

INTERLAKE COMMUNITY FOUNDATION INC.

Financial Statements

Year Ended December 31, 2016

INTERLAKE COMMUNITY FOUNDATION INC.
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Year Ended December 31, 2016

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STEFANSON LEE ROMANIUK
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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, 2016 and the statements of revenues and expenditures, changes in net assets and cash flow 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 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.

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 entity'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 entity'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.

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Independent Auditor's Report to the Members of Interlake Community Foundation Inc. *(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, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Stefanson Lee Romouink

Chartered Professional Accountants

Winnipeg, Manitoba
March 27, 2017

INTERLAKE COMMUNITY FOUNDATION INC.
Statement of Financial Position
December 31, 2016

	2016	2015
Assets		
Current		
Cash	\$ 131,613	\$ 120,613
Marketable securities (Note 4)	807,809	751,513
GST recoverable	640	430
Funds managed by Winnipeg Foundation (Note 5)	33,636	32,386
	973,698	904,942
Capital assets (Note 6)	991	1,415
	\$ 974,689	\$ 906,357
Liabilities		
Current		
Accounts payable	\$ 4,602	\$ 4,602
Grant commitments	17,695	19,256
	22,297	23,858
Net Assets		
Unrestricted	89,319	60,646
Restricted for endowment	362,439	341,319
Internally restricted by community	500,634	480,534
	952,392	882,499
	\$ 974,689	\$ 906,357

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

INTERLAKE COMMUNITY FOUNDATION INC.
Statement of Revenues and Expenditures
For the Year Ended December 31, 2016

	2016	2015
Revenue		
Investment income	\$ 16,470	\$ 26,461
Unrealized gain (loss) on marketable securities	18,392	(21,591)
Fundraising- golf tournament revenue	16,270	16,259
Winnipeg Foundation grant	1,049	1,336
Donations	29,997	7,888
R.M of Rosser	5,000	5,000
R.M. of Woodlands	4,000	3,000
Town of Stonewall	-	1,500
Town of Teulon	-	5,000
Prior year grants not disbursed	2,278	-
	93,456	44,853
Expenses		
Administrator	7,200	7,200
Advertising	835	1,864
Amortization	424	309
Awards night	93	382
Fundraising-golf tournament expenses	12,675	12,452
Grants disbursed	18,672	18,356
Liability insurance	1,091	1,252
Memberships	450	515
Office	1,614	1,928
Professional fees	5,525	5,415
Telephone	351	351
Travel	387	-
Website	-	460
	49,317	50,484
Excess (deficiency) of revenue over expenses for the year	\$ 44,139	\$ (5,631)

INTERLAKE COMMUNITY FOUNDATION INC.

Statement of Changes in Net Assets

Year Ended December 31, 2016

	Unrestricted	Restricted for Endowment	Internally Restricted by Community	2016	2015
Net assets - beginning of year	\$ 60,646	\$ 341,319	\$ 480,534	\$ 882,499	\$ 894,642
Administration charge to funds	11,842	(4,634)	(7,208)	-	-
Donations received	-	11,710	-	11,710	5,792
Investment income earned	-	10,514	-	10,514	17,526
Unrealized gains (losses) from investments	-	10,778	-	10,778	(12,865)
Grants disbursed	-	(12,214)	-	(12,214)	(16,965)
Prior years grants not disbursed	-	4,966	-	4,966	-
	-	-	-	-	-
Excess of revenue over expenses	16,831	-	27,308	44,139	(5,631)
Net assets - end of year	\$ 89,319	\$ 362,439	\$ 500,634	\$ 952,392	\$ 882,499

INTERLAKE COMMUNITY FOUNDATION INC.**Statement of Cash Flow****Year Ended December 31, 2016**

	2016	2015
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 44,139	\$ (5,631)
Item not affecting cash:		
Amortization of capital assets	424	309
	44,563	(5,322)
Changes in non-cash working capital:		
GST recoverable	(210)	(115)
Accounts payable	-	319
Prepaid expenses	-	380
Funds managed by Winnipeg Foundation	(1,250)	5,678
Grant commitments	(1,561)	(707)
Marketable securities	(56,296)	(45,497)
	(59,317)	(39,942)
Cash flow used by operating activities	(14,754)	(45,264)
Investing activities		
Purchase of capital assets	-	(1,386)
Net endowment income	26,258	4,658
Donations to endowment funds	11,710	5,792
Grants disbursed from endowment funds	(12,214)	(16,965)
Cash flow from (used by) investing activities	25,754	(7,901)
Increase (decrease) in cash flow	11,000	(53,165)
Cash - beginning of year	120,613	173,778
Cash - end of year	\$ 131,613	\$ 120,613

See notes to financial statements

INTERLAKE COMMUNITY FOUNDATION INC.

Notes to Financial Statements

Year Ended December 31, 2016

1. Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

2. Purpose of the foundation

The Foundation 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.

3. Summary of significant accounting policies

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 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 of 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.

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INTERLAKE COMMUNITY FOUNDATION INC.

Notes to Financial Statements

Year Ended December 31, 2016

3. 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%	
Office furniture	30%	declining balance method

4. Marketable securities

	2016	2015
RBC Dominion Securities	\$ 437,067	\$ 410,532
Investors Group	360,742	326,481
National Bank	10,000	14,500
	\$ 807,809	\$ 751,513

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.

5. 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:

	2016	2015
Lorne and Irene Ferley Endowment Fund		
Michael Ferley Bursary Fund	\$ 17,223	\$ 16,128
Lorne Ferley Scholarship Fund	16,413	16,258
	\$ 33,636	\$ 32,386

INTERLAKE COMMUNITY FOUNDATION INC.
Notes to Financial Statements
Year Ended December 31, 2016

6. Capital assets

	Cost	Accumulated amortization	2016 Net book value
Computers	\$ 1,386	\$ 561	\$ 825
Office furniture	2,013	1,847	166
	\$ 3,399	\$ 2,408	\$ 991

	Cost	Accumulated amortization	2015 Net book value
Computers	\$ 1,386	\$ 208	\$ 1,178
Office furniture	2,013	1,776	237
	\$ 3,399	\$ 1,984	\$ 1,415

7. 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 the approval of the Board.

8. Net assets internally restricted for communities

The net assets restricted for communities are as follows:

	2016	2015
R.M. of Rockwood	\$ 157,215	\$ 153,127
R.M. of Rosser	99,703	93,303
R.M. of Woodlands	34,677	29,961
Town of Teulon	83,837	82,867
Town of Stonewall	125,202	121,276
	\$ 500,634	\$ 480,534

INTERLAKE COMMUNITY FOUNDATION INC.**Notes to Financial Statements****Year Ended December 31, 2016****9. Restricted for endowment purposes**

Designations for specific endowment purposes are as follows:

	2016	2015
Teulon Collegiate Alumni Enhancement Fund	\$ 2,527	\$ 2,414
Teulon Collegiate Alumni Scholarship Fund	6,130	5,957
Mr. & Mrs. A. Campbell Scholarship Fund	1,784	1,800
Hunter Cummings Scholarship Fund	2,377	2,437
Dr. Goodwin Memorial Scholarship Fund	2,880	2,847
Community Builder Fund		
Stonewall	4,917	4,584
Teulon	4,476	4,194
Rosser	1,647	1,384
Teulon Museum	2,540	2,026
All Communities	8,686	8,183
Helen & Herbert Kletke Endow Fund	14,985	14,811
Michael A.Lindell Automotive Scholarship Fund	19,318	17,788
The Arts Fund	1,402	1,340
Teulon Hunter Memorial Health District Foundation Inc. Fund	51,952	51,357
Stonewall Collegiate Youth in Philanthropy Fund	15,036	14,694
Warren Collegiate Youth in Philanthropy Fund	9,451	8,053
Teulon Collegiate Youth in Philanthropy Fund	11,903	11,736
Janet Kuchma Scholarship Fund	7,234	7,103
Ben and Marjorie King Memorial Bursary Fund	81,228	80,713
Lorne and Irene Ferley Endowment Fund		
Michael Ferley Bursary Fund	17,222	16,129
Lorne Ferley Scholarship Fund	16,412	16,258
Beck Family Endowment Fund		
The Beck Family Fund	3,589	3,429
Beck Family Scholarship	9,297	4,678
Percy and Mary Durham Fund	21,503	20,549
Stonewall Family Foods Fund	10,985	10,495
The G.M. Willis Family Scholarship Fund	5,347	4,058
The Leona and Larry Baker Fund	10,609	5,359
David & Annette Unrau Fund	10,345	10,362
Rev. Dr. Barry Grant Rasmussen Memorial Scholarship Fund	6,657	6,581
	\$ 362,439	\$ 341,319