

**COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN
ALBERTA**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

**COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN
ALBERTA**

**FINANCIAL INFORMATION
JUNE 30, 2019**

Page

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

Statement of Financial Position	1
Statement of Operations	2
Statement of Changes in Undistributed Income and Fund Balances	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 13
Schedule of Administrative Fund	14
Schedule of Administrative Operations	15
Schedule of E-CAP Program	16
Schedule of Vital Signs Program	17
Schedule of Legacy Partnership Program	18
Schedule of Rural Community Program	19

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Community Foundation of Medicine Hat and Southeastern Alberta

We have audited the accompanying financial statements of Community Foundation of Medicine Hat and Southeastern Alberta, which comprise the statement of financial position as at June 30, 2019, the statement of operations, the statement of changes in undistributed income and fund balances, and statement of 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 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 Foundation'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 in our audit 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 Community Foundation of Medicine Hat and Southeastern Alberta as at June 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants

Medicine Hat, Alberta
October 17, 2019

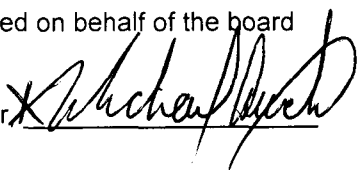
COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

STATEMENT OF FINANCIAL POSITION JUNE 30, 2019

	2019	2018
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 69,103	\$ 13,914
Accounts receivable	7,618	7,650
GST receivable	3,924	3,741
Marketable securities (Note 3)	12,970,189	12,948,838
Prepaid expenses	3,284	3,146
Charitable Remainder Trust (Note 4)	<u>25,000</u>	<u>-</u>
	13,079,118	12,977,289
PROPERTY AND EQUIPMENT (Note 5)	29,560	2,534
CHARITABLE REMAINDER TRUST (Note 4)	<u>-</u>	<u>25,000</u>
TOTAL	<u>\$ 13,108,678</u>	<u>\$ 13,004,823</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 20,785	\$ 23,286
Deferred contributions (Note 7)	73,579	40,750
Grants payable	11,127	19,307
Managed funds current (Note 8)	<u>168,489</u>	<u>449,735</u>
	273,980	533,078
MANAGED FUNDS (Note 8)	256,680	203,302
DEFERRED CAPITAL CONTRIBUTIONS (Note 9)	<u>16,256</u>	<u>-</u>
	<u>546,916</u>	<u>736,380</u>
FUND BALANCES		
Smart & Caring Community Endowment Fund	5,318,261	5,374,933
Designated Endowment Fund	5,511,200	5,206,451
Operating Endowment Fund	1,723,341	1,668,383
Flow Through Fund	6,388	18,676
Administrative Fund	<u>2,572</u>	<u>-</u>
	<u>12,561,762</u>	<u>12,268,443</u>
TOTAL	<u>\$ 13,108,678</u>	<u>\$ 13,004,823</u>

Approved on behalf of the board

Director



Director



COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

STATEMENT OF OPERATIONS FOR THE YEAR ENDED JUNE 30, 2019

	Smart & Caring Community Endowment Fund	Designated Endowment Fund	Operating Endowment Fund	Restricted Flow Through Fund	Administrative Fund	2019	2018
REVENUE							
Realized gain (loss) on sale of investments	(9,075)	(9,665)	(3,275)	(15)	-	(22,030)	1,911
Investment income	333,328	354,619	120,243	562	-	808,752	865,888
Grants, donations & other income	<u>51,821</u>	<u>394,117</u>	<u>89,029</u>	<u>27,218</u>	<u>141,118</u>	<u>703,303</u>	<u>616,109</u>
	<u>376,074</u>	<u>739,071</u>	<u>205,997</u>	<u>27,765</u>	<u>141,118</u>	<u>1,490,025</u>	<u>1,483,908</u>
EXPENSES							
Grants (Note 10)	191,418	185,955	-	39,640	-	417,013	332,004
Investment fees	25,440	27,059	9,164	42	-	61,705	63,422
Operating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>325,347</u>	<u>325,347</u>	<u>334,151</u>
	<u>216,858</u>	<u>213,014</u>	<u>9,164</u>	<u>39,682</u>	<u>325,347</u>	<u>804,065</u>	<u>729,577</u>
UNDISTRIBUTED INCOME (LOSS)	<u>159,216</u>	<u>526,057</u>	<u>196,833</u>	<u>(11,917)</u>	<u>(184,229)</u>	<u>685,960</u>	<u>754,331</u>
Loss on sale of property and equipment	-	-	-	-	-	-	(608)
Net change in unrealized gain (loss) of investments	<u>(165,091)</u>	<u>(167,086)</u>	<u>(60,175)</u>	<u>(289)</u>	<u>-</u>	<u>(392,641)</u>	<u>5,203</u>
INCREASE (DECREASE) IN UNDISTRIBUTED INCOME	<u>(5,875)</u>	<u>358,971</u>	<u>136,658</u>	<u>(12,206)</u>	<u>(184,229)</u>	<u>293,319</u>	<u>758,926</u>

COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

STATEMENT OF CHANGES IN UNDISTRIBUTED INCOME AND FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2019

	Smart & Caring Community Endowment Fund	Designated Endowment Fund	Operating Endowment Fund	Restricted Flow Through Fund	Administrative Fund	2019	2018
CAPITAL, BEGINNING OF YEAR	4,485,503	4,476,077	1,537,790	-	-	10,499,370	9,810,449
Donations transferred from undistributed income	51,821	394,117	89,029	-	-	534,967	517,134
Transfer of Preservation of Capital (Note 11)	-	-	-	-	-	-	171,787
CAPITAL, END OF YEAR	<u>4,537,324</u>	<u>4,870,194</u>	<u>1,626,819</u>	<u>-</u>	<u>-</u>	<u>11,034,337</u>	<u>10,499,370</u>
 UNDISTRIBUTED INCOME (LOSS), BEGINNING OF YEAR	 889,430	 730,374	 130,593	 18,676	 -	 1,769,073	 1,699,068
Increase (decrease) in undistributed income	(5,875)	358,971	136,658	(12,206)	(184,229)	293,319	758,926
Administrative Charge (Note 13)	(50,797)	(54,222)	(18,274)	(82)	123,375	-	-
Operating Endowment Fund Grant (Note 14)	-	-	(63,426)	-	63,426	-	-
Donations included in undistributed income transferred to capital	(51,821)	(394,117)	(89,029)	-	-	(534,967)	(517,134)
Transfers out of Preservation of Capital (Note 11)	-	-	-	-	-	-	(171,787)
UNDISTRIBUTED INCOME (LOSS), END OF YEAR	<u>780,937</u>	<u>641,006</u>	<u>96,522</u>	<u>6,388</u>	<u>2,572</u>	<u>1,527,425</u>	<u>1,769,073</u>
 FUND BALANCES, END OF YEAR	 <u>5,318,261</u>	 <u>5,511,200</u>	 <u>1,723,341</u>	 <u>6,388</u>	 <u>2,572</u>	 <u>12,561,762</u>	 <u>12,268,443</u>

COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
OPERATING ACTIVITIES		
Cash receipts	\$ 616,414	\$ 645,924
Cash paid to suppliers, employees and grant recipients	<u>(351,508)</u>	<u>(656,989)</u>
	<u>264,906</u>	<u>(11,065)</u>
INVESTING ACTIVITIES		
Proceeds on disposal of marketable securities	544,996	638,852
Purchase of marketable securities	(506,519)	(899,359)
Sale (purchase) of property and equipment	<u>(13,774)</u>	<u>488</u>
	<u>24,703</u>	<u>(260,019)</u>
	<u>289,609</u>	<u>(271,084)</u>
FINANCING ACTIVITIES		
Repayments of managed funds	(286,795)	(20,000)
Managed funds received	<u>52,375</u>	<u>200,000</u>
	<u>(234,420)</u>	<u>180,000</u>
INCREASE (DECREASE) IN CASH	55,189	(91,084)
CASH, BEGINNING OF YEAR	<u>13,914</u>	<u>104,998</u>
CASH, END OF YEAR	<u><u>\$ 69,103</u></u>	<u><u>\$ 13,914</u></u>

COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019

1) NATURE OF OPERATIONS

Community Foundation of Medicine Hat and Southeastern Alberta ("the Foundation") was enabled by the Medicine Hat Community Foundation Act, a special statute enacted by the Legislative Assembly of the Province of Alberta on June 26, 1992. The Foundation is a charitable organization registered under the Income Tax Act (Canada) and as such is exempt from income taxes and able to issue donation receipts for income tax purposes.

The Foundation assembles and administers a pool of capital, the income from which is distributed to worthy charitable and community causes as determined by its Board of Directors.

2) SIGNIFICANT ACCOUNTING POLICIES

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

(a) Fund accounting

The Foundation follows the restricted fund method of accounting for contributions.

As donors have provided amounts for special purposes, the Statement of Changes in Undistributed Income and Fund Balances and Statement of Operations have been presented in a manner which segregates the Smart & Caring Community Endowment Fund (unrestricted) from the Designated Endowment Fund (for special purposes), the Operating Fund (to aid in administrative expenses), the Flow Through Fund (third-party donations directed through the Foundation) and the Administrative Fund (for administrative expenses).

The revenues and expenses related to the collection of unrestricted donations and fundraising activities are reported in the Smart & Caring Community Endowment Fund. The income earned by this fund is to be distributed as determined by the Board of Directors.

The Designated Endowment Fund reports resources contributed to the Foundation with the stipulation that the capital amount be permanently retained. Grants are distributed for the designated purposes from the income earned.

The Operating Endowment Fund reports resources contributed to the Foundation with the stipulation that the capital amount be preserved to fund administrative expenses.

The Restricted Flow Through Fund reports resources contributed to the Foundation with the stipulation that the entire capital amount be paid to another charitable organization.

The Administrative Fund reports resources contributed to the Foundation with the stipulation that the capital amount be used to directly fund administrative expenses. Revenue and expenditures for operations of the Foundation and for the maintenance of the common elements are reported in the Statement of Operations.

(b) Cash

Cash consists of balances with financial institutions.

COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Marketable securities

Marketable securities are carried at market value, as determined by the independent investment firm that holds the marketable securities.

(d) Property and Equipment

Property and equipment is recorded at cost. The Foundation provides for amortization using the declining balance method at rates designed to amortize the cost of the property and equipment over its estimated useful life. The annual amortization rates are as follows:

Equipment	Declining balance	20%
Computer equipment	Declining balance	30-55%
Computer software	Declining balance	100%

Amortization of leasehold improvements is recorded using the straight-line method over the term of the lease.

(e) Impairment of long-lived assets

The Foundation tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

(f) Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions.

Contributions, such as grants, bequests, and other donations, are recorded when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions which the donor has required to be held in perpetuity are recognized as revenue in an Endowment Fund. Restricted contributions are recognized as revenue in the Restricted Flow Through Fund. Restricted contributions for which no separate restricted fund exists are reported in the Administrative Fund and are accounted for using the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue and reported in the Smart & Caring Community Endowment Fund or the Administrative Fund.

Investment income, which consists of interest, dividends, income distributions from pooled funds, and realized capital gains and losses are recognized when earned. Unrealized gains and losses are recognized at the end of each month, based on their fair market value.

(g) Charitable remainder trust

Charitable remainder trust consists of an investment recorded at cost, written down for any permanent impairment in value.

COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Managed Funds

Managed funds are owned by other organizations and pooled with the Foundation's assets for investment purposes. These managed fund assets are presented with the Foundation's marketable securities but are offset by managed funds liabilities on the Statement of Financial Position. Any revenue and expenses accruing to these funds are not reflected in the Statement of Operations and Changes in Undistributed Income and Fund Balances.

(i) Grant expenses

Grant expenses are recorded in the year approved.

(j) Donated material and services

Donated materials and services are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the Foundation's operations and would otherwise have been purchased.

(k) Measurement uncertainty

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 disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

(l) Financial instruments

(i) Measurement of financial instruments

The Foundation initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Foundation subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, accounts receivable and charitable remainder trust.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deferred contributions, and grants payable.

Financial assets measured at fair value include marketable securities.
Financial liabilities measured at fair value include managed funds.

COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial instruments (continued)

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- ♦ the present value of the cash flows expected to be generated by the asset or group of assets;
- ♦ the amount that could be realized by selling the assets or group of assets;
- ♦ the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When events occur after impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

3) MARKETABLE SECURITIES

	2019 Market	2019 Cost	2018 Market	2018 Cost
Leith Wheeler Diversified Pooled Fund Series A	\$ <u>12,970,189</u>	\$ <u>13,379,220</u>	\$ <u>12,948,838</u>	\$ <u>12,952,518</u>

4) CHARITABLE REMAINDER TRUST

The Foundation is the beneficiary of a charitable remainder trust in the amount of \$25,000 that has been recorded in the financial statements as a Smart & Caring Community Endowment Fund. As at June 30, 2019 the fair market value was \$28,558 (2018 - \$28,126). As the donor of this Trust passed during the year the Trust is to be liquidated and distributed to the Foundation within 90 days of the Investor receiving prescribed notice of the Donor's death, thus it has been reclassified as a current asset.

COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019

5) PROPERTY AND EQUIPMENT

	2019 Cost	2019 Accumulated amortization	2019 Net	2018 Net
Equipment	\$ 20,629	\$ 20,381	\$ 248	\$ 310
Leasehold improvements	39,809	13,655	26,154	-
Computer equipment	9,068	5,910	3,158	2,224
Computer software	8,190	8,190	-	-
	<u>\$ 77,696</u>	<u>\$ 48,136</u>	<u>\$ 29,560</u>	<u>\$ 2,534</u>

6) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Trade payables	\$ 15,983	\$ 18,404
Payroll liabilities	4,802	4,870
Managed Funds payable	-	12
	<u>\$ 20,785</u>	<u>\$ 23,286</u>

7) DEFERRED CONTRIBUTIONS

	2019	2018
Rural Communities Grant	\$ 65,579	\$ -
RBC FL Community Challenge	8,000	-
Enhanced Capacity Advancement Program	-	37,500
Community Foundations of Canada	-	3,250
	<u>\$ 73,579</u>	<u>\$ 40,750</u>

During the year the Foundation entered into an agreement to receive funding in the amount of \$281,269 to cover wages of the Rural Community Program for the period January 1, 2019 to February 28, 2022. As at year end the Foundation had received \$117,179 of this grant, of which \$51,600 had been spent. The balance of the grant will be received in annual instalments over the grant term.

COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019

8) MANAGED FUNDS

Managed funds are not included in the fund balances of the Foundation as they are funds being held for other organizations. These amounts are pooled with the Foundation's endowment funds for investment purposes but belong to the following charitable organizations:

	<u>2019</u>	<u>2018</u>
Current Funds		
Medicine Hat Catholic Education Foundation	\$ 134,186	\$ 132,100
Rotary Club of Medicine Hat	34,303	31,308
Save Old Souls	-	82,787
St. John's Presbyterian Church	-	203,540
	<u>168,489</u>	<u>449,735</u>
Long Term Funds		
Medicine Hat Catholic Education Foundation - Knights of Columbus	206,524	203,302
Town of Oyen - Oyen Handibus	50,156	-
	<u>256,680</u>	<u>203,302</u>
Total	<u>\$ 425,169</u>	<u>\$ 653,037</u>

Capital and related income (losses) generated from the investment of these funds are to be distributed in accordance with the other organizations directives. The receipts and disbursement of these funds are not reflected in the statement of operations and changes in the undistributed income and fund balances.

	<u>2019</u>	<u>2018</u>
Opening balance	\$ 653,037	\$ 480,439
Additions	52,375	200,000
Income allocation	11,048	37,250
Administrative Fee (1.0%)	(4,499)	(5,483)
Withdrawals	(286,792)	(20,000)
Balance payable	-	(12)
ANSVI funds	-	(39,157)
Ending balance	<u>\$ 425,169</u>	<u>\$ 653,037</u>

COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019

9) DEFERRED CAPITAL CONTRIBUTIONS

Deferred contributions related to property and equipment represents the unamortized portions of restricted contributions used to purchase equipment and leasehold improvements. Deferred contributions are amortized at the same rate as the assets to which they relate. The changes in the deferred contributions balance for the year are as follows:

	2019	2018
Add: Contributions	\$ 17,734	\$ -
Deduct: Amount amortized to revenue	<u>(1,478)</u>	<u>-</u>
	<u>\$ 16,256</u>	<u>\$ -</u>

10) GRANTS PAID ALLOCATION

Grants paid are based on a board approved percentage of the previous three year average capital balance for both the Smart & Caring Community Endowment Fund and Designated Endowment Fund. As such the approved amount of grants to be paid for the year were \$194,019 (2018 - \$189,901) for Smart & Caring Community grants and \$182,654 (2018 - \$166,315) for the Designated grants, based on 4.5% (2018 - 4.5%). This comprises 85% (2018 - 85%) of the total 4.5% disbursement quota of the Foundation. Actual grants disbursed may vary due to several factors, including quality of applications and other identified areas of need.

11) PRESERVATION OF CAPITAL ADJUSTMENT

As part of its function in administering funds, the Foundation reinvests a portion of the net increase in the value of the investments into the capital funds in order to preserve their intended value and mitigate the effects of inflation. Preservation of capital is only undertaken in those years when investment returns exceed the amounts required for the disbursement of grants and to cover a portion of the administration costs. During 2019 nil (2018 - \$171,787) was reinvested into the funds as a preservation of capital adjustment.

12) INTERFUND TRANSFERS

The Foundation has transferred nil (2018 - \$47,597) from the Smart & Caring Community Endowment Fund to the Administrative Fund to fund program activities.

13) ADMINISTRATIVE CHARGES

As part of its operations, the Foundation calculates a fee to the endowment funds based on 1.0% (2018 - 1.0%) of the investments held for each fund, calculated quarterly. Administrative charges were \$127,874 (2018 - \$127,278). Of this balance, \$4,499 (2018 - \$5,483) relates to managed funds, and \$123,375 (2018 - \$121,795) relates to endowments held by the Foundation and is recognized directly on the Statement of Changes in Undistributed Income and Fund Balances.

COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019

14) OPERATING ENDOWMENT FUND GRANT

As part of its operations, the Foundation calculates an operating endowment fund grant to be paid based on 4.5% (2018 - 4.5%) of the previous three year average Operating Endowment Fund capital balance. This amount is transferred from the Operating Endowment Fund to the Administrative Fund to cover operating costs. This comprises 15% (2018 - 15%) of the total 4.5% disbursement quota of the Foundation.

15) RELATED PARTY TRANSACTIONS

The following donations were made by directors and staff:

	2019	2018
Donations by directors:		
Designated Fund	\$ 33,880	\$ 22,080
Operating Fund	4,550	2,735
Smart & Caring Community Fund	-	125
	<u>\$ 38,430</u>	<u>\$ 24,940</u>
Donations by staff members:		
Operating Fund	\$ 2,313	\$ 1,415
Smart & Caring Community Fund	-	1,000
Designated Fund	1,000	252
	<u>\$ 3,313</u>	<u>\$ 2,667</u>

In addition to the above amounts, during the year companies owned by various Board members performed renovations to the office space in the amount of \$21,164 of this amount, \$19,684 was donated.

These donations were conducted in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

16) CHARITABLE FUNDRAISING ACT OF ALBERTA

As required under Section 7(2) of the Regulations of the Charitable Fundraising Act of Alberta, the Foundation discloses that the service costs incurred for the purposes of soliciting contributions were nil (2018 - nil). Total amount paid as remuneration to employees whose principle duties involve fundraising was nil (2018 - nil).

No single disposition of contributions equalled or exceeded 10% of the gross contributions for the 12 month period ended June 30, 2019 (2018 - No single disposition of contributions equalled or exceeded 10% of the gross contributions).

COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019

17) 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.

The Foundation is exposed to the following risks in respect of certain of the financial instruments held:

(a) Market Risk

Market Risk is the risk that the value of a financial instrument will fluctuate as a result of changes to market prices. Market risk comprises of three types of risk: currency risk, interest rate risk, and other price risk. Of these risks, the Foundation is subject to interest rate risk.

(i) Interest Rate Risk

Interest rate risk relates to the risk that changes in interest rates will affect the fair value or future cash flows of financial instruments held by the Foundation. The Foundation manages its exposure through a combination of fixed and floating rate investments. The fixed rate investments are subject to interest rate price risk, as the value will fluctuate as a result of changes in market rates. The floating rate investments are subject to interest rate cash flow risk, as the received cash flows will fluctuate as a result of changes in market rates. In the opinion of management the interest rate risk exposure to the Foundation is low.

(b) Liquidity Risk

The Foundation does have a liquidity risk in the accounts payable of \$20,785 (2018 - \$23,286). Liquidity risk is the risk that the Foundation will encounter difficulty meeting obligations associated with financial liabilities. The Foundation's current liquidity risk is low; however, the Foundation currently relies in part on future donations and grants to fund its operations.

18) SUBSEQUENT EVENTS

The Foundation has been named a beneficiary of an estate that is anticipated to have a significant impact on the fund and investment balances, but to which an exact estimate cannot be made.

**COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN
ALBERTA**

**SCHEDULE OF ADMINISTRATIVE FUND
FOR THE YEAR ENDED JUNE 30, 2019**

Schedule 1

	2019	2018
REVENUE		
Administrative Operations (Schedule 2)	\$ 43,588	\$ 29,155
E-CAP Program (Schedule 3)	37,500	37,500
Vital Signs Program (Schedule 4)	8,430	12,315
Rural Community Program (Schedule 6)	<u>51,600</u>	<u>-</u>
	<u>141,118</u>	<u>78,970</u>
 EXPENSES		
Administrative Operations (Schedule 2)	220,122	248,682
E-CAP Program (Schedule 3)	35,113	39,913
Vital Signs Program (Schedule 4)	8,560	28,288
Legacy Partnership Program (Schedule 5)	-	17,269
Rural Community Program (Schedule 6)	<u>61,552</u>	<u>-</u>
	325,347	334,152
 OTHER EXPENSES		
Administrative Operations (Schedule 2)	<u>-</u>	<u>608</u>
 DECREASE IN UNDISTRIBUTED INCOME	 \$ <u>(184,229)</u>	 \$ <u>(255,790)</u>

**COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN
ALBERTA**

**SCHEDULE OF ADMINISTRATIVE OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2019**

Schedule 2

	2019	2018
REVENUE		
Grants, donations & other income	\$ 42,110	\$ 29,155
Amortization of deferred contributions	<u>1,478</u>	<u>-</u>
	<u>43,588</u>	<u>29,155</u>
 EXPENSES		
Salaries and benefits	143,691	181,813
Advertising and promotion	15,734	11,773
Professional fees	14,363	16,306
Telephone	10,868	8,993
Office	7,327	7,659
Dues and memberships	5,163	5,626
Amortization	4,482	2,797
Travel and seminars	4,000	1,032
Office rent	3,579	3,640
Insurance	3,215	1,188
Special events	2,972	4,829
Utilities	2,139	1,658
Interest and bank charges	1,820	212
Postage	<u>769</u>	<u>1,156</u>
	220,122	248,682
 OTHER EXPENSES		
Loss on sale of property and equipment	<u>-</u>	<u>608</u>
 DECREASE IN UNDISTRIBUTED INCOME	 <u><u>\$ (176,534)</u></u>	 <u><u>\$ (218,919)</u></u>

**COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN
ALBERTA**

**SCHEDULE OF E-CAP PROGRAM
FOR THE YEAR ENDED JUNE 30, 2019**

Schedule 3

	2019	2018
REVENUE		
Grants	\$ 37,500	\$ 37,500
 EXPENSES		
Salaries and benefits	22,516	22,514
Sector Services	4,709	4,706
Travel and seminars	2,985	1,493
Advertising	2,333	2,332
Communications	1,288	1,287
Repairs and maintenance	848	-
Travel and meetings	293	392
Office	141	2,685
Amortization	-	1,128
Administration	-	1,744
Evaluation	-	1,632
	<u>35,113</u>	<u>39,913</u>
 INCREASE (DECREASE) IN UNDISTRIBUTED INCOME	 <u>\$ 2,387</u>	 <u>\$ (2,413)</u>

**COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN
ALBERTA**

**SCHEDULE OF VITAL SIGNS PROGRAM
FOR THE YEAR ENDED JUNE 30, 2019**

Schedule 4

	2019	2018
<hr/>		
REVENUE		
Grants, donations & other income	\$ 8,430	\$ 12,315
	<hr/>	<hr/>
EXPENSES		
Miscellaneous	3,154	-
Special events	2,586	3,822
Office	2,641	1,939
Design and printing	179	2,027
Contract expenses	<hr/> -	<hr/> 20,500
	<hr/> 8,560	<hr/> 28,288
	<hr/>	<hr/>
DECREASE IN UNDISTRIBUTED INCOME	\$ <u>(130)</u>	\$ <u>(15,973)</u>

**COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN
ALBERTA**

**SCHEDULE OF LEGACY PARTNERSHIP PROGRAM
YEAR ENDED JUNE 30, 2019**

Schedule 5

	2019	2018
EXPENSES		
Contract expenses	\$ -	\$ 16,857
Special events	-	412
	<u>\$ -</u>	<u>\$ 17,269</u>

**COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN
ALBERTA**

**SCHEDULE OF RURAL COMMUNITY PROGRAM
YEAR ENDED JUNE 30, 2019**

Schedule 6

	<u>2019</u>	<u>2018</u>
REVENUE		
Grants, donations & other income	\$ 51,600	\$ -
 EXPENSES		
Salaries and benefits	51,600	-
Travel and meetings	3,289	-
Advertising	2,643	-
Telephone	1,658	-
Office	990	-
Meals and entertainment	588	-
Design and printing	548	-
Professional development	236	-
	<u>61,552</u>	<u>-</u>
 DECREASE IN UNDISTRIBUTED INCOME	 \$ <u>(9,952)</u>	 \$ <u>-</u>