

Financial Statements of

**DEEP RIVER AND DISTRICT
COMMUNITY FOUNDATION**

Year ended December 31, 2009

(Unaudited)

SCOTT ROSIEN & DEMPSEY

Chartered Accountants

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REVIEW ENGAGEMENT REPORT

To the Directors of
Deep River and District Community Foundation

We have reviewed the statement of financial position of Deep River and District Community Foundation as at December 31, 2009 and the statements of operations, changes in fund balances and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Foundation.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Licensed Public Accountants

Pembroke, Ontario
June 24, 2010

DEEP RIVER AND DISTRICT COMMUNITY FOUNDATION

Statement of Financial Position (Unaudited)

December 31, 2009, with comparative figures for 2008

				2009	2008
	General Fund	Restricted Funds (note 4)	Endowment Funds (note 5)	Total	Total
Assets					
Current assets:					
Cash	\$ 7,526	\$ -	\$ 7,441	\$ 14,967	\$ 28,635
Investments (note 3)	15,955	21,636	514,714	552,305	443,688
Goods and services tax receivable	469	-	-	469	312
	<u>\$ 23,950</u>	<u>\$ 21,636</u>	<u>\$ 522,155</u>	<u>\$ 567,741</u>	<u>\$ 472,635</u>
Liabilities and Fund Balances					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 4,000	\$ -	\$ -	\$ 4,000	\$ 3,600
MHS Reunion Managed fund	4,000	-	-	4,000	4,393
Bourns Vocal Scholarship Managed Fund	5,255	-	-	5,255	4,744
Deep River Rotary Managed fund	6,700	-	-	6,700	5,398
Deferred donation	1,200	-	-	1,200	100
	<u>21,155</u>	<u>-</u>	<u>-</u>	<u>21,155</u>	<u>18,235</u>
Fund balances:					
Restricted	-	21,636	522,155	543,791	452,216
Unrestricted	2,795	-	-	2,795	2,184
	<u>2,795</u>	<u>21,636</u>	<u>522,155</u>	<u>546,586</u>	<u>454,400</u>
	<u>\$ 23,950</u>	<u>\$ 21,636</u>	<u>\$ 522,155</u>	<u>\$ 567,741</u>	<u>\$ 472,635</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

DEEP RIVER AND DISTRICT COMMUNITY FOUNDATION

Statement of Operations (Unaudited)

Year ended December 31, 2009, with comparative figures for 2008

	General Fund		Restricted Funds (note 4)		Endowment Funds (note 5)	
	2009	2008	2009	2008	2009	2008
Revenue:						
Donations	\$ 600	\$ 900	\$ -	\$ -	\$ 33,698	\$ 111,277
Interest and dividends	-	-	14,783	8,631	-	-
Realized gain on sale of investments	-	-	2,840	-	-	-
Unrealized gain on investments	-	-	19,415	-	44,895	-
Operating fund income	3,500	3,500	-	-	-	-
Video sales	222	45	-	-	-	-
	<u>4,322</u>	<u>4,445</u>	<u>37,038</u>	<u>8,631</u>	<u>78,593</u>	<u>111,277</u>
Expenses:						
Charitable disbursements	700	200	16,000	6,191	-	493
Operating fund expense	-	-	3,500	3,500	-	-
Meeting costs	15	30	-	-	-	-
Investment counsel fees	-	-	4,556	4,178	-	-
Office supplies	161	1,089	-	-	-	-
Professional fees	2,339	2,540	-	-	-	-
Advertising	116	114	-	-	-	-
Fees and dues	380	380	-	-	-	-
Realized loss on sale of investments	-	-	-	3,429	-	-
Unrealized loss on investments	-	-	-	7,649	-	44,403
	<u>3,711</u>	<u>4,353</u>	<u>24,056</u>	<u>24,947</u>	<u>-</u>	<u>44,896</u>
Excess of revenue over expenses (expenses over revenue)	\$ 611	\$ 92	\$ 12,982	\$ (16,316)	\$ 78,593	\$ 66,381

Statement of Changes in Fund Balances

Year ended December 31, 2009, with comparative figures for 2008

	Externally Restricted Endowment Fund	Restricted Funds	Unrestricted	Total 2009	Total 2008
Balance, beginning of year	\$ 443,562	\$ 8,654	\$ 2,184	\$ 454,400	\$ 404,243
Excess of revenue over expenses	78,593	12,982	611	92,186	50,157
Balance, end of year	\$ 522,155	\$ 21,636	\$ 2,795	\$ 546,586	\$ 454,400

See accompanying notes to financial statements.

DEEP RIVER AND DISTRICT COMMUNITY FOUNDATION

Statement of Cash Flows (Unaudited)

Year ended December 31, 2009, with comparative figures for 2008

	General Fund 2009	Restricted Funds 2009	Endowment Funds 2009	Total 2009	Total 2008
Cash provided by (used in):					
Operations:					
Cash received from donors and members	\$ 4,322	\$ -	\$ 33,698	\$ 38,020	\$ 115,722
Cash paid to suppliers and spent on charitable activities	(3,468)	(19,500)	-	(22,968)	(12,584)
Interest and dividend income	-	14,783	-	14,783	8,631
Gain (loss) on sale of investments	-	2,840	-	2,840	(3,429)
Unrealized gain (loss) on investments	-	19,415	44,895	64,310	(52,052)
Investment fees paid	-	(4,556)	-	(4,556)	(4,178)
	854	12,982	78,593	92,429	52,110
Financing:					
Increase in managed funds	1,420	-	-	1,420	3,410
Increase in deferred donations	1,100	-	-	1,100	-
	2,520	-	-	2,520	3,410
Increase in cash position	3,374	12,982	78,593	94,949	55,520
Cash position, beginning of year	20,107	8,654	443,562	472,323	416,803
Cash position, end of year	\$ 23,481	\$ 21,636	\$ 522,155	\$ 567,272	\$ 472,323
Cash position represented by:					
Cash	\$ 7,526	\$ -	\$ 7,441	\$ 14,967	\$ 28,635
Investments	15,955	21,636	514,714	552,305	443,688
	\$ 23,481	\$ 21,636	\$ 522,155	\$ 567,272	\$ 472,323

See accompanying notes to financial statements.

DEEP RIVER AND DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2009

Deep River and District Community Foundation is a charitable public foundation incorporated without share capital under the Canada Corporations Act. The organization's object is to improve the quality of life for every resident of Deep River and District by supporting social services, promoting arts and cultural activities, and by advancing education and medical services. The organization is a registered charity under The Income Tax Act and accordingly is exempt from income taxes provided certain requirements of The Income Tax Act are met.

1. Significant accounting policies:

Fund accounting

Deep River and District Community Foundation follows the restricted fund method of accounting for contributions.

The Restricted Funds reports the investment income earned on the various Endowment Funds according to the restrictions imposed by the contributors of the funds for endowment. The Restricted Funds also reports internally restricted funds.

The General Fund accounts for the organizations' program delivery and administrative activities. This fund reports unrestricted resources.

The Endowment Fund reports resources contributed for endowment. Investment income earned on resources of the Endowment Fund is reported in the Restricted Funds or General Fund depending on the nature of any restrictions imposed by contributors of the funds for endowment.

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General 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.

Restricted investment income earned on Endowment Fund resources is recognized as revenue of the Restricted Funds according to the restrictions imposed by the contributors of the funds for endowment. Unrestricted investment income earned on Endowment Fund resources is recognized as revenue of the General Fund. Other investment income is recognized as revenue of the General Fund when earned.

Investments

Investments are recorded at market value.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 periods. Actual results could differ from those estimates.

DEEP RIVER AND DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements, continued
(Unaudited)

Year ended December 31, 2009

1. Significant accounting policies (continued):

Financial instruments

It is management's opinion that the corporation is not exposed to significant interest, currency or credit risks from its financial instruments.

Contributed services

Volunteers contribute a significant amount of time to assist Deep River and District Community Foundation in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

2. Financial instruments:

Cash and cash equivalents as financial assets held for trading. Accounts receivable are classified as loans and receivables. Accounts payable, accrued liabilities and managed funds are classified as other liabilities, each of which is measured on a cost basis.

3. Investments (at market value):

	2009	2008
Cash accounts	\$ 22,443	\$ 12,356
Treasury Bills and Guaranteed Investment Certificates	-	177,742
Fixed Income	235,084	42,228
Corporate Equity	294,778	211,362
Total	\$ 552,305	\$ 443,688

The Foundation is exposed to market risk on its publicly traded investments.

DEEP RIVER AND DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements, continued
(Unaudited)

Year ended December 31, 2009

4. Restricted funds

Externally restricted:

	Balance, beginning of year	Income	Expenditures	Balance, end of year
Community Fund	\$ -	\$ 211	\$ -	\$ 211
United Way Fund	-	3,625	-	3,625
Elizabeth Hulbert Memorial Fund	-	911	-	911
Milton Family Fund	-	6,349	(3,734)	2,615
MHS Reunion Scholarship Fund	-	357	-	357
MHS Reunion Managed Fund	-	45	-	45
Laurentian Hills Youth Fund	-	604	-	604
Deep River Science Academy Scholarship Fund	-	1,053	-	1,053
Arts and Education Fund	-	197	-	197
Foundation Development Fund	141	1,344	-	1,485
Four Seasons Fund	-	1,206	-	1,206
Original Six Hockey Fund	-	1,064	-	1,064
Bourns Vocal Scholarship Managed Fund	-	234	-	234
Mary Jane and Bob Brown Fund	-	601	-	601
Environmental Legacy Fund	-	1,705	-	1,705
North Renfrew Family Services Fund	-	469	-	469
Rotary Club of North Renfrew Fund	-	525	-	525
Deep River Rotary Managed Fund	-	343	-	343
Mary Moore Ecological Fund	-	5,544	(3,700)	1,844
Community Reserved – Thompson	-	39	-	39
Community Reserved – Fleury	-	13	-	13
Library Fund	-	1,256	-	1,256
	\$ 141	\$ 27,695	\$ (7,434)	\$ 20,402

Internally restricted:

	Balance, beginning of year	Income	Expenditures	Balance, end of year
Reserve Fund	\$ 8,513	\$ 1,287	\$ (8,566)	\$ 1,234
	\$ 8,513	\$ 1,287	\$ (8,566)	\$ 1,234
Total Restricted Funds	\$ 8,654	\$ 28,982	\$ (16,000)	\$21,636

DEEP RIVER AND DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements, continued
(Unaudited)

Year ended December 31, 2009

5. Externally restricted endowment funds

	Balance, beginning of year	Additions (transfers)	Allocation of Gain	Balance, end of year
Community Fund	\$ 32,350	\$ 3,145	4,913	\$ 40,408
Community Reserved – Eastern Star	-	1,000	-	1,000
Community Reserved – Fleury	-	1,100	-	1,100
Community Reserved – Thompson	-	5,100	-	5,100
United Way Fund	41,913	14,300	4,987	61,200
Elizabeth Hulbert Memorial Fund	10,314	-	711	11,025
Original Six Hockey Fund	14,745	-	1,255	16,000
Milton Family Fund	75,733	2,000	5,563	83,296
MHS Reunion Scholarship Fund	14,047	-	1,853	15,900
Laurentian Hills Youth Fund	4,930	-	171	5,101
Deep River Science Academy Scholarship Fund	13,507	125	1,079	14,711
Arts and Education Fund	3,530	-	358	3,888
Foundation Development Fund	8,400	600	-	9,000
Four Seasons Fund	55,501	-	7,524	63,025
Environmental Legacy Fund	16,162	-	838	17,000
Mary Moore Ecological Fund	111,113	-	11,934	123,047
North Renfrew Family Services Fund	10,978	6,328	1,320	18,626
Rotary Club of North Renfrew Fund	7,132	-	596	7,728
Mary Jane and Bob Brown Fund	4,840	-	160	5,000
Library Fund	18,367	-	1,633	20,000
	\$443,562	\$ 33,698	44,895	\$ 522,155

6. Financial instruments

- (a) The carrying value of the cash, investments, accounts payable and accrued liabilities and managed funds approximate the fair value due to the short-term nature of the financial assets and liabilities.
- (b) All managed funds are non-interest bearing. Consequently the debt risk exposure is not significant.