

Financial Statements of

**DEEP RIVER AND DISTRICT
COMMUNITY FOUNDATION**

Year ended December 31, 2011

(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, 2011 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
April 5, 2012

DEEP RIVER AND DISTRICT COMMUNITY FOUNDATION

Statement of Financial Position

(Unaudited)

December 31, 2011, with comparative figures for 2010

				2011	2010
	General Fund	Restricted Funds (note 4)	Endowment Funds (note 5)	Total	Total
Assets					
Current assets:					
Cash	\$ 4,349	\$ 1,200	\$ 16,802	\$ 22,351	\$ 19,863
Investments (note 3)	13,760	10,088	578,047	601,895	600,907
Accounts receivable	827	-	-	827	1,112
	<u>\$ 18,936</u>	<u>\$ 11,288</u>	<u>\$ 594,849</u>	<u>\$ 625,073</u>	<u>\$ 621,882</u>
Liabilities and Fund Balances					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 2,100	\$ -	\$ -	\$ 2,100	\$ 2,000
MHS Reunion Managed fund	3,746	-	-	3,746	3,746
Bourns Vocal Scholarship Managed Fund	5,255	-	-	5,255	5,255
Deep River Rotary Managed fund	2,700	-	-	2,700	2,700
Deferred donation	-	-	-	-	1,446
	<u>13,801</u>	<u>-</u>	<u>-</u>	<u>13,801</u>	<u>15,147</u>
Fund balances:					
Restricted	-	11,288	594,849	606,137	604,141
Unrestricted	5,135	-	-	5,135	2,594
	<u>5,135</u>	<u>11,288</u>	<u>594,849</u>	<u>611,272</u>	<u>606,735</u>
	<u>\$ 18,936</u>	<u>\$ 11,288</u>	<u>\$ 594,849</u>	<u>\$ 625,073</u>	<u>\$ 621,882</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, 2011, with comparative figures for 2010

	General Fund		Restricted Funds (note 4)		Endowment Funds (note 5)	
	2011	2010	2011	2010	2011	2010
Revenue:						
Donations	\$ 402	\$ 3,052	\$ 1,800	\$ -	\$ 37,867	\$ 37,683
Interest and dividends	-	-	18,165	16,170	-	-
Realized gain (loss) on sale of investments	-	-	(1,396)	690	-	-
Unrealized gain (loss) on investments	-	-	(22,550)	33,044	(5,199)	-
Operating fund income	3,500	3,500	-	-	-	-
Video sales	165	75	-	-	-	-
	<u>4,067</u>	<u>6,627</u>	<u>(3,981)</u>	<u>49,904</u>	<u>32,668</u>	<u>37,683</u>
Expenses:						
Charitable disbursements	-	500	14,815	18,194	-	-
Operating fund expense	-	-	3,500	3,500	-	-
Meeting costs	15	135	-	-	-	-
Investment counsel fees	-	-	6,323	5,543	-	-
Office supplies	730	234	-	-	-	-
Professional fees	2,361	2,305	-	-	-	-
Advertising	293	477	-	-	-	-
Fees and dues	380	380	-	-	-	-
Video	-	2,347	-	-	-	-
Fundraising fees (recovery)	(200)	450	-	-	-	-
	<u>3,579</u>	<u>6,828</u>	<u>24,638</u>	<u>27,237</u>	<u>-</u>	<u>-</u>
Excess of revenue over expenses (expenses over revenue)	\$ 488	\$ (201)	\$ (28,619)	\$ 22,667	\$ 32,668	\$ 37,683

Statement of Changes in Fund Balances

Year ended December 31, 2011, with comparative figures for 2010

	Externally Restricted	Restricted	Unrestricted	Total	Total
	Endowment Fund	Funds		2011	2010
Balance, beginning of year	\$ 559,838	\$44,303	\$ 2,594	\$ 606,735	\$ 546,586
Excess of revenue over expenses (expenses over revenues)	32,668	(28,619)	488	4,537	60,149
Interfund transfers	2,343	(4,396)	2,053	-	-
Balance, end of year	<u>\$ 594,849</u>	<u>\$ 11,288</u>	<u>\$ 5,135</u>	<u>\$ 611,272</u>	<u>\$ 606,735</u>

See accompanying notes to financial statements.

DEEP RIVER AND DISTRICT COMMUNITY FOUNDATION

Statement of Cash Flows
(Unaudited)

Year ended December 31, 2011, with comparative figures for 2010

	General Fund 2011	Restricted Funds 2011	Endowment Funds 2011	Total 2011	Total 2010
Cash provided by (used in):					
Operations:					
Cash received from donors and members	\$ 4,067	\$ 755	\$ 37,867	\$ 42,689	\$ 44,310
Transfer of deferred donations	-	1,045	-	1,045	-
Cash paid to suppliers and spent on charitable activities	(3,194)	(18,315)	-	(21,509)	(31,166)
Interest and dividend income	-	18,165	-	18,165	16,170
Gain (loss) on sale of investments	-	(1,396)	-	(1,396)	690
Unrealized gain (loss) on investments	-	(22,550)	(5,199)	(27,749)	33,045
Investment fees paid	-	(6,323)	-	(6,323)	(5,543)
	873	(28,619)	32,668	4,922	57,506
Financing:					
Increase (decrease) in managed funds	-	-	-	-	(4,254)
Interfund transfers	2,053	(4,396)	2,343	-	-
Change in deferred donations	(1,446)	-	-	(1,446)	246
	607	(4,396)	2,343	(1,446)	(4,008)
Increase in cash position	1,480	(33,015)	35,011	3,476	53,498
Cash position, beginning of year	16,629	44,303	559,838	620,770	567,272
Cash position, end of year	\$ 18,109	\$ 11,288	\$ 594,849	\$ 624,246	\$ 620,770
Cash position represented by:					
Cash	\$ 4,349	\$ 1,200	\$ 16,802	\$ 22,351	\$ 19,863
Investments	13,760	10,088	578,047	601,895	600,907
	\$ 18,109	\$ 11,288	\$ 594,849	\$ 624,246	\$ 620,770

See accompanying notes to financial statements.

DEEP RIVER AND DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2011

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, 2011

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):

	2011	2010
Cash accounts	\$ 28,027	\$ 18,517
Fixed Income	258,701	240,177
Corporate Equity	315,167	342,213
Total	\$ 601,895	\$ 600,907

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, 2011

4. Restricted funds

Externally restricted:

	Balance, beginning of year	Income (Loss)	Transfer and Expenditures	Balance, end of year
Community Fund	\$ 2,669	\$ (49)	\$ (2,620)	\$ -
United Way Fund	3,433	-	(3,433)	-
Elizabeth Hulbert Memorial Fund	880	(20)	(860)	-
Milton Family Fund	5,438	(601)	(4,837)	-
MHS Reunion Scholarship Fund	1,130	(130)	(1,000)	-
MHS Reunion Managed Fund	297	(94)	-	203
Laurentian Hills Youth Fund	460	(128)	(52)	280
Deep River Science Academy Scholarship Fund	1,007	(7)	(1,000)	-
Arts and Education Fund	250	-	(291)	(41)
Foundation Development Fund	2,144	-	(2,144)	-
Four Seasons Fund	4,141	(1,564)	-	2,577
Original Six Hockey Fund	1,073	(423)	-	650
Bourns Vocal Scholarship Managed Fund	579	(136)	-	443
Mary Jane and Bob Brown Fund	357	-	(400)	(43)
Environmental Legacy Fund	1,200	-	(1,370)	(170)
North Renfrew Family Services Fund	1,229	(2,140)	3,433	2,522
Rotary Club of North Renfrew Fund	572	-	(572)	-
Deep River Rotary Managed Fund	550	(76)	-	474
Mary Moore Ecological Fund	8,113	(3,354)	(1,800)	2,959
Community Reserved – Thompson	365	-	(365)	-
Library Fund	1,584	(284)	(1,300)	-
Community Reserved – Eastern Star	98	(98)	-	-
Flow Through Donations	-	-	1,200	1,200
	\$ 37,569	\$ (9,104)	\$ (17,411)	\$ 11,054

Internally restricted:

	Balance, beginning of year	Income	Expenditures	Balance, end of year
Reserve Fund	\$ 6,734	\$ (6,500)	\$ -	\$ 234
	\$ 6,734	\$ (6,500)	\$ -	\$ 234
Total Restricted Funds	\$ 44,303	\$ (15,604)	\$ (17,411)	\$ 11,288

DEEP RIVER AND DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements, continued
(Unaudited)

Year ended December 31, 2011

5. Externally restricted endowment funds

	Balance, beginning of year	Additions (transfers)	Allocation of loss	Balance, end of year
Community Fund	\$ 42,658	\$ 9,469	\$ (1,024)	\$ 51,103
Community Reserved – Eastern Star	5,020	2,260	(32)	7,248
Community Reserved – Thompson	5,226	-	(130)	5,096
United Way Fund	61,500	(61,500)	-	-
Elizabeth Hulbert Memorial Fund	11,025	111	(258)	10,878
Original Six Hockey Fund	17,064	-	-	17,064
Milton Family Fund	88,296	5,837	(1,582)	92,551
MHS Reunion Scholarship Fund	15,900	1,705	(265)	17,340
Laurentian Hills Youth Fund	5,101	51	-	5,152
Deep River Science Academy Scholarship Fund	14,711	300	(349)	14,662
Arts and Education Fund	6,663	541	(161)	7,043
Foundation Development Fund	10,000	2,091	(239)	11,852
Four Seasons Fund	63,025	-	-	63,025
Environmental Legacy Fund	17,200	170	(428)	16,942
Mary Moore Ecological Fund	135,901	-	-	135,901
North Renfrew Family Services Fund	25,355	62,128	-	87,483
Rotary Club of North Renfrew Fund	9,943	2,022	(267)	11,698
Mary Jane and Bob Brown Fund	5,000	450	(128)	5,322
Library Fund	20,250	-	(217)	20,033
Community Reserved - RCUW	-	300	-	300
Community Reserved – Health Care	-	5,000	-	5,000
Cross Concert Piano	-	9,275	(119)	9,156
	\$ 559,838	\$ 40,210	\$ (5,199)	\$ 594,849

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.