



Financial Statements

Interlake Community Foundation Inc.

December 31, 2017

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Independent Auditor's Report

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To the Members of
Interlake Community Foundation Inc.

We have audited the accompanying financial statements of Interlake Community Foundation Inc., which comprise the statement of financial position as at December 31, 2017, and the statements of revenues and expenditures, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Interlake Community Foundation Inc. as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Other matter

The financial statements of Interlake Community Foundation Inc. for the year ended December 31, 2016, were audited by another audit firm who expressed an unmodified opinion on those statements on March 27, 2017.

Winnipeg, Canada
March 21, 2018

Grant Thornton LLP

Chartered Professional Accountants

Interlake Community Foundation Inc.

Statement of Revenues and Expenditures

Year ended December 31	2017	2016
Revenues		
Investment income	\$ 11,980	\$ 26,984
Unrealized gain (loss) on marketable securities	42,986	29,170
Fundraising - golf tournament revenue	21,446	16,270
Winnipeg Foundation grant	1,185	1,049
Donations	14,047	29,997
R.M. of Rosser	5,000	5,000
R.M. of Woodlands	4,000	4,000
Town of Teulon	5,000	-
Prior year donations not disbursed	<u>562</u>	<u>2,278</u>
	<u>106,206</u>	<u>114,748</u>
Expenditures		
Administrator	8,800	7,200
Advertising	2,601	835
Amortization	297	424
Awards night	513	93
Fundraising - golf tournament expenses	18,154	12,675
Grants disbursed	34,812	30,886
Liability insurance	1,096	1,091
Interest and bank charges	3	-
Memberships	475	450
Office	1,047	1,614
Professional fees	6,450	5,525
Telephone	351	351
Travel	4,396	387
Website	<u>520</u>	<u>-</u>
	<u>79,515</u>	<u>61,531</u>
Excess of revenues over expenditures	<u>\$ 26,691</u>	<u>\$ 53,217</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 2017	Total 2016
Balance, beginning of year	\$ 89,312	\$ 339,023	\$ 23,417	\$ 500,634	\$ 952,386	\$ 882,493
Excess of revenues over expenditures	26,691	-	-	-	26,691	53,217
Administration charge to funds	12,442	-	(4,932)	(7,510)	-	-
Endowment contributions	-	15,049	-	-	15,049	11,710
Prior years grants not disbursed	-	-	731	-	731	4,966
Interfund transfer	<u>(35,985)</u>	<u>-</u>	<u>10,644</u>	<u>25,341</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 92,460</u>	<u>\$ 354,072</u>	<u>\$ 29,860</u>	<u>\$ 518,465</u>	<u>\$ 994,857</u>	<u>\$ 952,386</u>

See accompanying notes to the financial statements.

Interlake Community Foundation Inc.

Statement of Financial Position

December 31

2017

2016

Assets

Current

Cash	\$ 77,641	\$ 131,613
Marketable securities (Note 3)	904,167	807,809
GST recoverable	529	640
Grants receivable	4,000	-
Funds managed by Winnipeg Foundation (Note 4)	35,182	33,636
Prepaid expenses	475	-

1,021,994 973,698

Capital assets (Note 5)

693 991

\$ 1,022,687 **\$ 974,689**

Liabilities

Current

Accounts payable	\$ 5,526	\$ 4,608
Grant commitments	22,304	17,695

27,830 22,303

Fund balances

Unrestricted	92,460	89,312
Restricted for Endowment (Note 6)	354,072	339,023
Endowment for Disbursement (Note 6)	29,860	23,417
Internally Restricted by Community (Note 7)	518,465	500,634

994,857 952,386

\$ 1,022,687 **\$ 974,689**

On behalf of the board

_____ Member

_____ Member

Interlake Community Foundation Inc.

Statement of Cash Flows

Year ended December 31

2017

2016

Increase (decrease) in cash

Operating

Excess of revenues over expenditures	\$ 26,691	\$ 53,217
Item not affecting cash		
Amortization	297	424
	26,988	53,641
Change in non-cash working capital items		
Marketable securities	(96,358)	(56,296)
GST recoverable	111	(210)
Funds managed by Winnipeg Foundation	(1,546)	(1,250)
Prepaid expenses	(475)	-
Accounts payable	919	-
Grant commitments	4,609	(1,561)
	(65,752)	(5,676)

Financing

Endowment contributions	15,780	16,676
(Decrease) increase in cash	(49,972)	11,000
Cash		
Beginning of year	131,613	120,613
End of year	\$ 81,641	\$ 131,613

Interlake Community Foundation Inc.

Notes to the Financial Statements

December 31, 2017

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.

Grant commitments

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

Interlake Community Foundation Inc.

Notes to the Financial Statements

December 31, 2017

2. Summary of significant accounting policies (continued)

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>2017</u>	<u>2016</u>
RBC Dominion Securities	\$ 488,075	\$ 437,067
Investors Group	391,092	360,742
National Bank	-	10,000
Sunova Credit Union	<u>25,000</u>	<u>-</u>
	<u>\$ 904,167</u>	<u>\$ 807,809</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>2017</u>	<u>2016</u>
Lorne and Irene Ferley Endowment Fund		
Michael Furley Bursary Fund	\$ 17,385	\$ 17,223
Lorne Ferley Scholarship Fund	<u>17,797</u>	<u>16,413</u>
	<u>\$ 35,182</u>	<u>\$ 33,636</u>

Interlake Community Foundation Inc.

Notes to the Financial Statements

December 31, 2017

5. Capital assets

			<u>2017</u>	<u>2016</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computers	\$ 1,386	\$ 809	\$ 577	\$ 825
Office furniture	<u>2,013</u>	<u>1,897</u>	<u>116</u>	<u>166</u>
	<u>\$ 3,399</u>	<u>\$ 2,706</u>	<u>\$ 693</u>	<u>\$ 991</u>

Interlake Community Foundation Inc.

Notes to the Financial Statements

December 31, 2017

6. Restricted for endowment purposes

Designations for specific endowment purposes are as follows:

	2017	2016
Teulon Collegiate Alumni Enhancement Fund	\$ 2,630	\$ 2,527
Teulon Collegiate Alumni Scholarship Fund	6,280	6,130
Mr. & Mrs. A. Campbell Scholarship Fund	1,761	1,784
Hunter Cummings Scholarship Fund	2,306	2,377
Dr. Goodwin Memorial Scholarship Fund	2,902	2,880
Community Builder Fund		
Stonewall	5,232	4,917
Teulon	4,655	4,476
Rosser	1,905	1,647
Teulon Museum	2,747	2,540
All Communities	8,854	8,687
Helen & Herb Kletke Endowment Fund	15,096	14,985
Michael A. Lindell Automotive Scholarship Fund	19,080	19,318
The Arts Fund	1,460	1,402
Teulon Hunter Memorial Health District Foundation Inc. Fund	52,335	51,952
Stonewall Collegiate Youth in Philanthropy Fund	15,665	15,036
Warren Collegiate Youth in Philanthropy Fund	9,796	9,451
Teulon Collegiate Youth in Philanthropy Fund	11,989	11,903
Janet Kuchma Scholarship Fund	8,539	7,234
Ben and Marjorie King Memorial Bursary Fund	82,145	81,228
Lorne and Irene Ferley Endowment Fund		
Michael Ferley Bursary Fund	17,385	17,222
Lorne Ferley Scholarship Fund	17,797	16,412
Beck Family Endowment Fund		
The Beck Family Fund	3,736	3,589
Beck Family Scholarship	10,147	9,297
Percy and Mary Durham Fund	22,363	21,503
Stonewall Family Foods Fund	11,050	10,985
The G.M. Willis Family Scholarship Fund	5,521	5,347
The Leona and Larry Baker Fund	10,838	10,609
David & Annette Unrau Fund	10,289	10,345
Rev. Dr. Barry Grant Rasmussen Memorial Scholarship Fund	6,710	6,657
Lauritz & Georgina Jensen Fund	4,200	-
Nell Smith Endowment Fund	8,519	-
	\$ 383,932	\$ 362,440

Interlake Community Foundation Inc.

Notes to the Financial Statements

December 31, 2017

7. Net assets internally restricted for communities

The net assets restricted for communities are as follows:

	<u>2017</u>	<u>2016</u>
R.M. of Rockwood	\$ 158,028	\$ 157,215
R.M. of Rosser	105,736	99,703
R.M. of Woodlands	39,327	34,677
Town of Teulon	89,540	83,837
Town of Stonewall	<u>125,834</u>	<u>125,202</u>
	<u>\$ 518,465</u>	<u>\$ 500,634</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.