	11,115,155	9,946,833
	11,787,110	10,762,591
Liabilities		
Current		
Due to Operating Fund	1,799,369	1,424,395
Net Assets		
Restricted for endowment purposes <i>(Note 6)</i>	9,883,084	9,219,430
Trust funds	104,657	118,766
	9,987,741	9,338,196
	11,787,110	10,762,591

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

Community Foundation of Portage and District, Inc.
Statement of Financial Position - Operating Fund

As at December 31, 2020

	2020	2019
Assets		
Current		
Cash and cash equivalents <i>(Note 3)</i>	26,902	31,170
Accounts receivable	447	-
Goods and Services Tax receivable	1,469	1,035
Interest receivable	26,406	8,991
Dividends receivable	18,897	-
Government subsidy receivable	4,574	-
Prepaid expenses	618	618
Due from Endowment Fund	1,799,369	1,424,395
	1,878,682	1,466,209
Capital assets <i>(Note 8)</i>	28,663	28,252
	1,907,345	1,494,461
Liabilities		
Current		
Accounts payable and accruals	56,838	8,375
Government remittances payable	4,144	1,242
	60,982	9,617
Net Assets		
Unrestricted	1,771,902	1,408,086
Externally restricted <i>(Note 7)</i>	45,798	48,506
Invested in capital assets	28,663	28,252
	1,846,363	1,484,844
	1,907,345	1,494,461

Approved on behalf of the Board

 Director

 Director

The accompanying notes are an integral part of these financial statements

Community Foundation of Portage and District, Inc.
Statement of Operations - Endowment Fund

For the year ended December 31, 2020

	2020	2019
Revenues		
Donations		
Designated		
Field of interest		
Bob & Gail Patterson Family Fund	500	4,500
Cameron & Sandra Brands Fund	5,000	5,000
Children In Need	-	1,100
Doug Jones Fund for Literacy	1,000	500
Duncan Family Fund	610	5,476
Luis Luna Fund for Multiculturalism	(1,398)	-
Portage Arts & Culture Fund	-	90
Prosvita Men's Club Fund	19,167	-
Sports & Recreation Fund	50	50
Administrative Endowment		
Bjorn & Roberta Christianson	2,500	7,500
Doug and Paulette Connery Fund	500	1,000
Lou & Debbie Antonissen Fund	2,000	2,500
Stan and Marie Antonissen Fund	-	5,000
Agency Funds		
Herman Prior Centre Fund	50	10,000
Portage la Prairie School Division	200	200
Portage Library / Eva Shewchuk	11,445	11,568
Awards		
Alix Lorraine Barrett Bursary Fund	500	400
Arlan Asham Award Fund	43	120
Barbara Alice Beck Scholarship	2,500	-
Bill & Cathy Skyhar Bursary	2,000	2,000
Chuck Young Scholarship Fund	-	5,000
Dr. Donald Rae Scholarship	300	150
Ernie & Jocelyn Durand Bursary Fund	500	705
G & W Ryder Trades Bursary Fund	-	1,329
Gage Foster Scholarship Fund	9,361	12,768
Hazen Barrett Fund	-	1,050
John Rennie Memorial Fund	-	100
Krista Tully Bursary Fund	105	100
Portage & Rural MS Bursary	5,911	-
W Linden Bursary	-	1,000
Donor Advised Funds		
Camp Jubilee	239,826	-
Make a Difference Fund	25,000	50,000
Portage & District Wildlife Fund	200	-
Yuill Family Fund	50,000	500

(continued on next page)

The accompanying notes are an integral part of these financial statements

Community Foundation of Portage and District, Inc.
Statement of Operations - Endowment Fund

For the year ended December 31, 2020

	2020	2019
Revenues <i>(continued from previous page)</i>		
Other Designated Funds		
Burnside Cemetery Fund	66,885	13,520
Don & Irene Taylor Family Fund	-	10,000
Fort la Reine Heritage Trust	3,955	79,500
Jeff & Lynn Bereza Family Fund	2,286	2,640
John & Maureen Mitchell Family Fund	15,100	10,150
Kathleen Bjarnason Fund	1,000	1,000
Oakville Cemetery Fund	11,160	2,100
Oakville Community Fund	3,150	3,100
Prospect Cemetery Fund	1,000	1,200
Rotary Club of Portage Bursary	5,000	5,000
Total Designated Funds	487,406	257,916
Undesignated		
Adrain Fund	2,768	2,485
Arnold & Wendy Blight Fund	5,200	5,100
Allan Panko Family Fund	5,000	-
Brennan Family Fund	1,875	2,500
Brian & Susan Gilbert Family Fund	20,000	-
Dale & Rod Brownlee Fund	4,000	4,000
Dave & Wendy McConnell Fund	-	20,000
D & S Falk Family Fund	5,000	3,250
Don & Irene Taylor Family Fund	-	30,000
Doreen Buchanan Fund	-	78,626
Elmer & Joyce Rutter	80	180
Floyd & Verna Blight Fund IMO	-	200
Gemmell Family Fund IMO Keenan	2,500	2,550
Gilbert Vust Fund	29,663	-
H & B Carmichael Family Fund	650	780
H & G Vust Memorial Fund	60	50
Ian MacKenzie Memorial Fund	10,000	-
J & K Chapman Family Fund	1,000	2,000
Jeff & Mandy Dubois Family Fund	5,000	5,000
Joyce Dalmyn & Joe Masi Fund	1,000	1,100
Kitson & Rohmier Fund	670	500
Michelle Duprey IMO Jeanne	(325)	-
MIG Community Fund	-	5,000
Newton Enterprises Fund	5,000	3,000
Odd Fellows & Rebekahs	-	525
Portage Agri-Sales Ltd. Fund	10,000	-
Portage Mutual Insurance Fund	5,000	5,000
Robert & Joan McCallister Fund	1,000	25
Roger John Barrett Family Fund	500	400
Simplot Canada Fund	7,500	5,000
Smart & Caring Community Fund	32,957	39,433
Southport Fund	-	10,000

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The accompanying notes are an integral part of these financial statements

Community Foundation of Portage and District, Inc.
Statement of Operations - Endowment Fund

For the year ended December 31, 2020

	2020	2019
Revenues <i>(continued from previous page)</i>		
Stride Credit Union (Portage)	5,000	5,500
Val Garlick Fund	50	-
Wilmac Portland Family Fund	100	5,000
Women Who Care Fund	15,000	15,005
	176,248	252,209
	663,654	510,125
Expenses		
	-	-
Excess of revenues over expenses	663,654	510,125

The accompanying notes are an integral part of these financial statements

Community Foundation of Portage and District, Inc.
Statement of Operations - Operating Fund

For the year ended December 31, 2020

	2020	2019
Revenues		
Investment income	251,844	284,179
Gain on sale of investments	733,523	392,172
Government programs	23,367	-
Grants	69,931	2,000
Other income	1,469	8,715
	1,080,134	687,066
Less: Grant making	338,802	502,980
	741,332	184,086
Expenses		
Advertising and promotion	8,913	12,595
Amortization	5,330	4,756
Insurance	2,116	2,052
Meetings	822	1,117
Memberships	3,059	3,207
Miscellaneous	65	633
Office supplies	2,160	2,950
Postage and courier	736	1,040
Professional development	108	1,638
Professional fees	8,246	8,237
Rent and utilities	8,579	12,587
Repairs and maintenance	3,782	1,973
Telephone	1,152	1,672
Wages	68,117	59,795
	113,185	114,252
Excess of revenue over expenses before other items	628,147	69,834
Other Items		
Foreign exchange loss	(123,654)	-
Investment counsel fees	(53,544)	(35,848)
Unrealized gain (loss) on portfolio investments	(86,722)	611,975
	(263,920)	576,127
Excess of revenues over expenses	364,227	645,961

The accompanying notes are an integral part of these financial statements

Community Foundation of Portage and District Inc.
Statement of Changes in Net Assets

For the year ended December 31, 2020

	<i>Restricted For Endowment Purposes</i>	<i>Endowment Fund Trust Funds</i>	<i>Operating Fund Internally Restricted</i>	<i>Operating Fund Externally Restricted</i>	<i>Operating Fund Unrestricted</i>	<i>Operating Fund Invested in Capital assets</i>	2020	2019
Balance, beginning of year	9,219,430	118,766	-	48,506	1,408,086	28,252	10,823,040	9,662,063
Deposit of managed funds								
- Operating	-	-	-	-	-	-	-	-
Transfer of internally restricted funds								
- Operating	-	-	-	-	-	-	-	-
Investment in capital assets								
- Operating	-	-	-	-	(5,741)	5,741	-	-
Disbursements of managed funds								
- Operating	-	-	-	(2,708)	-	-	(2,708)	-
Excess of revenues over expenses	663,654	(14,109)	-	-	369,557	(5,330)	1,013,772	1,160,976
Balance, end of year	9,883,084	104,657	-	45,798	1,771,902	28,663	11,834,104	10,823,039

The accompanying notes are an integral part of these financial statements

Community Foundation of Portage and District, Inc.

Statement of Cash Flows

For the year ended December 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Excess of revenues over expenses	1,027,881	1,156,086
Amortization	5,330	4,756
	1,033,211	1,160,842
Changes in working capital accounts		
Accounts receivable	(4,602)	(74,500)
Goods and Service Tax receivable	(434)	(25)
Interest receivable	(17,415)	1,471
Dividends receivable	(18,897)	-
Government subsidy receivable	(4,574)	-
Prepaid expenses	-	(618)
Accounts payable and accruals	48,462	(2,082)
Government remittances payable	2,902	144
	5,442	(75,610)
Investing activities		
Increase in investments	(1,182,431)	(1,090,646)
Decrease in externally restricted fund	(2,708)	-
Purchase of capital assets	(5,740)	-
	(1,190,879)	(1,090,646)
Decrease in cash resources	(152,226)	(5,414)
Cash and cash equivalents, beginning of year	767,428	772,842
Cash and cash equivalents, end of year	615,202	767,428
Cash and cash equivalents are comprised of:		
Cash and cash equivalents - Endowment Fund	588,300	736,258
Cash and cash equivalents - Operating Fund	26,902	31,170
	615,202	767,428

Community Foundation of Portage and District, Inc.

Notes to the Financial Statements

For the year ended December 31, 2020

1. Purpose of the organization

The Community Foundation of Portage and District Inc. (the "Foundation") is a local organization whose mandate is to provide financial support to other charitable causes in Portage la Prairie and the surrounding district. The Foundation is incorporated under the laws of Manitoba and is a not-for-profit community foundation. The Foundation is a registered charity under the Income Tax Act.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions and reports using fund accounting maintaining two funds:

The Endowment Fund reports only the restricted resources that are to be used for Endowment Fund purposes. Investment income earned on resources of the Endowment Fund is reported in the Operating Fund.

The Operating Fund accounts for the Foundation's program delivery and administrative activities. This fund reports unrestricted resources, internally and externally restricted operating funds and invested in capital assets.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which for leasehold improvements is ten years, computers is five years, and office furniture is five years. Amortization expense is recorded in the Operating Fund.

Investments

Long-term investments are portfolio investments recorded at fair value for those with prices quoted in an active market and cost less impairment for those that are not quoted in an active market. They have been classified as long-term assets in concurrence with the nature of investment.

Financial Instruments

The Foundation recognizes its financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Foundation may irrevocably elect to subsequently measure any financial instrument at fair value.

The Foundation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that is linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Foundation's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenue over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

Community Foundation of Portage and District, Inc.

Notes to the Financial Statements

For the year ended December 31, 2020

2. Significant accounting policies (Continued from previous page)

The carrying values of financial assets measured at amortized cost or fair value are as follows:

	CAD\$ 2020	CAD\$ 2019
Financial assets measured at fair value:		
Cash	589,865	186,323
Money Market funds	25,337	581,105
Equities	7,844,932	5,537,313
Corporate bonds	2,833,455	3,905,149
Financial assets measured at amortized cost:		
Municipal debentures	332,111	385,605
Accounts receivable	84,102	79,500
Interest receivable	26,406	8,990
Dividends receivable	18,897	-
Government subsidy receivable	4,574	-
Trust funds on deposit	104,657	118,766

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred.

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

Contributions for endowment are recognized as revenue in the Endowment Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue when earned.

Measurement uncertainty

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Amortization is based on the estimated useful lives of equipment. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenue over expenses in the periods in which they become known.

Contributed services

Volunteers contribute a significant amount of time per year to assist the Organization in carrying out its activities. Contributed services are not recognized in the financial statements because of the difficulty of determining their fair value.

Community Foundation of Portage and District, Inc.
Notes to the Financial Statements
For the year ended December 31, 2020

3. Cash and cash equivalents

Cash and cash equivalents are comprised of the following:

	2020	2019
Endowment Fund		
Cash	562,963	155,153
Credential cash holdings	25,337	-
Scotia Money Market Fund	-	581,105
	588,300	736,258
Operating Fund		
Cash	26,902	31,170
	615,202	767,428

4. Trust funds on deposit

Trust funds held on deposit will be designated to the Foundation at the time of the death of the individuals.

The Foundation is a beneficiary of the Estate of James Francis Taylor. As a beneficiary of the Estate, the Foundation received a one-third interest in a charitable remainder trust. As at year-end, the amortized cost of the Foundation's one-third interest has been calculated to be \$104,657. This represents the amortized cost of the parcels of land presently owned by the trust and will be sold upon the passing of the last surviving sibling of the late James Francis Taylor, therefore collapsing the charitable remainder trust. Upon collapse of the charitable remainder trust, the Foundation will receive one third of the proceeds from the sale of the parcel(s) of land.

	2020	2019
Trust funds on deposit:		
Prosvita Men's Club Trust Fund	-	19,282
Estate of James Francis Taylor – charitable remainder trust	104,657	99,484
	104,657	118,766

During the year, interest income earned amounted to \$164 (2019 - \$62), service charges amounted to \$15 and the increased amortized costs on the remaining charitable trust amounted to \$5,173 (2019 - \$4,917).

5. Investments

	2020	2019
Measured at Fair Value:		
Equities	7,844,932	5,537,313
Corporate Bonds bearing interest at 1.90% - 3.39% (prior year 2.52% - 3.78%) maturing between 2021 – 2048 (prior year 2020 – 2048)	2,833,455	3,905,149
	10,678,387	9,442,462

Community Foundation of Portage and District, Inc.
Notes to the Financial Statements
For the year ended December 31, 2020

5. Investments *(Continued from previous page)*

	2020	2019
Measured at Amortized Cost:		
R.M. of Portage la Prairie debentures bearing interest at 5.625% - 6.125% (prior year 5.625% - 6.125%) maturing between 2025 - 2029 (prior year 2025 – 2029)	210,726	236,635
City of Portage la Prairie debentures bearing interest at 5.25% - 5.50% (prior year 5.25% - 5.50%) maturing between 2021 – 2025 (prior year 2021 – 2025)	121,385	148,970
	332,111	385,605
	11,010,498	9,828,067

6. Net assets – restricted for endowment purposes

Endowment funds can be designated for specific purposes which are called “designated funds” and the rest are classed as “undesignated funds” where the Board of Directors decides where the earnings can be used most effectively.

	2020	2019
Designated		
Balance, beginning of year	3,424,231	3,166,315
Current year contributions	487,406	257,916
Balance, end of year	3,911,637	3,424,231
Undesignated		
Balance, beginning of year	5,795,199	5,542,990
Current year contributions	176,248	252,209
Balance, end of year	5,971,447	5,795,199
Total designated and undesignated	9,883,084	9,219,430

7. Net assets – externally restricted

The 2015 National Junior A Hockey Championship Legacy Scholarship Fund is managed by the Foundation in accordance with the Flow-Through Fund Bursary Agreement between the Foundation and the 2015 National Junior A Hockey Championship Portage Inc.

	2020	2019
Balance, beginning of year	48,506	48,506
Current year contributions	-	-
Current year grant distributions	(2,708)	-
Balance, end of year	45,798	48,506

Community Foundation of Portage and District, Inc.

Notes to the Financial Statements

For the year ended December 31, 2020

8. Capital Assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2020 Net book value</i>	<i>2019 Net book value</i>
Leasehold improvements	31,799	11,130	20,669	23,850
Office furniture	4,636	2,781	1,855	2,781
Computer	8,983	2,844	6,139	1,621
	<u>45,418</u>	<u>16,755</u>	<u>28,663</u>	<u>28,251</u>

9. Financial instruments

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Foundation is exposed to interest rate risk primarily relating to investments.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation enters into investment transactions denominated in U.S. currency for which the related revenues, capital gains and losses and equity balances are subject to exchange rate fluctuations.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation enters into transactions to purchase shares or equities, for which the market price fluctuates.

10. Commitments

The Foundation occupies leased premises subject to minimum monthly rent of \$700 until August 2022. The Foundation also leases office equipment which is subject to monthly payments of \$54 until October 2025.

Estimated minimum annual payments in the next five years are as follows:

2021	9,048
2022	6,248
2023	648
2024	648
2025	540
	<u>17,132</u>

Community Foundation of Portage and District, Inc.

Notes to the Financial Statements

For the year ended December 31, 2020

11. Significant event

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses and not-for-profit entities through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Foundation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.