

The Killarney Foundation Inc.
Financial Statements
December 31, 2018

Management's Responsibility

To the Directors of The Killarney Foundation Inc.:

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 Directors 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.

April 17, 2019

Secretary/Treasurer

Independent Auditors' Report

To the Members of The Killarney Foundation Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Killarney Foundation Inc. (the "Foundation"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, 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 Auditors' 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.

Auditors' 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 auditors' 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.

Independent Auditors' Report - Continued

- 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 auditors' 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 auditors' 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.

Brandon, Manitoba

April 17, 2019

MNP LLP

Chartered Professional Accountants

The Killarney Foundation Inc.
Statement of Financial Position

As at December 31, 2018

	<i>Operating Fund</i>	<i>Designated Endowment Fund</i>	<i>Undesignated Endowment Fund</i>	2018	2017
Assets					
Current					
Cash	7,286	68,417	71,679	147,382	246,080
Accounts receivable	214	5,220	5,468	10,902	16,501
	7,500	73,637	77,147	158,284	262,581
Investments (Note 6)	-	3,216,695	3,318,781	6,535,476	6,242,786
	7,500	3,290,332	3,395,928	6,693,760	6,505,367
Liabilities					
Current					
Accounts payable and accruals	7,500	17,715	100,000	125,215	7,500
Commitments (Note 8)					
Net Assets					
Net assets	-	3,272,617	3,295,928	6,568,545	6,497,867
	7,500	3,290,332	3,395,928	6,693,760	6,505,367

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

The Killarney Foundation Inc.
Statement of Operations

For the year ended December 31, 2018

	<i>Operating Fund</i>	<i>Designated Endowment Fund</i>	<i>Undesignated Endowment Fund</i>	2018	2017
Revenue					
Grant	7,000	-	-	7,000	7,000
Interest and dividends	-	129,931	133,568	263,499	259,369
	7,000	129,931	133,568	270,499	266,369
Expenses					
Administrative	520	-	-	520	-
Advertising	1,302	-	-	1,302	-
Consulting fees	9,900	-	-	9,900	14,233
Grants <i>(Note 9)</i>	-	127,983	168,113	296,096	202,404
Membership fees	1,952	-	-	1,952	-
Miscellaneous	-	-	-	-	616
Office	-	-	-	-	1,015
Professional fees	42,108	-	-	42,108	43,087
Supplies	795	-	-	795	-
Travel	-	-	-	-	388
	56,577	127,983	168,113	352,673	261,743
Excess (deficiency) of revenue over expenses before other items	(49,577)	1,948	(34,545)	(82,174)	4,626
Other items					
Foreign exchange loss	-	-	-	-	(5,875)
Gain (loss) on held for trading assets	-	(369,158)	(379,500)	(748,658)	573,626
Excess (deficiency) of revenue over expenses	(49,577)	(367,210)	(414,045)	(830,832)	572,377

The accompanying notes are an integral part of these financial statements

The Killarney Foundation Inc.
Statement of Changes in Net Assets
For the year ended December 31, 2018

	<i>Operating Fund</i>	<i>Designated Endowment Fund</i>	<i>Undesignated Endowment Fund</i>	2018	2017
Net assets, beginning of year	-	3,456,022	3,041,845	6,497,867	6,254,207
Excess (deficiency) of revenue over expenses	(49,577)	(367,210)	(414,045)	(830,832)	572,377
Endowment contributions	-	70,955	730,147	801,102	124,916
Net realized capital gains (losses)	-	49,035	51,373	100,408	(453,633)
Inter-fund transfers (Note 4)	49,577	63,815	(113,392)	-	-
Distributable income	-	-	-	-	(11,052)
Capitalized income	-	-	-	-	11,052
Net assets, end of year	-	3,272,617	3,295,928	6,568,545	6,497,867

The accompanying notes are an integral part of these financial statements

The Killarney Foundation Inc.

Statement of Cash Flows

For the year ended December 31, 2018

	Operating Fund	Designated Endowment Fund	Undesignated Endowment Fund	2018	2017
Cash provided by (used for) the following activities					
Operating activities					
Cash received from grantors	-	-	-	7,000	7,000
Dividends and interest received	-	133,178	135,670	268,848	261,651
Cash paid - grants	-	(110,269)	(68,113)	(185,382)	(202,404)
Cash paid - operating expenses	248	(24,213)	(25,364)	(49,329)	(58,608)
	248	(1,304)	42,193	41,137	7,639
Financing					
Endowment contributions received	-	70,955	110,168	181,123	124,916
Net realized capital gains (losses)	-	49,035	51,373	100,408	(541,632)
	-	119,990	161,541	281,531	(416,716)
Investing					
Purchase of investments	-	(978,496)	(1,025,141)	(2,003,637)	(2,379,480)
Proceeds on investments sold	-	801,999	780,272	1,582,271	2,962,566
	-	(176,497)	(244,869)	(421,366)	583,086
Increase (decrease) in cash resources	248	(57,811)	(41,135)	(98,698)	174,009
Cash resources, beginning of year	7,038	126,228	112,814	246,080	72,071
Cash resources, end of year	7,286	68,417	71,679	147,382	246,080

The accompanying notes are an integral part of these financial statements

The Killarney Foundation Inc. Notes to the Financial Statements

For the year ended December 31, 2018

1. Incorporation and operations

The Killarney Foundation Inc. (the "Foundation") was incorporated under the laws of the Province of Manitoba as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Organization

The Killarney Foundation Inc. is a registered community fund established to support cultural, educational, recreational and charitable purposes in the Municipality of Killarney-Turtle Mountain and surrounding area.

The Foundation has a permanent pool of capital made up of gifts and bequests, carefully invested, which provides a perpetual stream of income to assist and support the changing needs of the community.

3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, using the following significant accounting policies:

Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts are maintained on a fund accounting basis. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the contributors or in accordance with the directives issued by the Board of Directors.

Three funds are maintained: Operating Fund, Designated Endowment Fund and Undesignated Endowment Fund.

The Operating Fund is used to account for all expenses related to general and ancillary operations of the Foundation. Funds are transferred from the Endowment Funds to the Operating Fund to cover the administrative costs of the Foundation. The Designated Endowment Fund has been allocated its share of administrative overhead by the Board of Directors based on the average number of units held in the fund during the year. During the year an average of 48.84% (2017 - 52.81%) of all investments were held in the Designated Endowment Fund, therefore 48.84% of the administrative overhead has been allocated to the fund. The Undesignated Endowment Fund is allocated the remaining administrative costs.

The Designated and Undesignated Endowment Funds are restricted funds used to account for monies for specific purposes. Contributions are in the form of endowments from which only the income earned is expendable. In situations where contributions are specified to be used for operating purposes, the contributions would be fully expended.

Revenue recognition

The Foundation uses the deferral method of accounting for contributions and reports on a fund accounting basis. The Designated Endowment Fund contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. The Undesignated Endowment Fund and Operating Fund 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 the Endowment Fund balances. Restricted investment income is recognized in the appropriate deferred contribution balance or in net assets depending on the nature of the restrictions. Unrestricted investment income is recognized as revenue when earned.

Gains and losses on disposals of investments are reflected directly in the Endowment Funds. For the year, net capital gains realized were \$100,408 (2017 - net capital losses of \$453,633).

Pledges are recognized as revenue when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured. At December 31, 2018 the Foundation has no pledges receivable.

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

Accounts receivable

The accounts receivable consist mainly of accrued interest receivable and are recorded with no allowance for doubtful accounts.

Capital gains

The Foundation will allocate 25% of capital gains, net of capital losses, earned in the previous year to the Undesignated Endowment Fund for the purposes of granting. The remaining 75% will continue to be capitalized and included in contributed capital.

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, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Foundation may irrevocably elect to subsequently measure any financial instrument at fair value. The Foundation has not made such an election. Cash and long-term investments have been designated to be subsequently measured at their fair value.

The Foundation subsequently measures long-term investments quoted in an active market and all derivative instruments at fair value. Fair value is determined by reference to quoted market prices. Long-term investments 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. As of December 31, 2018, all long-term investments have quotes in an active market.

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 statement of operations for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

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

	2018	2017
Financial assets measured at fair value:		
Cash	147,382	246,080
Investments	6,535,476	6,242,786
Financial assets measured at amortized cost:		
Accounts receivable	10,689	16,039

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

Financial asset impairment

The Foundation assesses impairment of all of its financial assets measured at cost or amortized cost. The Foundation groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Foundation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Foundation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in the current year statement of operations.

The Foundation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the statement of operations in the year the reversal occurs.

Measurement uncertainty (use of estimates)

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 revenue and expenses during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Measurement uncertainty applies to the allocation between designated and undesignated amounts reported on the statement of financial position of the Foundation.

Contributed services

Volunteers contribute approximately 70 hours per year to assist the Killarney Foundation Inc. in carrying out its service-delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

4. Interfund transactions

During the year the Foundation transferred \$24,213 (2017 - \$34,104) from the Designated fund and \$25,364 (2017 - \$31,110) from the Undesignated Fund to provide for net expenditures in the Operating fund totaling \$49,577 (2017 - \$65,214). Additionally, \$88,028 was transferred between the Undesignated and Designated funds.

5. Income taxes

The Foundation is registered as a charitable organization under the *Income Tax Act* (the "Act") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Foundation must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

The Killarney Foundation Inc.
Notes to the Financial Statements
For the year ended December 31, 2018

6. Investments

	2018		2017	
	Fair Market Value	Cost	Fair Market Value	Cost
DESIGNATED				
Investment in Bonds and Debentures:				
Provincial Government	28,709	29,238	31,253	31,615
Corporate/Guaranteed Certificates	624,952	645,635	746,164	750,924
	<u>653,661</u>	<u>674,873</u>	<u>777,417</u>	<u>782,539</u>
Investment in Shares:				
Canadian & International Equities	2,091,495	2,094,807	2,440,237	2,075,782
Investment in Savings Account	344,955	344,955	47,633	47,633
Investment in GIC	73,260	73,260	-	-
Winnipeg Foundation	48,740	45,298	52,890	45,298
Investment in Mineral Rights	4,584	3,127	3,149	3,149
	<u>53,324</u>	<u>48,425</u>	<u>56,039</u>	<u>48,447</u>
	<u>3,216,695</u>	<u>3,236,320</u>	<u>3,321,326</u>	<u>2,954,401</u>
UNDESIGNATED				
Investment in Bonds and Debentures:				
Provincial Government	30,078	30,633	27,932	28,256
Corporate/Guaranteed Certificates	654,751	676,420	666,875	671,130
	<u>684,829</u>	<u>707,053</u>	<u>694,807</u>	<u>699,386</u>
Investment in Shares:				
Canadian & International Equities	2,191,224	2,194,694	2,180,993	1,855,206
Investment in Savings Account	361,404	361,404	42,571	42,571
Investment in GIC	76,740	76,740		
Investment in Mineral Rights:	4,584	3,127	3,149	3,149
	<u>3,318,781</u>	<u>3,343,018</u>	<u>2,921,460</u>	<u>2,921,460</u>
Total Investment	<u>6,535,476</u>	<u>6,579,338</u>	<u>6,242,786</u>	<u>5,554,713</u>

The Foundation's financial instruments that are exposed to interest rate risk are long-term investments. As of December 31, 2018, interest rates associated with corporate and provincial bonds range from 2.55% - 7.25% (2017 - 2.15% - 7.25%) with maturity dates from 2019 to 2026 (2017 - 2018 to 2026).

The Killarney Foundation Inc.
Notes to the Financial Statements
For the year ended December 31, 2018

7. 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.

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.

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. As at December 31, 2018, the following items are denominated in U.S. currency:

	2018	2017
	CAD\$	CAD\$
Investments \$338,982 USD (2017 - \$212,649 USD)	462,711	267,302

8. Commitments

As at December 31, 2018, the Foundation has grant commitments for designated funds of \$17,715 (2017 - nil) and for undesignated funds of \$100,000 (2017 - \$65,410).

9. Grants

	2018	2017
Designated		
Brandon University - scholarships	12,381	-
Scholarship - other	118	-
Lakehead University - scholarships	833	-
Marlee Scebenski - Bursary	125	-
Marringhurst Historical Society	2,200	-
Red River College - scholarships	2,000	-
Tri-Lake Health Centre	1,605	-
University of Manitoba - scholarships	15,021	-
University of Waterloo - scholarships	1,663	-
Municipality of Clanwilliam-Erickson	3,000	1,977
Municipality of Harrison Park (Sandy Lake Area Fund)	3,341	7,509
Municipality of Killarney-Turtle Mountain:		
JAV David Museum	308	(348)
Library Fund	1,974	-
Fire Department Fund	162	-
Holmfield Cemetery Fund	2,565	-

The Killarney Foundation Inc.
Notes to the Financial Statements
For the year ended December 31, 2018

9. Grants (Continued from previous page)

	2018	2017
Handi-van	5,000	5,000
Other	-	7,633
Prairie Mountain RHA	67,542	7,552
Royal Canadian Legion Branch No. 25	458	470
Rural Municipality of Argyle	6,307	5,601
Tri-Lake Palliative Care	1,380	729
Holy Trinity Anglican Church	-	2,167
Killarney Ag Society	-	1,500
Killarney Food Bank	-	203
Killarney Food Services	-	124
Killarney Kiddie Korner	-	390
Killarney Meals-On-Wheels	-	606
Killarney United Church	-	5,317
Scholarships	-	18,464
Turtle Mountain Flywheel Club Inc.	-	1,756
Turtle Mountain School Division	-	400
	127,983	67,050
Undesignated		
Brandon University - scholarships	3,100	-
Killarney & Area Donor's Choice	750	-
MB Institute of Trades & Technology - scholarships	800	-
Providence College - scholarships	2,300	-
Tri-Lake Health Centre	18,478	-
University of Manitoba - scholarships	3,800	-
Municipality of Killarney-Turtle Mountain:		
Communities in Bloom	3,000	15,800
Turtle Mountain Fire Department	100,000	8,500
Killarney Turtle Mountain Arts Council	4,925	31,250
Killarney Parent Advisory Board	10,200	27,879
Lakeland Regional Library	4,500	4,700
Killarney Nursery School	560	3,000
Killarney Lake Action Committee	7,200	-
Service for Seniors	1,000	700
Killarney Gymnastics	3,000	-
Youth in Philanthropy	5,500	5,000
Other	-	3,925
Returned funds	(5,000)	(2,180)
Turtle Mountain Flywheel Club	4,000	2,580
Killarney Ag Society	-	13,000
Killarney Kiddie Korner	-	3,000
Killarney MSOS Senior Games	-	3,200
Scholarships - other	-	10,000
Scotties Tournament of Hearts	-	5,000
	168,113	135,354
	296,096	202,404

The Killarney Foundation Inc.
Notes to the Financial Statements
For the year ended December 31, 2018

10. Endowment contributions

Total Contributions prior to 2018	\$ 6,560,787
 2018 Contributions	
Baldur Area Fund	
Various donators	30,385
United Way	600
Winnipeg Foundation - Endowment Manitoba Challenge	2,772
United Church Fund	
In Memory of Larry & Rosemary Rennie	2,000
Tri-Lake Hospital Fund	
In Memory of Dorothy Grummett	10
Killarney Golf Course Fund	
James Muzeen and Patricia Pugh	75
Ray and Vivian Rooks	100
Killarney Turtle Mountain Fire Department Fund	
Gertrude Martens	10,000
Harold Parsonage Aviation Scholarship Fund	
Various donators	10,885
Clanwilliam-Erickson Area Fund	
3337201 Manitoba Ltd.	50
Jackie Greavett	250
Quinn Greavett	991
Sharlyn Jacobsen	20
Tami Johnson	250
Municipality of Clanwilliam-Erickson	350
Cathy Orr	40
William Pielt	1,000
Winnipeg Foundation - Endowment Manitoba Challenge	1,850
Sandy Lake Area Fund	
In Memory of Peter J. Mendro	20
In Memory of Ida Andreychuk	2,500
Sandy Lake School	732
Marcia Shurwell	25
Killarney Library Fund	
Jan Heming	2,500
Killarney Beautification Fund	
Jan Heming	2,500
In Memory of Larry & Rosemary Rennie	1,000
Other Donations	
In Memory of Brian Gibson	1,505
In Memory of Norman Lewis	566
In Memory of Mike Bellew	50
In Memory of James Cullen	25
2018 Scotties Tournament of Hearts	8,727
All Charities Campaign	269
Anonymous	1,699
Robert Bates Estate	611,616
Killarney & Area Donor's Choice	2,142
Elaine May and families	220
Municipal Waste Management	436
Killarney Kiddie Korner	50
Municipality of Killarney-Turtle Mountain	25
Greg Ozechowsky	1,000
McKnight Estate	80,000
Irene Wild	8,363
Winnipeg Foundation	13,504
Total 2018 Donations	801,102

The Killarney Foundation Inc.
Notes to the Financial Statements
For the year ended December 31, 2018

10. Endowment contributions *(Continued from previous page)*

Total contributions to December 31, 2018	7,361,889
Income capitalized to specific funds prior to 2018	171,203
Net realized capital gains in 2018	100,408
Net realized capital gains prior to 2018	407,984
Capital gains converted to distributable income for granting	(97,757)
Total income capitalized and capital gains	581,838
Total Endowments	\$7,943,727

The following funds have been established for the specific purposes indicated. These are maintained in the Designated Endowment Fund investment account.

In 1994, an Administrative Endowment Fund was created in order to provide for future administrative expenses. To date, \$174,447 (2017 - \$174,447) has been allocated to this fund.

In 1999, the Directors passed a motion to capitalize the interest earned on the High School Scholarship Fund and any further donations made to the fund until the fund contains the sum of \$20,000. In 2018, \$nil (2017 - \$2,273) in interest was capitalized to the High School Fund. To date, \$15,462 (2017 - \$15,462) has been allocated to this fund.

Under a 1999 written donor direction, any monies earned by the Willard and Margaret Clements Scholarship Fund but not distributed in the form of scholarships is to be capitalized in order to increase the original endowed value. To date, \$71,214 (2017 - \$71,214) has been allocated to this fund.

Under a 2000 written donor direction, any monies earned by the Keith Heming & Family Scholarship Fund but not distributed in the form of scholarships is to be capitalized in order to increase the original endowed value to a maximum of \$100,000. To date, \$80,477 (2017 - \$80,477) has been allocated to this fund.

Under a 2010 written donor direction, any monies earned by the John Arthur Ross Memorial Bursary Fund but not distributed in the form of scholarships is to be capitalized in order to increase the original endowed value. To date, \$25,696 (2017 - \$25,696) has been allocated to this fund.

In 2007, a fund was established with the Winnipeg Foundation to participate in the Province of Manitoba bursary initiative program. To date, \$45,298 (2017 - \$45,298) has been contributed.

11. Directors

As at December 31, 2018 the members of the Board of Directors of the Foundation were as follows:

Richard Pauls - Chairperson
 Janice Arlene Smith - Director
 Randall Hodge - Director
 Laurie Campbell - Director
 David Jones - Director
 Brett Skeoch - Director
 Matthew Nichol- Director

Jackie Mitchell - Treasurer
 Shelley Vandenberghe - Secretary

12. Comparative figures

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

Grant revenue previously reported as part of the Foundation's endowment contributions in net assets is now shown separately as revenue.