



Grant Thornton

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Financial Statements

Interlake Community Foundation Inc.

December 31, 2019

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Independent Auditor's Report

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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, 2019, 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, 2019, 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

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2019 and 2018, current assets as at December 31, 2019 and 2018, and net assets as at January 1 and December 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

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 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 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.

Independent Auditor's Report (continued)

Those charged with governance are responsible for overseeing the organization'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 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
March 9, 2020

Grant Thornton LLP

Chartered Professional Accountants

Interlake Community Foundation Inc.

Statement of Revenues and Expenditures

Year ended December 31	2019	2018
Revenues		
Investment income	\$ 69,549	\$ 41,432
Donations	61,477	18,172
Fundraising - golf tournament revenue	25,210	23,655
Other supporting grants	7,537	2,483
Prior year donations not disbursed	775	-
Town of Stonewall	2,500	2,500
Town of Teulon	2,500	5,000
R.M. of Rosser	5,000	5,000
R.M. of Woodlands	5,000	5,000
Anniversary dinner tickets	10,715	-
Unrealized gain (loss) on marketable securities	<u>52,848</u>	<u>(89,187)</u>
	<u>243,111</u>	<u>14,055</u>
Expenditures		
Advertising	2,076	1,705
Amortization	146	208
Liability insurance	1,159	1,111
Interest and bank charges	190	202
Fundraising - golf tournament expenses	20,163	18,682
Grants disbursed	68,139	32,611
Office	2,493	1,595
Administrator	16,417	11,563
Awards night	562	305
Memberships	500	475
Professional fees	6,409	6,078
Anniversary dinner expenses	11,101	-
Website	200	1,560
Telephone	434	420
Travel	<u>380</u>	<u>1,690</u>
	<u>130,369</u>	<u>78,205</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 112,742</u>	<u>\$ (64,150)</u>

Interlake Community Foundation Inc.

Statement of Changes in Net Assets

Year ended December 31

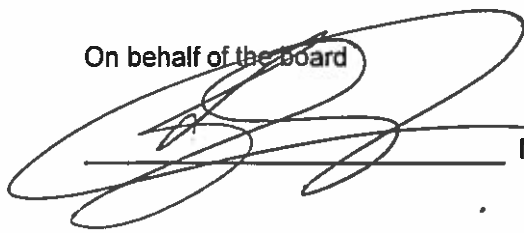
	Unrestricted	Restricted for Endowment	Endowment for Disbursement	Internally Restricted by Community	Total 2019	Total 2018
Balance, beginning of year	\$ 89,578	\$ 305,828	\$ 65,922	\$ 489,859	\$ 951,187	\$ 994,857
Excess (deficiency) of revenues over expenditures	112,742	-	-	-	112,742	(64,150)
Administration charge to funds	13,839	-	(6,491)	(7,348)	-	-
Endowment contributions	-	141,395	-	-	141,395	20,480
Interfund transfer	(92,240)	-	36,706	55,534	-	-
Prior years grants not disbursed	<u>(275)</u>	<u>-</u>	<u>1,470</u>	<u>275</u>	<u>1,470</u>	<u>-</u>
Balance, end of year	<u>\$ 123,644</u>	<u>\$ 447,223</u>	<u>\$ 97,607</u>	<u>\$ 538,320</u>	<u>\$ 1,206,794</u>	<u>\$ 951,187</u>

See accompanying notes to the financial statements.

Interlake Community Foundation Inc.
Statement of Financial Position

December 31	2019	2018
Assets		
Current		
Cash	\$ 183,471	\$ 88,161
Marketable securities (Note 3)	1,034,789	858,458
GST recoverable	790	571
Funds managed by Winnipeg Foundation (Note 4)	<u>38,487</u>	<u>31,798</u>
	1,257,537	978,988
Capital assets (Note 5)	<u>340</u>	<u>485</u>
	<u>\$ 1,257,877</u>	<u>\$ 979,473</u>
Liabilities		
Current		
Accounts payable	\$ 5,663	\$ 5,525
Flow-through Funds (Note 6)	24,250	-
Grant commitments	<u>21,170</u>	<u>22,761</u>
	<u>51,083</u>	<u>28,286</u>
Fund balances		
Unrestricted	123,644	89,578
Restricted for Endowment	447,223	305,828
Endowment for Disbursement	97,607	65,922
Internally Restricted by Community	<u>538,320</u>	<u>489,859</u>
	<u>1,206,794</u>	<u>951,187</u>
	<u>\$ 1,257,877</u>	<u>\$ 979,473</u>

On behalf of the board


 _____ Member


 _____ Member

Interlake Community Foundation Inc.

Statement of Cash Flows

Year ended December 31

2019

2018

Increase (decrease) in cash

Operating

Excess (deficiency) of revenues over expenditures	\$ 112,742	\$ (64,150)
Item not affecting cash		
Amortization	<u>146</u>	<u>208</u>
	112,888	(63,942)
Change in non-cash working capital items		
Marketable securities	(176,331)	45,709
GST recoverable	(219)	(42)
Prepaid expenses	-	475
Funds managed by Winnipeg Foundation	(6,689)	3,384
Accounts payable	137	(1)
Flow-through Funds	24,250	-
Grant commitments	<u>(1,591)</u>	<u>457</u>
	(47,555)	(13,960)

Financing

Endowment contributions	141,395	20,480
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Investing

Prior year grants expired	<u>1,470</u>	<u>-</u>
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Increase in cash	95,310	6,520
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Cash

Beginning of year	<u>88,161</u>	<u>81,641</u>
End of year	<u>\$ 183,471</u>	<u>\$ 88,161</u>

Interlake Community Foundation Inc.

Notes to the Financial Statements

December 31, 2019

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 private enterprises.

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, 2019

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>2019</u>	<u>2018</u>
RBC Dominion Securities	\$ 602,267	\$ 470,404
Investors Group	407,522	363,054
Sunova	<u>25,000</u>	<u>25,000</u>
	<u>\$ 1,034,789</u>	<u>\$ 858,458</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.

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>2019</u>	<u>2018</u>
Lorne and Irene Ferley Endowment Fund		
Michael Ferley Bursary Fund	\$ 17,112	\$ 15,943
Lorne Ferley Scholarship Fund	17,319	15,855
Heritage - Woodlands Pioneer Museum Fund	<u>4,056</u>	<u>-</u>
	<u>\$ 38,487</u>	<u>\$ 31,798</u>

Interlake Community Foundation Inc.

Notes to the Financial Statements

December 31, 2019

5. Capital assets

			<u>2019</u>	<u>2018</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computers	\$ 1,386	\$ 1,103	\$ 283	\$ 404
Office furniture	<u>2,013</u>	<u>1,956</u>	<u>57</u>	<u>81</u>
	<u>\$ 3,399</u>	<u>\$ 3,059</u>	<u>\$ 340</u>	<u>\$ 485</u>

6. Flow-through Funds

Certain funds are held by the Foundation as flow-through funds. The Foundation retains an administration fee on incoming donations into these funds. Receipts for these funds are recognized at the time the disbursements are made. Any excess of receipts over disbursement for each of these funds are deferred.

	<u>2019</u>	<u>2018</u>
Town Of Stonewall Save the Kilns Capital Fund	\$ 21,467	\$ -
Argyle Skating Club Flow Through Fund	<u>2,783</u>	<u>-</u>
	<u>\$ 24,250</u>	<u>\$ -</u>

Interlake Community Foundation Inc.

Notes to the Financial Statements

December 31, 2019

7. Restricted for endowment purposes

Designations for specific endowment purposes are as follows:

	<u>2019</u>	<u>2018</u>
Teulon Collegiate Alumni Enhancement Fund	\$ 2,669	\$ 2,487
Teulon Collegiate Alumni Scholarship Fund	6,154	5,837
Mr. & Mrs. A. Campbell Scholarship Fund	1,579	1,568
Hunter Cummings Scholarship Fund	1,976	2,011
Dr. Goodwin Memorial Scholarship Fund	2,737	2,647
Community Builder Fund		
Stonewall	5,446	4,984
Teulon	4,723	4,401
Rosser	2,235	1,996
Teulon Museum	3,037	2,715
All Communities	8,764	8,188
Helen & Herb Kletke Endowment Fund	14,266	13,761
Michael A. Lindell Automotive Scholarship Fund	19,193	17,393
The Arts Fund	1,481	1,380
Teulon Hunter Memorial Health District Foundation Inc. Fund	49,470	47,719
Stonewall Collegiate Youth in Philanthropy Fund	16,070	14,813
Warren Collegiate Youth in Philanthropy Fund	9,970	9,263
Teulon Collegiate Youth in Philanthropy Fund	12,164	11,337
Janet Kuchma Scholarship Fund	8,663	8,074
Ben and Marjorie King Memorial Bursary Fund	78,245	74,953
Lorne and Irene Ferley Endowment Fund		
Michael Ferley Bursary Fund	17,112	15,943
Lorne Ferley Endowment Fund	17,319	15,855
Beck Family Endowment Fund		
The Beck Family Fund	3,791	3,533
Beck Family Scholarship	11,854	10,130
Percy and Mary Durham Fund	21,134	20,386
Stonewall Family Foods Fund	10,443	10,074
The G.M. Willis Family Scholarship Fund	5,930	5,220
The Leona and Larry Baker Fund	10,428	9,879
David & Annette Unrau Fund	10,436	9,243
Rev. Dr. Barry Grant Rasmussen Memorial Scholarship Fund	6,161	5,935
Lauritz & Georgina Jensen Fund	19,072	10,781
Nell Smith Endowment Fund	8,643	8,056
Donna Jensen - Community Living Interlake Fund	17,809	5,837
MB Pool Dist 802 (Ret) Scholarship Fund	2,507	2,627
George & Grace Willox Memorial Fund	6,550	2,724
Bryan Lefley Memorial Fund	104,420	-
Abby Lee Anne Margetts Memorial Fund	2,340	-
Heritage - Woodlands Pioneer Museum Fund	4,056	-
Ryan Grandmont Memorial Fund	8,379	-
Slagerman Family Fund	2,515	-
Badger Daylighting - Community Living Interlake Fund	2,012	-
Guttman Family Fund	2,976	-
Warren Collegiate Alumni (1970) Fund	101	-
	<u>\$ 544,830</u>	<u>\$ 371,750</u>

Interlake Community Foundation Inc.

Notes to the Financial Statements

December 31, 2019

8. Net assets internally restricted for communities

The net assets restricted for communities are as follows:

	<u>2019</u>	<u>2018</u>
R.M. of Rockwood	\$ 153,124	\$ 143,775
R.M. of Rosser	113,606	100,995
R.M. of Woodlands	50,176	41,945
Town of Teulon	94,340	86,259
Town of Stonewall	127,074	116,885
	<u>\$ 538,320</u>	<u>\$ 489,859</u>

9. 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.