

**Community Foundation of Portage & District**  
**Financial Statements**  
*December 31, 2018*

## Management's Responsibility

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To the Board of Community Foundation of Portage & District:

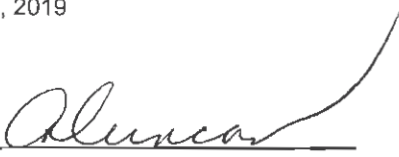
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

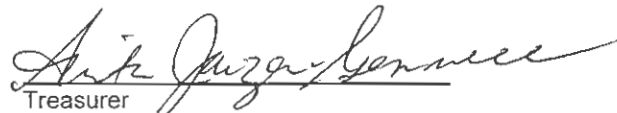
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Foundation. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, and external auditors. The Board is also responsible for recommending the appointment of the Foundation's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

May 21, 2019

  
\_\_\_\_\_  
Chair

  
\_\_\_\_\_  
Treasurer

# Independent Auditor's Report

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To the Members of Community Foundation of Portage & District:

## Opinion

We have audited the financial statements of Community Foundation of Portage & District (the "Foundation"), which comprise the statement of financial position of the Endowment Fund and Operating Fund as at December 31, 2018, and the statements of operations of the Endowment Fund and Operating Fund, 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 Foundation as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## 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 Foundation 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 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.

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

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

Portage la Prairie, Manitoba

May 21, 2019

*MNP* **LLP**

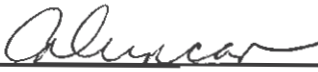
Chartered Professional Accountants

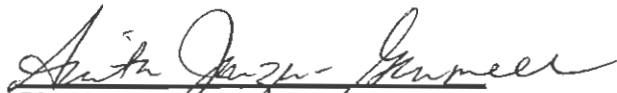
**Community Foundation of Portage and District Inc.**  
**Statement of Financial Position - Endowment Fund**

*As at December 31, 2018*

	2018	2017
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents <i>(Note 3)</i>	749,505	287,461
Trust funds on deposit <i>(Note 4)</i>	113,876	108,833
Investments <i>(Note 5)</i>	8,737,421	9,053,813
	8,851,297	9,162,646
	9,600,802	9,450,107
<b>Liabilities</b>		
<b>Current</b>		
Due to Operating Fund	777,621	1,071,254
<b>Net Assets</b>		
Restricted for endowment purposes <i>(Note 6)</i>	8,709,305	8,270,020
Trust funds	113,876	108,833
	8,823,181	8,378,853
	9,600,802	9,450,107

Approved on behalf of the Board

  
 Director

  
 Director

*The accompanying notes are an integral part of these financial statements*

**Community Foundation of Portage and District Inc.**  
**Statement of Financial Position - Operating Fund**

*As at December 31, 2018*

	<i>2018</i>	<i>2017</i>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents <i>(Note 3)</i>	23,337	33,378
Accounts receivable	5,000	-
Goods and Services Tax receivable	1,010	1,669
Interest receivable	10,462	10,453
Due from Endowment Fund	777,621	1,071,254
	817,430	1,116,754
Capital assets <i>(Note 9)</i>	33,007	33,127
	850,437	1,149,881
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	10,457	8,807
Government remittances payable	1,098	1,130
	11,555	9,937
<b>Net Assets</b>		
Unrestricted	507,369	807,311
Internally restricted <i>(Note 7)</i>	250,000	250,000
Externally restricted <i>(Note 8)</i>	48,506	49,506
Invested in capital assets	33,007	33,127
	838,882	1,139,944
	850,437	1,149,881

Approved on behalf of the Board

Director

Director

*The accompanying notes are an integral part of these financial statements*

**Community Foundation of Portage and District Inc.**  
**Statement of Operations - Endowment Fund**

*For the year ended December 31, 2018*

	2018	2017
<b>Revenues</b>		
Donations		
Designated		
Field of interest		
Cameron & Sandra Brands Fund	5,000	5,000
Children In Need	100	-
Craig & Claudette Dunn Family Fund	25,000	-
Doug Jones Fund for Literacy	1,500	2,000
Dr. Mike & Joanne Sullivan	1,000	-
Luis Luna Fund for Multiculturalism	-	398
Awards		
Alix Lorraine Barrett Bursary Fund	1,500	500
Bill & Cathy Skyhar Bursary	1,000	-
Don & Lois Booth Bursary	5,000	-
Dr. Donald Rae Scholarship	250	-
Ernie Durand Bursary Fund	200	-
Gage Foster Scholarship Fund	15,291	-
Krista Tully Bursary Fund	3,140	100
Russ Denton Bursary Fund	5,000	-
Administrative Endowment Fund	2,000	-
Doug and Paulette Connery Fund	1,000	
Lou & Debbie Antonissen Fund	10,000	
Burnside Cemetery Fund	11,855	1,750
Dr. Kenn & Joyce Collier Fund	-	150
Dr. R.E. & C.L. Jones Fund	3,969	1,000
Jeff & Lynn Bereza Family Fund	5,350	-
John & Maureen Mitchell Family Fund	10,100	10,000
Kathleen Bjarnason Fund	1,000	-
Kozy Komer Seniors Fund	-	25,000
Lions Club Fund	-	100
Oakville Cemetery Fund	3,020	11,690
Oakville Community Fund	9,500	4,080
Portage & District Wildlife Fund	15,990	10,000
Prospect Cemetery Fund	1,000	1,400
Yuill Family Fund	-	70,000
	<b>138,765</b>	<b>143,168</b>

*(continued on next page)*

*The accompanying notes are an integral part of these financial statements*

**Community Foundation of Portage and District Inc.**  
**Statement of Operations - Endowment Fund**  
*For the year ended December 31, 2018*

	2018	2017
<b>Revenues</b> <i>(continued from previous page)</i>		
Donations		
Designated	138,765	143,168
Undesignated		
Adrain Fund	2,387	2,416
Arnold & Wendy Blight Fund	5,000	5,000
Allan Panko Family Fund	5,000	-
Dale & Rod Brownlee Fund	4,000	5,000
D & S Falk Family Fund	100	-
Elmer & Joyce Rutter	175	50
Floyd & Verna Blight Fund IMO	10,825	-
Gemmell Family Fund IMO Keenan	2,600	700
Gilbert Vust Fund	125,000	125
Gwen & Orille Hogue Fund	18	-
H & B Carmichael	1,146	10,000
H & G Vust Memorial Fund	50	-
J & K Chapman Family Fund	3,250	2,000
Joyce Dalmyn & Joe Masi Fund	24,842	20,424
Kitson & Rohmier Fund	500	500
Newton Enterprises Fund	3,000	1,000
Odd Fellows & Rebekahs	1,000	2,100
Smart & Caring Community Fund	64,632	28,102
Portage Agri-Sales Ltd. Fund	10,000	-
Portage Mutual Insurance	5,000	5,000
Robert & Joan McCallister Fund	7,000	-
Roger John Barrett Family Fund	5,000	-
Shindleman Family Fund	10,000	-
Sisson Family Fund	9,995	-
Southport Fund	-	6,000
	300,520	88,417
	439,285	231,585
<b>Expenses</b>	-	-
<b>Excess of revenues over expenses</b>	439,285	231,585

*The accompanying notes are an integral part of these financial statements*



**Community Foundation of Portage and District Inc.**  
**Statement of Operations - Operating Fund**

*For the year ended December 31, 2018*

	2018	2017
<b>Revenues</b>		
Investment income	243,787	241,430
Gain (loss) on sale of investments	349,377	(1,202)
Community Foundation of Canada	-	15,000
Winnipeg Foundation grant	7,000	7,000
Other income	2,000	1,180
	<b>602,164</b>	<b>263,408</b>
Less: Grant making	<b>279,390</b>	<b>288,625</b>
	<b>322,774</b>	<b>(25,217)</b>
<b>Expenses</b>		
Advertising and promotion	14,452	7,798
Amortization	4,756	1,914
Bank charges	178	236
Donation administration fees	-	107
Insurance	1,648	2,160
Investment counsel fees	32,341	31,134
Meetings	1,243	1,103
Memberships	2,797	2,612
Miscellaneous	2,192	2,054
Office supplies	2,980	1,147
Postage and courier	1,325	763
Professional development	250	5,651
Professional fees	7,754	8,833
Rent	8,400	7,300
Repairs and maintenance	3,160	5,771
Telephone	1,995	2,636
Travel	233	-
Utilities	3,600	-
Wages	55,274	53,351
	<b>144,578</b>	<b>134,570</b>
Excess (deficiency) of revenue over expenses before other items	<b>178,196</b>	<b>(159,787)</b>
<b>Other Items</b>		
Unrealized gain (loss) on portfolio investments	<b>(478,258)</b>	<b>549,571</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>(300,062)</b>	<b>389,784</b>

*The accompanying notes are an integral part of these financial statements*

**Community Foundation of Portage and District Inc.**  
**Statement of Changes in Net Assets**

*For the year ended December 31, 2018*

	Restricted For Endowment Purposes	Endowment Fund Trust Funds	Operating Fund Internally Restricted	Operating Fund Externally Restricted	Operating Fund Unrestricted	Operating Fund Invested in Capital assets	2018	2017
Balance, beginning of year	8,270,020	108,833	250,000	49,506	807,311	33,127	9,518,797	8,893,617
Deposit of managed funds								
- Operating	-	-	-	-	-	-	-	-
Transfer of internally restricted funds								
- Operating	-	-	-	-	-	-	-	-
Investment in capital assets								
- Operating	-	-	-	-	(4,636)	4,636	-	-
Disbursements of managed funds								
- Operating	-	-	-	(1,000)	-	-	(1,000)	(1,000)
Excess of revenues over expenses	439,285	5,043	-	-	(295,306)	(4,756)	144,266	626,180
Balance, end of year	8,709,305	113,876	250,000	48,506	507,369	33,007	9,662,063	9,518,797

*The accompanying notes are an integral part of these financial statements*

# Community Foundation of Portage and District Inc.

## Statement of Cash Flows

For the year ended December 31, 2018

	2018	2017
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Excess of revenues over expenses	139,223	621,369
Amortization	4,756	1,914
	143,979	623,283
<b>Changes in working capital accounts</b>		
Accounts receivable	(5,000)	-
Goods and Service Tax receivable	659	(978)
Interest receivable	(9)	1,009
Accounts payable and accruals	1,650	1,958
Government remittances payable	(32)	(1,898)
	(2,732)	91
<b>Investing activities</b>		
Increase in investments	316,392	(678,865)
Decrease in externally restricted fund	(1,000)	(1,000)
Purchase of capital assets	(4,636)	(35,041)
	310,756	(714,906)
<b>Increase (decrease) in cash resources</b>	<b>452,003</b>	<b>(91,532)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>320,839</b>	<b>412,372</b>
<b>Cash and cash equivalents, end of year</b>	<b>772,842</b>	<b>320,839</b>
<b>Cash and cash equivalents are comprised of:</b>		
Cash and cash equivalents - Endowment Fund	749,505	287,461
Cash and cash equivalents - Operating Fund	23,337	33,378
	772,842	320,839

The accompanying notes are an integral part of these financial statements

# Community Foundation of Portage and District Inc.

## Notes to the Financial Statements

For the year ended December 31, 2018

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### 1. Purpose of the organization

The Community Foundation of Portage and District Inc. (the "Foundation") is a local organization whose mandate is to provide financial support to other charitable causes in Portage la Prairie and the surrounding district. The Foundation is incorporated under the laws of Manitoba and is a not-for-profit community foundation. The Foundation is a registered charity under the Income Tax Act.

### 2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

#### *Fund accounting*

The Foundation follows the restricted fund method of accounting for contributions and reports using fund accounting maintaining two funds:

The Endowment Fund reports only the restricted resources that are to be used for Endowment Fund purposes. Investment income earned on resources of the Endowment Fund is reported in the Operating Fund.

The Operating Fund accounts for the Foundation's program delivery and administrative activities. This fund reports unrestricted resources, internally and externally restricted operating funds and invested in capital assets.

#### *Cash and cash equivalents*

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

#### *Capital assets*

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which for leasehold improvements is ten years, computers is five years, and office furniture is five years. Amortization expense is recorded in the Operating Fund.

#### *Investments*

Long-term investments are portfolio investments recorded at fair value for those with prices quoted in an active market and cost less impairment for those that are not quoted in an active market. They have been classified as long-term assets in concurrence with the nature of investment.

#### *Financial Instruments*

The Foundation recognizes its financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Foundation may irrevocably elect to subsequently measure any financial instrument at fair value.

The Foundation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that is linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Foundation's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenue over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

**Community Foundation of Portage and District Inc.**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2018*

**2. Significant accounting policies** *(Continued from previous page)*

The carrying values of financial assets measured at amortized cost or fair value are as follows:

	CAD\$ 2018	CAD\$ 2017
<b>Financial assets measured at fair value:</b>		
Cash	331,590	211,234
Money Market funds	441,252	109,605
Equities	4,658,169	5,195,625
Corporate bonds	3,643,020	3,380,051
<b>Financial assets measured at amortized cost:</b>		
Municipal debentures	436,232	478,137
Accounts receivable	5,000	-
Interest receivable	10,462	10,453
Trust funds on deposit	113,876	108,833

***Revenue recognition***

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue when earned.

***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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Amortization is based on the estimated useful lives of equipment. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenue over expenses in the periods in which they become known.

***Contributed services***

Volunteers contribute a significant amount of time per year to assist the Organization in carrying out its activities. Contributed services are not recognized in the financial statements because of the difficulty of determining their fair value.

**Community Foundation of Portage and District Inc.**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2018*

**3. Cash and cash equivalents**

Cash and cash equivalents are comprised of the following:

	2018	2017
<i>Endowment Fund</i>		
Cash	308,253	177,856
Scotia Money Market Fund	<u>441,252</u>	<u>109,605</u>
	<u>749,505</u>	<u>287,461</u>
 <i>Operating Fund</i>		
Cash	<u>23,337</u>	<u>33,378</u>
	<u><u>772,842</u></u>	<u><u>320,839</u></u>

**4. Trust funds on deposit**

Trust funds held on deposit will be designated to the Foundation at the time of the death of the individuals.

The Foundation is a beneficiary of the Estate of James Francis Taylor. As a beneficiary of the Estate, the Foundation received a one-third interest in a charitable remainder trust. As at year-end, the amortized cost of the Foundation's one-third interest has been calculated to be \$94,567. This represents the amortized cost of the parcels of land presently owned by the trust and will be sold upon the passing of the last surviving sibling of the late James Francis Taylor, therefore collapsing the charitable remainder trust. Upon collapse of the charitable remainder trust, the Foundation will receive one third of the proceeds from the sale of the parcel(s) of land.

	2018	2017
<i>Trust funds on deposit:</i>		
Prosvita Men's Club Trust Fund	19,309	18,941
Estate of James Francis Taylor – charitable remainder trust	<u>94,567</u>	<u>89,892</u>
	<u>113,876</u>	<u>108,833</u>

During the year, interest income earned amounted to \$368 (2017 - \$368) and the increased amortized costs on the remaining charitable trust amounted to \$4,675 (2017 - \$4,443).

**5. Investments**

	2018	2017
<i>Measured at Fair Value:</i>		
Equities	4,658,169	5,195,625
Corporate Bonds bearing interest at 4.00% - 8.40% (prior year 1.00% - 12.60%) maturing between 2019 – 2048 (prior year 2018 – 2048)	<u>3,643,020</u>	<u>3,380,051</u>
	<u>8,301,189</u>	<u>8,575,676</u>



**Community Foundation of Portage and District Inc.**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2018*

**5. Investments** (Continued from previous page)

*Measured at Amortized Cost:*

R.M. of Portage la Prairie debentures bearing interest at 5.625% - 6.125% (prior year 5.625% - 6.125%) maturing between 2025 - 2029 (prior year 2025 – 2029)	261,091	284,176
City of Portage la Prairie debentures bearing interest at 5.25% - 5.50% (prior year 5.25% - 5.50%) maturing between 2021 – 2025 (prior year 2021 – 2025)	175,141	193,961
	<u>436,232</u>	<u>478,137</u>
	<u>8,737,421</u>	<u>9,053,813</u>

**6. Net assets – restricted for endowment purposes**

Endowment funds can be designated for specific purposes which are called “designated funds” and the rest are classed as “undesigned funds” where the Board of Directors decides where the earnings can be used most effectively.

	2018	2017
<i>Designated</i>		
Balance, beginning of year	3,027,550	2,884,382
Current year contributions	<u>138,765</u>	<u>143,168</u>
Balance, end of year	<u>3,166,315</u>	<u>3,027,550</u>
<i>Undesignated</i>		
Balance, beginning of year	5,242,470	5,154,053
Current year contributions	<u>300,520</u>	<u>88,417</u>
Balance, end of year	<u>5,542,990</u>	<u>5,242,470</u>
Total designated and undesignated	<u>8,709,305</u>	<u>8,270,020</u>

**7. Net assets – internally restricted**

In 2017, funds totaling \$250,000 were transferred from unrestricted net assets to net assets internally restricted for the purpose of the Foundation's Impact Grant which is projected to be disbursed in June 2019.

	2018	2017
Balance, beginning of year	250,000	-
Transfer of managed funds	-	250,000
Current year grant distributions	<u>-</u>	<u>-</u>
Balance, end of year	<u>250,000</u>	<u>250,000</u>

**Community Foundation of Portage and District Inc.**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2018*

**8. Net assets – externally restricted**

The 2015 National Junior A Hockey Championship Legacy Scholarship Fund is managed by the Foundation in accordance with the Flow-Through Fund Bursary Agreement between the Foundation and the 2015 National Junior A Hockey Championship Portage Inc.

	2018	2017
Balance, beginning of year	49,506	50,506
Current year contributions	-	-
Current year grant distributions	<u>(1,000)</u>	<u>(1,000)</u>
Balance, end of year	<u>48,506</u>	<u>49,506</u>

**9. Capital Assets**

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Leasehold improvements	31,799	4,770	27,029	30,209
Office furniture	4,636	927	3,709	2,918
Computer	<u>3,242</u>	<u>973</u>	<u>2,269</u>	<u>2,918</u>
	<u>39,677</u>	<u>6,670</u>	<u>33,007</u>	<u>33,127</u>

**10. Financial instruments**

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Foundation is exposed to interest rate risk primarily relating to investments.

***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation enters into investment transactions denominated in U.S. currency for which the related revenues, capital gains and losses and equity balances are subject to exchange rate fluctuations.

***Other price risk***

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation enters into transactions to purchase shares or equities, for which the market price fluctuates.



**Community Foundation of Portage and District Inc.**  
**Notes to the Financial Statements**  
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**11. Commitments**

The Foundation occupies leased premises subject to minimum monthly rent of \$700 until August 2022. Estimated minimum annual payments in the next four years are as follows:

2019	8,400
2020	8,400
2021	8,400
2022	<u>5,600</u>
	<u>30,800</u>

**12. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.