



Financial Statements

Interlake Community Foundation Inc.

December 31, 2018

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Independent Auditor's Report

Grant Thornton LLP
94 Commerce Drive
Winnipeg, MB
R3P 0Z3

T +1 204 944 0100
F +1 204 957 5442
www.GrantThornton.ca

To the Members of
Interlake Community Foundation Inc.

Opinion

We have audited the financial statements of Interlake Community Foundation Inc., which comprise the statement of financial position as at December 31, 2018, and the statements of revenues and expenditures, 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 organization as at December 31, 2018, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

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 organization 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 for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the organization'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 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 organization'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 organization'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 organization 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.

Winnipeg, Canada
April 1, 2019



Chartered Professional Accountants

Interlake Community Foundation Inc. Statement of Revenues and Expenditures

Year ended December 31	2018	2017
Revenues		
Investment income	\$ 41,432	\$ 17,430
Donations	18,172	14,047
Fundraising - golf tournament revenue	23,655	21,446
Winnipeg Foundation grant	2,483	1,185
Prior year donations not disbursed	-	562
Town of Stonewall	2,500	-
Town of Teulon	5,000	5,000
R.M. of Rosser	5,000	5,000
R.M. of Woodlands	5,000	4,000
Unrealized gain (loss) on marketable securities	<u>(89,187)</u>	<u>37,537</u>
	<u>14,055</u>	<u>106,207</u>
Expenditures		
Advertising	1,705	2,601
Amortization	208	297
Liability insurance	1,111	1,096
Interest and bank charges	202	3
Fundraising - golf tournament expenses	18,682	18,154
Grants disbursed	32,611	34,812
Office	1,595	1,048
Administrator	11,563	8,800
Awards night	305	513
Memberships	475	475
Professional fees	6,078	6,450
Website	1,560	520
Telephone	420	351
Travel	<u>1,690</u>	<u>4,396</u>
	<u>78,205</u>	<u>79,516</u>
(Deficiency) excess of revenues over expenditures	<u>\$ (64,150)</u>	<u>\$ 26,691</u>

Interlake Community Foundation Inc.
Statement of Changes in Net Assets

Year ended December 31

	Unrestricted	Restricted for Endowment	Endowment for Disbursement	Internally Restricted by Community	Total 2018	Total 2017
Balance, beginning of year	\$ 92,460	\$ 354,072	\$ 29,860	\$ 518,465	\$ 994,857	\$ 952,386
(Deficiency) excess of revenues over expenditures	(64,150)	-	-	-	(64,150)	26,691
Administration charge to funds	13,008	-	(5,231)	(7,777)	-	-
Endowment contributions	-	20,480	-	-	20,480	15,049
Interfund transfer	48,260	-	(27,431)	(20,829)	-	-
Prior years grants not disbursed	-	-	-	-	-	731
Transfer of funds	-	(68,724)	68,724	-	-	-
Balance, end of year	\$ 89,578	\$ 305,828	\$ 65,922	\$ 489,859	\$ 951,187	\$ 994,857

See accompanying notes to the financial statements.

Interlake Community Foundation Inc.
Statement of Financial Position

December 31 2018 2017

Assets

Current

Cash	\$ 88,161	\$ 77,641
Marketable securities (Note 3)	858,458	904,167
GST recoverable	571	529
Grants receivable	-	4,000
Funds managed by Winnipeg Foundation (Note 4)	31,798	35,182
Prepaid expenses	-	475
	978,988	1,021,994

Capital assets (Note 5)

	485	693
	\$ 979,473	\$ 1,022,687

Liabilities

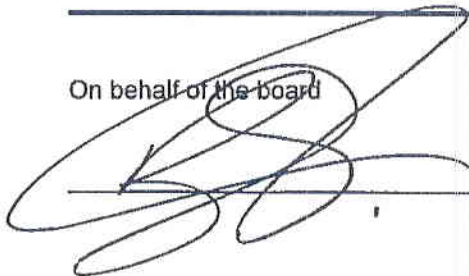
Current

Accounts payable	\$ 5,525	\$ 5,526
Grant commitments	22,761	22,304
	28,286	27,830

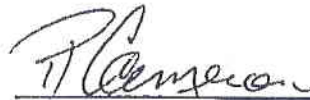
Fund balances

Unrestricted	89,578	92,460
Restricted for Endowment (Note 6)	305,828	354,072
Endowment for Disbursement (Note 6)	65,922	29,860
Internally Restricted by Community (Note 7)	489,859	518,465
	951,187	994,857
	\$ 979,473	\$ 1,022,687

On behalf of the board



Member



Member

Interlake Community Foundation Inc. Statement of Cash Flows

Year ended December 31

2018

2017

Increase (decrease) in cash

Operating

(Deficiency) excess of revenues over expenditures	\$ (64,150)	\$ 26,691
Item not affecting cash		
Amortization	<u>208</u>	<u>297</u>
	(63,942)	26,988
Change in non-cash working capital items		
Marketable securities	45,709	(96,358)
GST recoverable	(42)	111
Funds managed by Winnipeg Foundation	3,384	(1,546)
Prepaid expenses	475	(475)
Accounts payable	(1)	919
Grant commitments	<u>457</u>	<u>4,609</u>
	(13,960)	(65,752)

Financing

Endowment contributions	<u>20,480</u>	<u>15,780</u>
Increase (decrease) in cash	6,520	(49,972)
Cash		
Beginning of year	<u>81,641</u>	<u>131,613</u>
End of year	<u>\$ 88,161</u>	<u>\$ 81,641</u>

Interlake Community Foundation Inc.

Notes to the Financial Statements

December 31, 2018

1. Purpose of the Foundation

Interlake Community Foundation Inc. is an organization established to endeavour to make the communities of the South Interlake region a better place to live. The Foundation is incorporated under the Manitoba Companies Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Summary of significant accounting policies

The organization applies the Canadian accounting standards for not-for-profit organizations.

Marketable securities

Marketable securities are recorded at the market value as at the year end date.

Revenue recognition

Interlake Community Foundation Inc. follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Fair value

The carrying amount of cash, marketable securities, accounts receivable and accounts payable approximate fair value because of the near-term maturity of those instruments.

Financial risk

Financial risk is the risk that arises from the fluctuation in interest and market rates and the degree of volatility of those rates. The Foundation does not use derivative instruments to reduce its exposure to risk.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts and revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Interlake Community Foundation Inc.

Notes to the Financial Statements

December 31, 2018

2. Summary of significant accounting policies (continued)

Grant commitments

Board approved commitments for grants which are not disbursed by December 31 are shown as a current liability.

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Computers	30%	declining balance method
Office furniture	30%	declining balance method

3. Marketable securities

	<u>2018</u>	<u>2017</u>
RBC Dominion Securities	\$ 470,404	\$ 488,075
Investors Group	363,054	391,092
Sunova Credit Union	<u>25,000</u>	<u>25,000</u>
	<u>\$ 858,458</u>	<u>\$ 904,167</u>

The Interlake Community Foundation maintains its investments with the above noted financial institutions. The investments are recorded at market value as at December 31. Any investments in foreign currencies are converted to Canadian dollars at the exchange rate on December 31.

Interlake Community Foundation Inc.

Notes to the Financial Statements

December 31, 2018

4. Funds managed by Winnipeg Foundation

Certain funds are invested with and managed by the Winnipeg Foundation with the income and capital designated for the benefit of certain endowment funds of the Interlake Community Foundation. At December 31 the endowment fund balances at the Winnipeg Foundation are as follows:

	<u>2018</u>	<u>2017</u>
Lorne and Irene Ferley Endowment Fund		
Michael Ferley Bursary Fund	\$ 15,943	\$ 17,385
Lorne Ferley Scholarship Fund	<u>15,855</u>	<u>17,797</u>
	<u>\$ 31,798</u>	<u>\$ 35,182</u>

5. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2018 Net Book Value</u>	<u>2017 Net Book Value</u>
Computers	\$ 1,386	\$ 982	\$ 404	\$ 577
Office furniture	<u>2,013</u>	<u>1,932</u>	<u>81</u>	<u>116</u>
	<u>\$ 3,399</u>	<u>\$ 2,914</u>	<u>\$ 485</u>	<u>\$ 693</u>

Interlake Community Foundation Inc.

Notes to the Financial Statements

December 31, 2018

6. Restricted for endowment purposes

Designations for specific endowment purposes are as follows:

	2018	2017
Teulon Collegiate Alumni Enhancement Fund	\$ 2,487	\$ 2,630
Teulon Collegiate Alumni Scholarship Fund	5,837	6,280
Mr. & Mrs. A. Campbell Scholarship Fund	1,568	1,761
Hunter Cummings Scholarship Fund	2,011	2,306
Dr. Goodwin Memorial Scholarship Fund	2,647	2,902
Community Builder Fund		
Stonewall	4,984	5,232
Teulon	4,401	4,655
Rosser	1,996	1,905
Teulon Museum	2,715	2,747
All Communities	8,188	8,854
Helen & Herb Kletke Endowment Fund	13,761	15,096
Michael A. Lindell Automotive Scholarship Fund	17,393	19,080
The Arts Fund	1,380	1,460
Teulon Hunter Memorial Health District Foundation Inc. Fund	47,719	52,335
Stonewall Collegiate Youth in Philanthropy Fund	14,813	15,665
Warren Collegiate Youth in Philanthropy Fund	9,263	9,796
Teulon Collegiate Youth in Philanthropy Fund	11,337	11,989
Janet Kuchma Scholarship Fund	8,074	8,539
Ben and Marjorie King Memorial Bursary Fund	74,953	82,145
Lorne and Irene Ferley Endowment Fund		
Michael Ferley Bursary Fund	15,943	17,385
Lorne Ferley Scholarship Fund	15,855	17,797
Beck Family Endowment Fund		
The Beck Family Fund	3,533	3,736
Beck Family Scholarship	10,130	10,147
Percy and Mary Durham Fund	20,386	22,363
Stonewall Family Foods Fund	10,074	11,050
The G.M. Willis Family Scholarship Fund	5,220	5,521
The Leona and Larry Baker Fund	9,879	10,838
David & Annette Unrau Fund	9,243	10,289
Rev. Dr. Barry Grant Rasmussen Memorial Scholarship Fund	5,935	6,710
Lauritz & Georgina Jensen Fund	10,781	4,200
Nell Smith Endowment Fund	8,056	8,519
Donna Jensen Endowment Fund	5,837	-
MB Pool Dist 802 (Ret) Scholarship Fund	2,627	-
George & Grace Willox Memorial Fund	2,724	-
	\$ 371,750	\$ 383,932

Interlake Community Foundation Inc.

Notes to the Financial Statements

December 31, 2018

7. Net assets internally restricted for communities

The net assets restricted for communities are as follows:

	<u>2018</u>	<u>2017</u>
R.M. of Rockwood	\$ 143,775	\$ 158,028
R.M. of Rosser	100,995	105,736
R.M. of Woodlands	41,945	39,327
Town of Teulon	86,259	89,540
Town of Stonewall	<u>116,885</u>	<u>125,834</u>
	<u>\$ 489,859</u>	<u>\$ 518,465</u>

8. Restrictions on net assets

The net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating how the endowment funds are to be disbursed.

The Board of Directors internally restricted all donations and grants received for expenditure for the benefit of the community making the donation. These internally restricted amounts are not available for other purposes without the approval of the Board.