

Financial Statements of

**DEEP RIVER AND DISTRICT
COMMUNITY FOUNDATION**

Year ended December 31, 2010

(Unaudited)

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, 2010 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 9, 2011

DEEP RIVER AND DISTRICT COMMUNITY FOUNDATION

Statement of Financial Position (Unaudited)

December 31, 2010, with comparative figures for 2009

				2010	2009
	General Fund	Restricted Funds (note 4)	Endowment Funds (note 5)	Total	Total
Assets					
Current assets:					
Cash	\$ 4,928	\$ -	\$ 14,935	\$ 19,863	\$ 14,967
Investments (note 3)	11,701	44,303	544,903	600,907	552,305
Accounts receivable	1,112	-	-	1,112	469
	\$ 17,741	\$ 44,303	\$ 559,838	\$ 621,882	\$ 567,741
Liabilities and Fund Balances					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 2,000	\$ -	\$ -	\$ 2,000	\$ 4,000
MHS Reunion Managed fund	3,746	-	-	3,746	4,000
Bourns Vocal Scholarship Managed Fund	5,255	-	-	5,255	5,255
Deep River Rotary Managed fund	2,700	-	-	2,700	6,700
Deferred donation	1,446	-	-	1,446	1,200
	15,147	-	-	15,147	21,155
Fund balances:					
Restricted	-	44,303	559,838	604,141	543,791
Unrestricted	2,594	-	-	2,594	2,795
	2,594	44,303	559,838	606,735	546,586
	\$ 17,741	\$ 44,303	\$ 559,838	\$ 621,882	\$ 567,741

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, 2010, with comparative figures for 2009

	General Fund		Restricted Funds (note 4)		Endowment Funds (note 5)	
	2010	2009	2010	2009	2010	2009
Revenue:						
Donations	\$ 3,052	\$ 600	\$ -	\$ -	\$ 37,683	\$ 33,698
Interest and dividends	-	-	16,170	14,783	-	-
Realized gain on sale of investments	-	-	690	2,840	-	-
Unrealized gain on investments	-	-	33,044	19,415	-	44,895
Operating fund income	3,500	3,500	-	-	-	-
Video sales	75	222	-	-	-	-
	<u>6,627</u>	<u>4,322</u>	<u>49,904</u>	<u>37,038</u>	<u>37,683</u>	<u>78,593</u>
Expenses:						
Charitable disbursements	500	700	18,194	16,000	-	-
Operating fund expense	-	-	3,500	3,500	-	-
Meeting costs	135	15	-	-	-	-
Investment counsel fees	-	-	5,543	4,556	-	-
Office supplies	234	161	-	-	-	-
Professional fees	2,305	2,339	-	-	-	-
Advertising	477	116	-	-	-	-
Fees and dues	380	380	-	-	-	-
Video	2,347	-	-	-	-	-
Fundraising fees	450	-	-	-	-	-
	<u>6,828</u>	<u>3,711</u>	<u>27,237</u>	<u>24,056</u>	<u>-</u>	<u>-</u>
Excess of revenue over expenses (expenses over revenue)	\$ (201)	\$ 611	\$ 22,667	\$ 12,982	\$ 37,683	\$ 78,593

Statement of Changes in Fund Balances

Year ended December 31, 2010, with comparative figures for 2009

	Externally Restricted	Restricted Funds	Unrestricted	Total 2010	Total 2009
	Endowment Fund				
Balance, beginning of year	\$ 522,155	\$ 21,636	\$ 2,795	\$ 546,586	\$ 454,400
Excess of revenue over expenses	37,683	22,667	(201)	60,149	92,186
Balance, end of year	\$ 559,838	\$ 44,303	\$ 2,594	\$ 606,735	\$ 546,586

See accompanying notes to financial statements.

DEEP RIVER AND DISTRICT COMMUNITY FOUNDATION

Statement of Cash Flows (Unaudited)

Year ended December 31, 2010, with comparative figures for 2009

	General Fund 2010	Restricted Funds 2010	Endowment Funds 2010	Total 2010	Total 2009
Cash provided by (used in):					
Operations:					
Cash received from donors and members	\$ 6,627	\$ -	\$ 37,683	\$ 44,310	\$ 38,020
Cash paid to suppliers and spent on charitable activities	(9,471)	(21,695)	-	(31,166)	(22,968)
Interest and dividend income	-	16,170	-	16,170	14,783
Gain on sale of investments	-	690	-	690	2,840
Unrealized gain on investments	-	33,045	-	33,045	64,310
Investment fees paid	-	(5,543)	-	(5,543)	(4,556)
	(2,844)	22,667	37,683	57,506	92,429
Financing:					
Increase (decrease) in managed funds	(4,254)	-	-	(4,254)	1,420
Increase in deferred donations	246	-	-	246	1,100
	(4,008)	-	-	(4,008)	2,520
Increase in cash position	(6,852)	22,667	37,683	53,498	94,949
Cash position, beginning of year	23,481	21,636	522,155	567,272	472,323
Cash position, end of year	\$ 16,629	\$ 44,303	\$ 559,838	\$ 620,770	\$ 567,272
Cash position represented by:					
Cash	\$ 4,928	\$ -	\$ 14,935	\$ 19,863	\$ 14,967
Investments	11,701	44,303	544,903	600,907	552,305
	\$ 16,629	\$ 44,303	\$ 559,838	\$ 620,770	\$ 567,272

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, 2010

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.

Future Accounting Changes:

The Canadian Institute of Chartered Accountants (CICA) has adopted new accounting standards for not-for-profit organizations. These standards establish presentation and disclosure requirements for financial for financial statements.

These standards are effective for fiscal year ends commencing on or after January 1, 2012 and the effect of the adoption has not yet been determined.

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):

	2010	2009
Cash accounts	\$ 18,517	\$ 22,443
Fixed Income	240,177	235,084
Corporate Equity	342,213	294,778
Total	\$ 600,907	\$ 552,305

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, 2010

4. Restricted funds

Externally restricted:

	Balance, beginning of year	Income	Expenditures	Balance, end of year
Community Fund	\$ 224	\$ 2,744	\$ 201	\$ 2,767
United Way Fund	3,625	3,988	4,180	3,433
Elizabeth Hulbert Memorial Fund	911	719	750	880
Milton Family Fund	2,615	5,357	2,534	5,438
MHS Reunion Scholarship Fund	357	1,019	246	1,130
MHS Reunion Managed Fund	45	252	-	297
Laurentian Hills Youth Fund	604	356	500	460
Deep River Science Academy Scholarship Fund	1,053	954	1,000	1,007
Arts and Education Fund	197	253	200	250
Foundation Development Fund	1,485	659	-	2,144
Four Seasons Fund	1,206	4,015	1,080	4,141
Original Six Hockey Fund	1,064	1,073	1,064	1,073
Bourns Vocal Scholarship Managed Fund	234	345	-	579
Mary Jane and Bob Brown Fund	601	340	584	357
Environmental Legacy Fund	1,705	1,173	1,678	1,200
North Renfrew Family Services Fund	469	1,229	469	1,229
Rotary Club of North Renfrew Fund	525	572	525	572
Deep River Rotary Managed Fund	343	207	-	550
Mary Moore Ecological Fund	1,844	8,452	2,183	8,113
Community Reserved – Thompson	39	326	-	365
Library Fund	1,256	1,328	1,000	1,584
	\$ 20,402	\$ 35,361	\$ 18,194	\$ 37,569

Internally restricted:

	Balance, beginning of year	Income	Expenditures	Balance, end of year
Reserve Fund	\$ 1,234	\$ 5,500	\$ -	\$ 6,734
	\$ 1,234	\$ 5,500	\$ -	\$ 6,734

Total Restricted Funds	\$ 21,636	\$ 40,861	\$ 18,194	\$44,303
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DEEP RIVER AND DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements, continued
(Unaudited)

Year ended December 31, 2010

5. Externally restricted endowment funds

	Balance, beginning of year	Additions (transfers)	Balance, end of year
Community Fund	\$ 41,508	\$ 1,150	\$ 42,658
Community Reserved – Eastern Star	1,000	4,020	5,020
Community Reserved – Thompson	5,100	126	5,226
United Way Fund	61,200	300	61,500
Elizabeth Hulbert Memorial Fund	11,025	-	11,025
Original Six Hockey Fund	16,000	1,064	17,064
Milton Family Fund	83,296	5,000	88,296
MHS Reunion Scholarship Fund	15,900	-	15,900
Laurentian Hills Youth Fund	5,101	-	5,101
Deep River Science Academy Scholarship Fund	14,711	-	14,711
Arts and Education Fund	3,888	2,775	6,663
Foundation Development Fund	9,000	1,000	10,000
Four Seasons Fund	63,025	-	63,025
Environmental Legacy Fund	17,000	200	17,200
Mary Moore Ecological Fund	123,047	12,854	135,901
North Renfrew Family Services Fund	18,626	6,729	25,355
Rotary Club of North Renfrew Fund	7,728	2,215	9,943
Mary Jane and Bob Brown Fund	5,000	-	5,000
Library Fund	20,000	250	20,250
	\$ 522,155	\$ 37,683	\$ 559,838

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.