

The Jubilee Fund Inc.
Financial Statements
Year Ended December 31, 2017

The Jubilee Fund Inc.
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Year Ended December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Jubilee Fund Inc.:

I have audited the accompanying financial statements of The Jubilee Fund Inc., which comprise the statements of financial position as at December 31, 2017 and the statements of operations and changes in net assets and 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, The Jubilee Fund Inc. derives revenue from donations and fundraising, the completeness of which is not susceptible to audit verification. Consequently, I am unable to obtain sufficient appropriate audit evidence to support the completeness of donations and fundraising revenue and expenditures and I am unable to determine whether any adjustments were necessary.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Jubilee Fund Inc. as at December 31, 2017 and its financial performance and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.



Winnipeg, Manitoba

Ryan Merner
Chartered Professional Accountant Ltd.

April 19, 2018

The Jubilee Fund Inc.
Statement of Financial Position
December 31, 2017

	2017	2016
ASSETS		
Current assets		
Cash and short-term investments	\$ 124,803	\$ 114,084
Loan loss reserve savings account	173,880	169,623
Accounts receivable (Note 4)	19,617	3,018
Prepaid expenses	820	2,462
	319,120	289,187
Capital Fund Savings and Loans Receivable (Note 5)	529,959	522,312
Pooled Investment Account	520,620	521,226
Winnipeg Foundation Investment Account	518,596	517,152
	\$ 1,888,295	\$ 1,849,877
LIABILITIES & NET ASSETS		
Current liabilities		
Accounts payable (Note 6)	\$ 24,176	\$ 14,505
Deferred revenue	105,676	98,176
	129,852	112,681
Jubilee Investment Certificates (Note 7)	462,444	462,817
Winnipeg Foundation Investment (Note 8)	500,000	500,000
	1,092,296	1,075,498
Net assets		
General Fund	76,560	80,944
Loan Loss Reserve Fund (Note 9)	181,123	171,123
Capital Fund	538,316	522,312
	795,999	774,379
	\$ 1,888,295	\$ 1,849,877

On behalf of the board

On behalf of the board

_____ President

_____ Treasurer

The Jubilee Fund Inc.
Statement of Operations
Year Ended December 31, 2017

	2017	2016
Revenue		
Donations, unrestricted	\$ 40,723	\$ 44,363
Government of Manitoba grant	80,000	80,000
Foundation/Corporate grants	32,500	20,000
Fundraising revenue	23,563	-
Interest earned	12,312	11,926
Interest earned - Loan Loss Reserve Fund	2,757	2,685
Interest earned - Winnipeg Foundation	8,300	7,005
Memberships	1,050	2,300
	201,205	168,279
Expenditures		
Meetings and fees		
Admin Fee for JIC holders	3,892	3,869
Annual meeting and board meetings	2,284	1,927
Audit and legal fees	4,138	3,811
Director's liability insurance	814	814
Fees for service	4,244	1,031
Fundraising expenditures	13,234	-
Interest fees - Winnipeg Foundation	2,698	2,195
Memberships and publications	30	410
Other fees and registrations	366	125
Professional development	334	170
Office		
Brochures, newsletter	1,059	1,044
Fundraising software	1,697	2,997
Insurance	952	930
Marketing and promotions	3,060	4,080
Office stationery and supplies	974	2,326
Postage and courier	851	2,039
Rental	8,670	7,122
Telephone and telecommunications	3,591	2,734
Staff		
Salaries and wages	134,344	132,058
	187,232	169,682
Excess (deficiency) of revenue over expenditures	\$ 13,973	\$ (1,403)

The Jubilee Fund Inc.
Statement of Changes in Net Assets
Year Ended December 31, 2017

	General Fund	Loan Loss Reserve Fund	Capital Fund	2017	2016
Beginning of year	\$ 80,944	\$ 171,123	\$ 522,312	\$ 774,379	\$ 767,646
Excess (deficiency) of revenue over expenditures	11,216	2,757	-	13,973	(1,403)
Increase to Capital Fund	-	-	7,647	7,647	8,136
Interfund transfers	(15,600)	7,243	8,357	-	-
End of year	\$ 76,560	\$ 181,123	\$ 538,316	\$ 795,999	\$ 774,379

**The Jubilee Fund Inc.
Statement of Cash Flows
Year Ended December 31, 2017**

	2017	2016
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ 13,973	\$ (1,403)
Changes in non-cash working capital:		
Loan loss reserve savings account	(4,257)	(9,385)
Accounts receivable	(16,599)	45,211
Prepaid expenses	1,642	(193)
Accounts payable	9,671	(21)
Deferred revenue	7,500	38,000
Net cash provided by operations	11,930	72,209
Investing activities		
Capital Fund Savings and Loans Receivable	(7,647)	(8,136)
Pooled Investment Account	606	(15,148)
Winnipeg Foundation Investment Account	(1,444)	(107,005)
Net cash used by investing activities	(8,485)	(130,289)
Financing activities		
Jubilee Investment Certificates	(373)	14,914
Winnipeg Foundation Investment	-	100,000
Increase to Capital Fund	7,647	8,136
Net cash provided by financing activities	7,274	123,050
Net increase in cash flow	10,719	64,970
Cash - Beginning of year	114,084	49,114
Cash - End of year	\$ 124,803	\$ 114,084

**The Jubilee Fund Inc.
Notes to Financial Statements
Year Ended December 31, 2017**

1. PURPOSE OF THE ORGANIZATION

The Jubilee Fund Inc. (the "Organization") was incorporated as a not-for-profit organization without share capital on June 8, 1998 under the laws of the Province of Manitoba and has been a registered charity since March 1, 1999. The Organization is exempt from income taxes under *Section 149(1)(f)* of the *Income Tax Act*. The Organization is not registered under the Manitoba Securities Act.

The Jubilee Fund Inc., as an ethical investment option, pools funds provided by individuals and organizations to secure and leverage financing for community based initiatives that create opportunities for low-income households/communities. As an interfaith coalition, it supports housing, commercial or social projects, which are not normally eligible for financing from conventional lenders. The Organization helps groups and individuals in low income areas improve their living conditions and financial capacity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Revenue recognition

The Organization recognizes government funding as revenue when received or receivable.

Membership fees are recognized as revenue of the General Fund when collected.

The Organization uses the deferral method of accounting for contributions under which restricted contributions related to expenditures of future periods are deferred and recognized as revenue in the period in which the related expenditures are incurred. All other contributions are reported as revenue of the current period.

All other revenue is recognized when received.

Tangible capital assets

The average annual revenues recognized in the statement of operations for the current and preceding period of the Organization, and any entities it controls, was less than \$500,000. Since the Organization met criteria for small not-for-profit organizations, it does not record the acquisition of tangible capital assets. These acquisitions are expensed at the date of acquisition. No tangible capital assets were acquired or expensed in the statement of operations in the current year.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the year. Actual results could differ from those estimates.

The Jubilee Fund Inc.
Notes to Financial Statements
Year Ended December 31, 2017

3. FINANCIAL INSTRUMENTS

The Organization's financial instruments consist of marketable securities, receivables, and payables. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant credit, interest rate, liquidity, or market (other price) risks arising from these financial instruments. Market risks result from changes in interest rates, exchange rates of foreign currencies, and market prices of financial instruments.

4. ACCOUNTS RECEIVABLE

	2017	2016
GST Public Service Bodies' Rebate	\$ 357	\$ 593
Interest	903	925
Loan Loss Fund receivable	10,000	1,500
Capital Fund receivable	8,357	-
	\$ 19,617	\$ 3,018

5. CAPITAL FUND SAVINGS AND LOANS RECEIVABLE

	2017	2016
Cash	\$ 429,769	\$ 422,124
Interest receivable	190	188
Recognition Counts Loan Receivable	100,000	100,000
	\$ 529,959	\$ 522,312

6. ACCOUNTS PAYABLE

	2017	2016
Trade payables	\$ 4,401	\$ 4,438
Assiniboine Credit Union	335	332
Operating Fund payable	15,600	1,500
Loan Loss Fund payable	2,757	-
Vacation payable (estimate)	-	3,000
Winnipeg Foundation	1,083	5,235
	\$ 24,176	\$ 14,505

**The Jubilee Fund Inc.
Notes to Financial Statements
Year Ended December 31, 2017**

7. JUBILEE INVESTMENT CERTIFICATES

Jubilee Investment Certificates (“JICs”) are purchased as three or five year term deposits with a minimum investment of \$1,000. The Organization pays interest on JICs at compound interest rates equal to conventional Credit Union term deposit rates less 2%. The Credit Union term deposit interest rate for the JICs held at December 31, 2017 was between 1.90% to 3.75%.

8. WINNIPEG FOUNDATION INVESTMENT

The Winnipeg Foundation purchased Jubilee Investment Certificates (JICs) with four and five year terms. The Organization pays interest on JICs at compound interest rates equal to conventional Credit Union term deposit rates less 2%, or a minimum of 0.5%, whichever is greater.

9. LOAN LOSS RESERVE FUND

In 2017, the Loan Loss Reserve Fund increased by \$10,000 to \$181,123 (2016: \$171,123). These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

Mennonite Central Committee’s \$20,000 restricted donation for loan loss reserve is included in this restricted amount.

10. POOLED INVESTMENT ACCOUNT AND EQUITY INVESTMENT

Funds received from the sale of Jubilee Investment Certificates are consolidated into a Jubilee Fund Investment Pool in the form of a deposit account at the Assiniboine Credit Union. These funds are held at cost. Assiniboine Credit Union pays interest on the account balance at a rate equal to regular term deposit rates.

The Organization combines its commitments for the funds in the Pooled Investment Account and the Capital Account. Funds committed at December 31 were as follows:

	2017		2016	
Social projects	\$	613,103	\$	288,381
Business projects		219,092		211,997
Housing projects		26,334		-
	\$	858,529	\$	500,378