

Financial Statements of

**DEEP RIVER & DISTRICT
COMMUNITY FOUNDATION**

Year ended December 31, 2014
(Unaudited)

SCOTT ROSIEN & DEMPSEY

Chartered Professional Accountants

D.M. Scott, CPA, CA, LPA
D.W. Rosien, CPA, CA, LPA
K.I. Black, CPA, CA, LPA
R.A. Locke, CPA, CA, LPA
W.T. Dempsey, CPA, CA, LPA (Retired)

545 Pembroke Street West
Pembroke, Ontario K8A 5P2

TELEPHONE: 613-735-3981

FAX: 613-732-3829

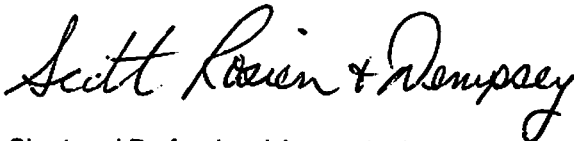
REVIEW ENGAGEMENT REPORT

To the Directors of Deep River & District Community Foundation

We have reviewed the statement of financial position of Deep River & District Community Foundation as at December 31, 2014 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 accounting standards for not-for-profit organizations.



Chartered Professional Accountants
Licensed Public Accountants

Pembroke, Ontario
February 24, 2015

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Balance Sheet (Unaudited)

December 31, 2014, with comparative figures for 2013

				December 31 2014	December 31 2013
	General Fund	Restricted Funds (note 4)	Endowment Funds (note 5)	Total	Total
Assets					
Current assets:					
Cash (note 2)	\$ 9,719	\$ -	\$ 7,583	\$ 17,302	\$ 79,620
Investments (note 3)	7,755	99,433	751,163	858,351	711,919
Accounts receivable	200	-	-	200	5,601
Government remittances receivable	1,550	-	-	1,550	3,250
	\$ 19,224	\$ 99,433	\$ 758,746	\$ 877,403	\$ 800,390

Liabilities and Fund Balances

Current liabilities:					
Accounts payable and accrued liabilities	\$ 2,865	\$ 6,400	\$ -	\$ 9,265	\$ 3,000
Bourms Vocal Scholarship Managed Fund	5,255	-	-	5,255	5,255
Deep River Rotary Managed Fund	2,700	-	-	2,700	2,700
Deferred revenue	-	-	-	-	100
	10,820	6,400	-	17,220	11,055
Fund balances:					
Restricted	-	93,033	758,746	851,779	782,169
Unrestricted Funds	8,404	-	-	8,404	7,166
	8,404	93,033	758,746	860,183	789,335
	\$ 19,224	\$ 99,433	\$ 758,746	\$ 877,403	\$ 800,390

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Statement of Operations (Unaudited)

Year ended December 31, 2014, with comparative figures for 2013

	General Fund		Restricted Funds		Endowment Funds	
	2014	2013	2014	2013	2014	2013
				(note 4)		(note 5)
Donations	\$ 12	\$ -	\$ 500	\$ 900	\$ 42,216	\$ 36,977
Interest and dividends	-	7	26,814	26,263	-	-
Realized gain (loss) on investments	-	-	(12,287)	27,034	-	-
Unrealized gain on investments	-	-	56,299	21,894	-	-
Operating fund income	8,000	6,200	-	-	-	-
Video sales	-	-	-	-	-	-
Special events	-	2,000	-	-	-	-
	8,012	8,207	71,326	76,091	42,216	36,977
Charitable disbursements	-	-	25,036	20,893	-	-
Operating fund expense	-	-	8,000	6,200	-	-
Investment counsel fees	-	-	10,175	8,740	-	-
Office supplies	217	497	-	-	-	-
Professional fees	5,536	4,538	-	-	-	-
Telephone	100	100	-	-	-	-
Advertising	60	99	-	-	-	-
Fees and dues	450	480	-	-	-	-
Fundraising fees	1,132	971	-	-	-	-
	7,495	6,685	43,211	35,833	-	-
Excess of revenue over expenses	\$ 517	\$ 1,522	\$ 28,115	\$ 40,258	\$ 42,216	\$ 36,977

See accompanying notes to financial statements.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Statement of Changes in Fund Balances (Unaudited)

Year ended December 31, 2014, with comparative figures for 2013

	Externally Restricted Endowment Fund	Restricted Funds	Unrestricted	Total 2014	Total 2013
Balance, beginning of year	\$ 712,633	\$ 69,536	\$ 7,166	\$ 789,335	\$ 710,578
Excess of revenue over expenses	42,216	28,115	517	70,848	78,757
Interfund transfers	3,897	(4,618)	721	-	-
Balance, end of year	\$ 758,746	\$ 93,033	\$ 8,404	\$ 860,183	\$ 789,335

See accompanying notes to financial statements.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Statement of Changes in Financial Position (Unaudited)

Year ended December 31, 2014, with comparative figures for 2013

	General Fund 2014	Restricted Funds 2014	Endowment Funds 2014	Total 2014	Total 2013
Cash provided by (used in):					
Operations:					
Cash received from donors and members	\$ 9,712	\$ 500	\$ 47,617	\$ 57,829	\$ 39,661
Cash paid to suppliers and spent on charitable activities	(7,630)	(26,636)	-	(34,266)	(32,878)
Interest and dividend income	-	26,814	-	26,814	26,263
Gain on sale of investments	-	(12,287)	-	(12,287)	27,034
Unrealized gain on investments	-	56,299	-	56,299	21,894
Investment fees paid	-	(10,175)	-	(10,175)	(8,740)
	2,082	34,515	47,617	84,214	73,234
Financing:					
Decrease in managed funds	-	-	-	-	-
Interfund transfers	721	(4,618)	3,897	-	-
Increase in deferred revenue	-	(100)	-	(100)	100
	721	(4,718)	3,897	(100)	100
Increase in cash position	2,803	29,797	51,514	84,114	73,334
Cash position, beginning of year	14,671	69,636	707,232	791,539	718,205
Cash position, end of year	\$ 17,474	\$ 99,433	\$ 758,746	\$ 875,653	\$ 791,539
Represented by:					
Cash	\$ 9,719	\$ -	\$ 7,583	\$ 17,302	\$ 79,620
Investments	7,755	99,433	751,163	858,351	711,919
	\$ 17,474	\$ 99,433	\$ 758,746	\$ 875,653	\$ 791,539

See accompanying notes to financial statements.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2014

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:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) 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.

(b) 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.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2014

1. Significant accounting policies (continued):

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.

(c) Cash:

Cash includes cash on hand and cash on deposit net of cheques issued and outstanding at the reporting date.

(d) Expenditure recognition:

Expenses are reported on the accrual basis of accounting. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(e) Financial Instruments:

i) Measurement of financial instruments

The Company initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Company subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statements of operations in the period incurred. Financial assets measured at amortized cost include cash, amounts receivable and fixed income investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

ii) Impairment:

At the end of each reporting period, the Company assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Company, including but not limited to the following events: significant financial difficulty of

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2014

1. Significant accounting policies (continued):

the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; or bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the company determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

When the company identifies adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the asset to the highest of the following:

- i) the present value of the cash flows expected to be generated by holding the asset discounted using a current market rate of interest appropriate to the asset;
- ii) the amount that could be realized by selling the asset at the statement of financial position date; and
- iii) the amount the company expects to realize by exercising its rights to any collateral held to secure repayment of the asset net of all costs necessary to exercise those rights.

The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the reduction is recognized as an impairment loss in the statements of operations.

When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed.

(f) Use of estimates:

The preparation of financial statements in conformity with Canadian 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 revenues and expenses during the reporting periods. Actual results could differ from those estimates.

(g) 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.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2014

2. Cash:

	2014	2013
Cash on deposit	\$ 19,472	\$ 82,867
Cheques issued and outstanding	(2,170)	(3,247)
	\$ 17,302	\$ 79,620

3. Investments (at market value):

	2014	2013
Cash accounts	\$ 35,433	\$ 48,541
Fixed Income	346,858	235,524
Corporate Equity	476,060	427,854
	\$ 858,351	\$ 711,919

The Foundation is exposed to market risk on its publicly traded investments as described in note 6.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2014

4. Restricted Funds:

Externally restricted:

	Balance January 1 2014	Income	Transfer and Expenditures	Balance December 31 2014
Community Fund	\$ 6,081	\$ 6,175	\$ (418)	\$ 11,838
Elizabeth Hulbert Memorial Fund	1,087	510	(750)	847
Milton Family Fund	9,546	6,208	(8,650)	7,104
Laurentian Hills Youth Fund	374	318	-	692
Deep River Science Academy Scholarship Fund	1,066	888	(1,000)	954
Arts and Education Fund	418	339	-	757
Foundation Development Fund	721	574	(721)	574
Four Seasons Conservancy Fund	7,356	4,048	-	11,404
The Original Six Hockey Fund	2,430	876	-	3,306
Bourns Vocal Scholarship Managed Fund	1,098	366	-	1,464
Mary-Jane and Bob Brown Memorial Fund	338	330	-	668
Environmental Legacy Fund	1,527	855	(1,500)	882
The North Renfrew Family Services Fund	5,214	5,631	-	10,845
Rotary Club of North Renfrew Fund	1,186	763	-	1,949
Deep River Rotary Managed Fund	839	203	-	1,042
Mary Moore Ecological Fund	7,775	6,164	(7,775)	6,164
Library Endowment Fund	1,166	915	(1,166)	915
W. G. Cross Concert Piano Fund	943	497	-	1,440
Order of the Eastern Star (Pembroke #288) Bursary Fund	916	814	-	1,730
Jean and Bruce Bigham Student Activity Fund	763	637	(763)	637
Deep River Area Health Care Fund	1,009	493	-	1,502
Flow Through Donations	700	500	(500)	700
MHS Reunion Award Fund	2,056	1,289	(500)	2,845
Chas Millar Pending	423	185	(608)	-
Laura Alice Cooper Memorial	1,406	1,387	(1,406)	1,387
Renfrew County United Way Fund	181	289	-	470
	\$ 56,619	\$ 41,254	\$ (25,757)	\$ 72,116

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2014

4. Restricted Funds (continued):

Internally restricted:

	Balance January 1 2014	Income	Expenditures	Balance December 31 2014
Reserve Fund	\$ 12,917	\$ 8,000	\$ -	\$ 20,917
	\$ 12,917	\$ 8,000	\$ -	\$ 20,917
Total Restricted Funds	\$ 69,536	\$ 49,254	\$ (25,757)	\$ 93,033

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2014

5. Externally restricted endowment funds:

	Balance January 1 2014	Additions (transfers)	Balance December 31 2014
Community Fund	\$ 91,343	\$ 35,500	\$ 126,843
Elizabeth Hulbert Memorial Fund	11,041	165	11,206
The Original Six Hockey Fund	17,320	260	17,580
Milton Family Fund	99,651	5,000	104,651
MHS Reunion Award Fund	20,593	-	20,593
Laurentian Hills Youth Fund	5,152	-	5,152
Deep River Science Academy Scholarship Fund	14,662	300	14,962
Arts and Education Fund	7,402	111	7,513
Foundation Development Fund	12,537	188	12,725
Four Seasons Conservancy Fund	63,025	-	63,025
Environmental Legacy Fund	18,552	679	19,231
Mary Moore Ecological Fund	137,940	2,069	140,009
The North Renfrew Family Services Fund	91,828	1,767	93,595
Rotary Club of North Renfrew Fund	12,078	-	12,078
Mary-Jane and Bob Brown Memorial Fund	5,401	-	5,401
Library Endowment Fund	20,334	305	20,639
W. G. Cross Concert Piano Fund	10,426	156	10,582
Chas Miller Pending	6,000	(6,000)	-
Deep River Area Health Care Fund	10,247	154	10,401
Order of the Eastern Star (Pembroke #288) Bursary Fund	12,874	1,249	14,123
Jean and Bruce Bigham Student Activity Fund	14,026	210	14,236
Renfrew County United Way Fund	5,300	-	5,300
Laura Alice Cooper Memorial Fund	24,901	4,000	28,901
	\$ 712,633	\$ 46,113	\$ 758,746

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2014

6. Financial instruments:

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.

All managed funds are non-interest bearing. Consequently the debt risk exposure is not significant.

Market Risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

Currency Risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchanges.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The foundation has no interest bearing liabilities.

The primary objective of the foundation with respect to its investments in fixed income investments is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory investment return.

The foundation manages the interest rate risk exposure of its fixed income investments by using a laddered portfolio with varying terms of maturity. The laddered structure of maturities helps to enhance the average portfolio yield while reducing the sensitivity of the portfolio to the impact of interest rate fluctuations.

DEEP RIVER & DISTRICT COMMUNITY FOUNDATION

Notes to Financial Statements
(Unaudited)

Year ended December 31, 2014

6. Financial instruments (continued):

Other Price Risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The Foundations used BMO Nesbitt Burns to manage its investment portfolio. The investment policy provides for an asset mix of 55% equities and 45% fixed income investments and is monitored monthly. Risk and volatility of investment returns are mitigated through diversification of investments.