

The Yellowknife Community Foundation

Financial Statements

December 31, 2019



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Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When necessary, the statements include amounts that are based on informed judgments and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Foundation's management recognizes its responsibility for conducting the Foundation's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to charitable foundations.

The auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.

Yellowknife Community Foundation

Rosella Stoesz, Executive Director

Yellowknife, Northwest Territories

December 02, 2020



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Independent Auditors' Report

To the Members of The Yellowknife Community Foundation

Opinion

We have audited the financial statements of The Yellowknife Community Foundation, which comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in fund balances, 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, 2019, and its results of 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 Auditors' 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 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 account 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 Auditors' Report (continued)

Auditors' 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 auditors' report that included 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 non-consolidated 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 auditors' 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 auditors' 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 non-consolidated 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.

Crowe MacKay LLP

Yellowknife, Canada
December 02, 2020

Chartered Professional Accountants

The Yellowknife Community Foundation

Statement of Operations

For the year ended	ADMINISTRATION FUND		COMMUNITY FUND		EXTERNALLY RESTRICTED FUNDS		TOTAL	
December 31,	2019	2018	2019	2018	2019	2018	2019	2018
REVENUE								
Investment revenue:								
Dividends	\$ 5,722	\$ 6,488	\$ 26,310	\$ 27,805	\$ 28,628	\$ 27,991	\$ 60,660	\$ 62,284
Interest income	4,965	5,416	22,827	23,211	24,838	23,366	52,630	51,993
Realized gain on securities	-	6,084	-	26,075	-	26,250	-	58,409
Unrealized gain (loss) on securities	30,332	(28,454)	139,479	(121,959)	151,767	(122,776)	321,578	(273,189)
Administration fees	95,560	94,226	-	-	-	-	95,560	94,226
Donations	12,883	16,685	-	-	-	-	12,883	16,685
Donated services	13,569	21,085	-	-	-	-	13,569	21,085
Gala fundraiser	128,155	107,876	-	-	-	-	128,155	107,876
	\$ 291,186	\$ 229,406	\$ 188,616	\$ (44,868)	\$ 205,233	\$ (45,169)	\$ 685,035	\$ 139,369

See accompanying notes

The Yellowknife Community Foundation

Statement of Operations (continued)

For the year ended	ADMINISTRATION FUND		COMMUNITY FUND		EXTERNALLY RESTRICTED FUNDS		TOTAL	
December 31,	2019	2018	2019	2018	2019	2018	2019	2018
EXPENSES								
Administration:								
Gala fundraiser	\$ 70,302	\$ 65,916	\$ -	\$ -	\$ -	\$ -	\$ 70,302	\$ 65,916
Wages and benefits	63,573	63,124	-	-	-	-	63,573	63,124
Office and administration	28,076	24,565	-	-	-	-	28,076	24,565
Professional fees	16,212	25,079	-	-	-	-	16,212	25,079
Advertising and promotion	13,231	15,169	-	-	-	-	13,231	15,169
Administration fees	9,012	11,370	41,448	41,285	45,100	41,571	95,560	94,226
Directors liability insurance	3,466	1,719	-	-	-	-	3,466	1,719
Travel and accommodation	2,657	2,494	-	-	-	-	2,657	2,494
Telephone	1,521	2,483	-	-	-	-	1,521	2,483
Grants and scholarships	-	148,814	111,391	2,500	70,632	61,636	182,023	212,950
	208,050	360,733	152,839	43,785	115,732	103,207	476,621	507,725
Excess (deficiency) of revenue over expenses before fund contributions received	\$ 83,136	\$ (131,327)	\$ 35,777	\$ (88,653)	\$ 89,501	\$ (148,376)	\$ 208,414	\$ (368,356)
Fund contributions received (Note 6)	250	300	52,989	14,785	332,389	77,889	385,628	92,974
Excess (deficiency) of revenue over expenses	\$ 83,386	\$ (131,027)	\$ 88,766	\$ (73,868)	\$ 421,890	\$ (70,487)	\$ 594,042	\$ (275,382)

See accompanying notes

The Yellowknife Community Foundation

Statement of Changes in Fund Balances

For the year ended December 31,

	Administration Fund	Community Fund	Externally Restricted Funds	2019	2018
Fund balances, beginning of year	\$ 434,552	\$ 2,028,005	\$ 2,044,010	\$ 4,506,567	\$ 4,781,949
Transfer of NWT Environmental Stewardship Fund (Note 6)	(156)	-	156	-	-
Fund balances, adjusted for transfer	434,396	2,028,005	2,044,166	4,506,567	4,781,949
Excess (deficiency) of revenues over expenses	83,386	88,766	421,890	594,042	(275,382)
Fund balances, end of year	\$ 517,782	\$ 2,116,771	\$ 2,466,056	\$ 5,100,609	\$ 4,506,567

See accompanying notes

The Yellowknife Community Foundation

Statement of Financial Position

As at December 31,				2019	2018
	Administration Fund	Community Fund	Externally Restricted Funds		
Assets					
Current					
Cash and cash equivalents	\$ 363,821	\$ -	\$ -	\$ 363,821	\$ 193,100
Short term securities (Note 3)	193,037	1,135,028	1,322,319	2,650,384	2,222,851
Prepaid expenses	7,545	-	-	7,545	10,729
	564,403	1,135,028	1,322,319	3,021,750	2,426,680
Securities (Note 3)	-	981,743	1,143,737	2,125,480	2,118,989
	\$ 564,403	\$ 2,116,771	\$ 2,466,056	\$ 5,147,230	\$ 4,545,669
Liabilities					
Current					
Accounts payable and accrued liabilities (Note 4)	\$ 28,071	\$ -	\$ -	\$ 28,071	\$ 19,302
Deferred revenue (Note 5)	18,550	-	-	18,550	19,800
	46,621	-	-	46,621	39,102
Fund Balances					
Externally restricted	-	-	2,466,056	2,466,056	2,044,010
Unrestricted	517,782	2,116,771	-	2,634,553	2,462,557
	517,782	2,116,771	2,466,056	5,100,609	4,506,567
	\$ 564,403	\$ 2,116,771	\$ 2,466,056	\$ 5,147,230	\$ 4,545,669

Approved on behalf of the Board

Director

Director

See accompanying notes

The Yellowknife Community Foundation

Statement of Cash Flows

For the year ended December 31,	2019	2018
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 594,042	\$ (275,382)
Items not affecting cash		
Unrealized loss (gain)	(321,958)	271,801
Realized gains on sale of securities	-	(58,409)
Change in non-cash operating working capital		
Prepaid expenses	3,184	(3,158)
Accrued interest on securities	379	1,388
Accounts payable and accrued liabilities	8,769	(11,603)
Deferred revenue	(1,250)	(10,450)
	283,166	(85,813)
Investing activities		
Dividends reinvested	(21,656)	(24,746)
Purchase of securities	(799,988)	(811,150)
Proceeds from sale of securities	709,199	896,457
	(112,445)	60,561
Increase (decrease) in cash and cash equivalents	170,721	(25,252)
Cash and cash equivalents, beginning of year	193,100	218,352
Cash and cash equivalents, end of year	\$ 363,821	\$ 193,100

The Yellowknife Community Foundation

Notes to Financial Statements

December 31, 2019

1. Nature of Foundation

The Yellowknife Community Foundation ("the Foundation") is a not-for-profit organization incorporated on June 1, 1993 under Part II of the *Canada Corporations Act*. The Foundation is a pooling of charitable gifts in capital funds, these funds and the earnings from which are used to meet a wide range of local needs and interests - the arts and other cultural activities, scholarships, medical and scientific research, environmental concerns and social problems. In some circumstances, the earnings and contributed funds may be allocated to a charitable cause or organization as directed by the donor. The Foundation is a registered charity and is classified as a public foundation for purposes of the *Income Tax Act*.

2. Significant Accounting Policies

Basis of accounting

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Cash and cash equivalents

Cash and cash equivalents include bank balances, bank deposits, and other highly liquid interest bearing instruments.

(b) Financial instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value expensed.

Financial assets subsequently measured at amortized cost include cash and cash equivalents.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

Financial assets subsequently measured at fair value include all securities.

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset is recognized in operations.

The Yellowknife Community Foundation

Notes to Financial Statements

December 31, 2019

2. Significant Accounting Policies (continued)

(c) Fund accounting

The Foundation follows the restricted fund method of accounting. Under this method operations are separated between unrestricted and restricted activities with a set of self-balancing accounts for each fund. The Foundation uses the following funds:

The Administration Fund reports investment revenues from and expenses of unrestricted contributions, donations and fundraising activities and unrestricted contributions to be used for general operations, together with related assets and liabilities.

The Community Fund reports investment revenues from and expenses of internally restricted contributions by the Board of Directors for the purposes of setting up scholarships and grants as set out in Note 6, together with related assets and liabilities.

The Externally Restricted Funds report investment revenues from and expenses of externally restricted contributions by the donors for the purposes of setting up scholarships and grants as set out in Note 6, together with related assets and liabilities.

(d) Revenue recognition

Contributions and other revenues are recognized in the fund corresponding to the purpose for which they were contributed or raised. Restricted contributions and other revenues contributed to or raised for the administration fund are deferred and recognized in the year in which the related expenses are incurred.

Investment income includes dividends and interest income recorded on the accrual basis, as well as realized investment gains and losses and unrealized gains and losses on financial instruments subsequently measured at fair value. Investment income is included in the statement of operations in the fund in which the related financial instrument is recorded. Investment income is allocated to the individual funds based on a percentage of the total fund balance.

Revenues from and expenses of fundraising activities are recognized in operations at the conclusion of the fundraising event. Amounts received and expended prior to conclusion of the event are deferred and taken into operations upon completion of the event.

An administration fee of 2% is earned from the Foundation funds and is based on the funds opening balance net of half of the donations and disbursements in the prior year. This fee is placed in the administration fund to cover administration costs.

(e) Donated services

The Foundation received materials and services at no cost from various businesses and individuals. Commencing in 1997, donations of these items are recorded in the accounts, where the value can be reasonably determined. If the fair market value is not easily determined, then the transactions are not recorded.

The Yellowknife Community Foundation

Notes to Financial Statements

December 31, 2019

2. Significant Accounting Policies (continued)

(f) 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 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. Actual results could differ from those estimates.

(g) Recognition of grants and scholarship expenses

The foundation receives applications for grants and scholarships for the various funds. These applications have been approved by the board and eligibility criteria are met for each grant and scholarship that is awarded.

The Yellowknife Community Foundation

Notes to Financial Statements

December 31, 2019

3. Securities

	2019 Fair Value	2019 Cost
RBC Dominion Securities		
Bonds	\$ 414,880	\$ 375,220
Guaranteed Investment Certificates (GICs)	2,282,956	2,256,911
Investment Savings Account (cash)	72,127	72,127
iShares S&P/TSX 60 Index Fund	1,419,781	1,180,139
RBC Canadian Equity Fund	586,118	567,124
	4,775,862	4,451,521
Less short term securities	(2,650,384)	(2,386,301)
	\$ 2,125,478	\$ 2,065,220
	2018 Fair Value	2018 Cost
RBC Dominion Securities		
Bonds	\$ 388,567	\$ 375,220
Guaranteed Investment Certificates (GICs)	2,168,534	2,142,109
Investment savings account (cash)	94,428	94,428
iShares S&P/TSX 60 Index Fund	1,200,926	1,156,012
RBC Canadian Equity Fund	489,385	547,180
	4,341,840	4,314,949
Less short term securities	(2,222,851)	(2,231,817)
	\$ 2,118,989	\$ 2,083,132

RBC Dominion Securities investment portfolio are carried at fair market value together with accrued interest earned. The unrealized gains (losses) for the year ended December 31, 2019 are \$321,578 (2018 - \$(273,189)). The unrealized gains and losses were calculated based on the fair market value at December 31, 2018 less the cost on the date of acquisition if the date is within the period, or less the fair market value at December 31, 2019 if the acquisition was in a previous period.

The following table presents the remaining terms to maturity at fair value, along with the average effective yields for each maturity for security investments exposed to interest rate risk as at December 31, 2019.

	Within 1 year	1 - 5 years	5 - 10 years	2019	2018
Bonds and GICs	\$ 572,357	\$ 1,945,933	\$ 179,547	\$ 2,697,837	\$ 2,667,681
Effective yields	2.17%	2.40%	3.35%	2.42%	2.42%

The Yellowknife Community Foundation

Notes to Financial Statements

December 31, 2019

4. Accounts payable and accrued liabilities

	2019	2018
Government remittances payable	\$ 1,186	\$ 2,216
Trade payables and accruals	24,318	14,517
Accrued wages	2,567	2,567
	\$ 28,071	\$ 19,300

5. Deferred revenue

	2019	2018
2019 Gala revenue received in 2018	\$ -	\$ 19,800
2020 Gala revenue received in 2019	18,550	-
	\$ 18,550	\$ 19,800

6. Fund Balances

The Board of Directors of the Foundation have established the following funds:

Administration Fund - Fund established to accumulate contributions from donors who have not restricted the use of these funds or the income earned from these funds, and have indicated the funds may be used for Foundation administrative purposes. The fund is also increased or decreased by annual Foundation operational surpluses or deficits. The Foundation has also not restricted the use of these accumulated funds or income earned from these funds.

Community Fund - Fund established to accumulate contributions from donors who have not restricted the use of these funds or the income earned from these funds. The Foundation has restricted these funds for Capital Projects in the community of Yellowknife and surrounding area.

The Hurd Bequest fund was consolidated into the Community fund as both funds are internally restricted for the same purpose.

Externally Restricted Funds - The restricted fund comprises of funds that are to be used for specific purposes as specified by the donor or project fund.

The Yellowknife Community Foundation

Notes to Financial Statements

December 31, 2019

6. Fund Balances (continued)

	Opening Balance	Curent Fund Contributions Received	Disbursements	Admin Fee	Current Excess (Deficiency) of revenue over expenses before fund contributions received, disbursements, and admin fees	Transfer	Closing Balance
Administration Fund	\$ 434,552	\$ 250	\$ -	\$ (9,012)	\$ 92,148	\$ (157)	\$ 517,781
Community Fund	2,028,005	52,989	(111,391)	(41,447)	188,615	-	2,116,771
Externally Restricted Funds							
Adolf Duesterhus STEM Scholarship Fund	-	139,231	-	(1,444)	6,570	-	144,357
Albert Hall Seniors Enhancement Fund	49,503	500	(1,600)	(1,015)	4,619	-	52,007
Alice and Randy Daniels Music Fund	21,993	-	(2,000)	(435)	1,981	-	21,539
Barb Bromley Fund for Seniors and Elders Fund	185,442	1,350	(3,782)	(3,820)	17,384	-	196,574
Butler-Hushagen Health Education Fund	-	60,000	-	(622)	2,831	-	62,209
Chris Argue Memorial Fund	40,900	100	(1,500)	(834)	3,794	-	42,460
Con Employees' Benevolent Fund	49,485	-	(1,500)	(1,011)	4,599	-	51,573
David J. Ramsden Memorial Fund	34,439	600	(1,000)	(710)	3,231	-	36,560
David Sutherland Memorial Fund	40,097	225	(1,500)	(818)	3,723	-	41,727
Douglas Bothamley Memorial Fund	9,507	-	(1,000)	(187)	850	-	9,170
Elaine Whitford Scholarship Fund	21,949	-	(1,000)	(445)	2,024	-	22,528

The Yellowknife Community Foundation

Notes to Financial Statements

December 31, 2019

6. Fund Balances (continued)

	Opening Balance	Curent Fund Contributions Received	Disbursements	Admin Fee	Current Excess (Deficiency) of revenue over expenses before fund contributions received, disbursements, and admin fees	Transfer	Closing Balance
Elliot Michael Brown Fund	60,429	-	(4,000)	(1,212)	5,514	-	60,731
Enough Talk, Hurry Up and Do It Already Arts Scholarship Fund	23,781	25	(1,000)	(483)	2,198	-	24,521
Fine and Performing Arts Fund	124,189	-	(4,000)	(2,534)	11,531	-	129,186
Friends of Fred Carmichael Scholarship Fund	153,467	-	(6,000)	(3,120)	14,199	-	158,546
Gary Robinson Memorial Fund	312,693	12,100	(3,000)	(6,578)	29,936	-	345,151
Get Her Elected Fund	-	16,750	-	(174)	791	-	17,367
Helmets for Hardy Fund	10,689	200	(3,000)	(193)	877	-	8,573
Helping Children Soar Scholarship Fund	29,218	118	(1,000)	(597)	2,716	-	30,455
Jenny Gamble-Fournier Memorial Scholarship Fund	28,457	840	(1,000)	(588)	2,677	-	30,386
John Tumchewics Memorial Fund	136,793	11,750	(4,500)	(2,912)	13,251	-	154,382
Jonas Konge Memorial Fund	75,569	1,600	(2,500)	(1,558)	7,089	-	80,200
Legislative Assembly of the NWT Fund	55,091	-	(2,000)	(1,122)	5,105	-	57,074
Lena Gosselin Memorial Fund	-	20,600	(3,000)	(182)	830	-	18,248
Lilly Borges-Oldham Second- Language Scholarship Fund	20,815	-	(1,000)	(421)	1,917	-	21,311
Lorraine Minish-Cooper Garden of Hope Fund	42,237	165	-	(878)	3,994	-	45,518
Luke Charpentier Memorial Fund	85,442	1,295	(3,000)	(1,754)	7,982	-	89,965

The Yellowknife Community Foundation

Notes to Financial Statements

December 31, 2019

6. Fund Balances (continued)

	Opening Balance	Curent Fund Contributions Received	Disbursements	Admin Fee	Current Excess (Deficiency) of revenue over expenses before fund contributions received, disbursements, and admin fees	Transfer	Closing Balance
Mary Beth Miller Memorial Fund	25,451	100	(1,000)	(518)	2,359	-	26,392
Northern Aviation Scholarship Fund	65,597	100	(2,500)	(1,335)	6,076	-	67,938
NWT Environmental Stewardship Fund	(145)	-	-	1	(13)	157	-
NWT Mining Heritage Trust Fund	17,965	-	-	(373)	1,696	-	19,288
Pat McMahon Memorial Fund	29,572	500	(1,000)	(608)	2,767	-	31,231
Randy McBride Hockey Project Fund	37,467	400	(1,500)	(766)	3,484	-	39,085
Rio Tinto Diavik Community Scholarship Fund	159,303	25,000	(6,000)	(3,500)	15,929	-	190,732
Sally Manning Memorial Writing Fund	31,318	-	(1,750)	(631)	2,872	-	31,809
Timothy Henderson Memorial Fund	5,347	1,340	-	(124)	567	-	7,130
United Soccer Coaching Fund	-	37,500	-	(389)	1,770	-	38,881
Wally12Million Fund	25,256	-	(3,000)	(493)	2,242	-	24,005
Walter Gibbons Memorial Fund	34,694	-	-	(719)	3,273	-	37,248
	2,044,010	332,389	(70,632)	(45,102)	205,235	157	2,466,057
	\$ 4,506,567	\$ 385,628	\$ (182,023)	\$ (95,561)	\$ 485,998	\$ -	\$ 5,100,609

The Yellowknife Community Foundation

Notes to Financial Statements

December 31, 2019

7. Donated Services

During the year, the Foundation receives services from local organizations as a donation. The donated services include accounting, marketing, advertising and items for the annual gala, and sound services for the annual gala.

8. Subsequent Events

Subsequent to year end, there was a global outbreak of a novel coronavirus identified as "COVID-19". On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Foundation and its operations in future periods.

9. Financial Instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit risk

The Foundation does have credit risk in cash and cash equivalents, short-term securities, and securities of \$5,139,685 (2018 - \$4,534,940). Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Foundation has concentration of credit risk as all of the Foundation's cash is held with one chartered bank in excess of the insurable limit. This risk has not changed from the prior year.

(b) Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable and accrued liabilities of \$28,071 (2018 - \$19,302). This risk has not changed from the prior year.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instruments will fluctuate due to changes in market interest rates. The Foundation is exposed to interest rate risk through its short-term securities, and securities. This risk has not changed from the prior year.

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8. Financial Instruments (continued)

(d) Other price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Foundation is exposed to market risk through its short-term securities, and securities. This risk has not changed from the prior year.

(e) Significant donation risk

Significant donation risk is the risk that the value of a single donation is greater than 10% of the total donations received in the current year. The Foundation is exposed to significant donation risk where revenues from donations and gala fundraiser during the year include 53% (2018 - 49%) from two (2018 - four) donors.