

INTERLAKE COMMUNITY FOUNDATION INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2008

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AUDITORS' REPORT

To the Directors of
Interlake Community Foundation Inc.

We have audited the statement of financial position of Interlake Community Foundation Inc. as at December 31, 2008 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the foundation's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the foundation as at December 31, 2008 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba
February 26, 2009

Stefanson Lee Romaniuk
Chartered Accountants

INTERLAKE COMMUNITY FOUNDATION INC.

Statement of Financial Position

December 31, 2008

	<u>2008</u>	<u>2007</u>
ASSETS		
Current		
Cash	\$ 71,096	66,313
Marketable securities (note 3)	493,400	561,902
GST receivable	467	307
	564,963	628,522
Funds managed by Winnipeg Foundation (note 4)	52,331	33,461
Furniture and equipment at cost	2,012	2,012
	<u>\$ 619,306</u>	<u>663,995</u>
LIABILITIES		
Current		
Accounts payable	\$ 3,300	3,000
Grant commitments	9,850	12,325
	13,150	15,325
NET ASSETS		
Restricted for endowment purposes	172,284	163,807
Internally restricted by Community	372,223	415,562
Unrestricted	61,649	69,301
	606,156	648,670
	<u>\$ 619,306</u>	<u>663,995</u>

APPROVED BY THE BOARD:

_____ **DIRECTOR**

INTERLAKE COMMUNITY FOUNDATION INC.

Statement of Changes in Net Assets
for the year ended December 31, 2008

	<u>Restricted for Endowment Purposes</u>	<u>Internally Restricted by Community</u>	<u>Unrestricted</u>	<u>2008 Total</u>	<u>2007 Total</u>
Balance, beginning of year	\$ 163,807	415,562	69,301	648,670	533,544
Excess (deficiency) of revenue over expenditure for the year	-	(37,106)	(15,834)	(52,940)	16,036
Administration	(2,370)	(6,233)	8,182	(421)	-
Endowment contributions	30,523	-	-	30,523	23,236
Matching grants	8,847	-	-	8,847	2,868
Grants disbursed	(7,675)	-	-	(7,675)	(3,838)
Unrealized gains (losses) relating to endowment for the year	(24,823)	-	-	(24,823)	(4,237)
Investment income	3,975	-	-	3,975	8,890
Balance, end of year	\$ 172,284	372,223	61,649	606,156	42,955

INTERLAKE COMMUNITY FOUNDATION INC.Statement of Operations
for the year ended December 31, 2008

	<u>2008</u>	<u>2007</u>
Revenue		
Grants		
R.M. of Rosser	\$ 5,000	5,000
R.M. of Rockwood	8,000	8,000
R.M. of Woodlands	2,000	2,000
Town of Stonewall	2,500	3,800
Town of Teulon	5,000	5,200
Investment income	11,947	22,620
Winnipeg Foundation grant	3,168	-
Donations	2,486	5,510
Fundraising and other	3,089	5,270
	<hr/> 43,190	<hr/> 57,400
Expenditures		
Administration	3,960	3,960
Advertising and annual reception	1,455	1,372
Fundraising and promotion	-	459
Professional fees	3,380	3,360
Memberships	370	390
Office	558	999
Meetings and conferences	379	210
Grants disbursed	18,275	14,700
Website	1,474	-
Unrealized loss on marketable securities	66,279	15,914
	<hr/> 96,130	<hr/> 41,364
Excess (deficiency) of revenue over expenditures	<hr/> <hr/> \$ (52,940)	<hr/> <hr/> 16,036

INTERLAKE COMMUNITY FOUNDATION INC.

Notes to Financial Statements
December 31, 2008

1. Purpose of the organization:

The Foundation is an organization established to endeavour to make the communities of the South Interlake region a better place to live. The Foundation is incorporated under the Manitoba Companies Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Significant accounting policies:

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Fair value

The carrying amount of cash, accounts receivable, and accounts payable approximate fair value because of the near-term maturity of those instruments.

Financial Risk

Financial risk is the risk that arises from the fluctuation in interest and market rates and the degree of volatility of those rates. The Corporation does not use derivative instruments to reduce its exposure to interest risk.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

Investments

Investments are identified as held for trading and are recorded at market value. Unrealized gains and losses are recorded in the current year. Unrealized gains and losses relating to the endowment fund are recorded through net assets.

Capital assets

Capital assets are recorded at cost. No amortization has been recorded in the accounts.

Grant commitments

Board approved commitments for grants which are not disbursed by December 31 are shown as a current liability.

INTERLAKE COMMUNITY FOUNDATION INC.

Notes to Financial Statements

December 31, 2008

3. Marketable securities:	<u>2008</u>	<u>2007</u>
At cost:		
Money market funds	\$ 83,870	38,351
Investment in pooled funds and equities (market value 2008 - \$390,763, 2007 - \$509,943)	433,066	469,405
Bonds (market value 2008 - \$18,768, 2007 - \$13,608)	<u>17,000</u>	<u>10,000</u>
	533,936	517,756
Unrealized gains (losses) relating to marketable securities	<u>(40,536)</u>	<u>44,146</u>
	\$ <u>493,400</u>	<u>561,902</u>

4. Funds managed by Winnipeg Foundation:

Certain funds are invested with and managed by the Winnipeg Foundation with the income and capital designated for the benefit of certain endowment funds of the Interlake Community Foundation. At December 31, the endowment fund balances at the Winnipeg Foundation are as follows.

	<u>2008</u>	<u>2007</u>
Michael Ferley Bursary Scholarship Fund	\$ 9,311	10,324
Rev. Dr. Barry Grant Rasmussen Memorial Scholarship Fund	5,005	6,497
Ben and Marjorie King Memorial Bursary Fund	29,225	16,640
Lorne Ferley Scholarship Fund	<u>8,790</u>	<u>-</u>
	\$ <u>52,331</u>	<u>33,461</u>

5. Restrictions on net assets:

The net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating how the endowment funds are to be disbursed.

The Board of Directors internally restricted all donations and grants received for expenditure for the benefit of the community making the donation. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

6. Net assets internally restricted for communities:	<u>2008</u>	<u>2007</u>
The net assets restricted for communities are as follows:		
R.M. of Rockwood	\$ 131,417	146,489
R.M. of Rosser	58,984	64,219
R.M. of Woodlands	14,519	15,035
Town of Stonewall	112,405	130,129
Town of Teulon	<u>54,898</u>	<u>59,690</u>
	\$ <u>372,223</u>	<u>415,562</u>

INTERLAKE COMMUNITY FOUNDATION INC.

Notes to Financial Statements

December 31, 2008

7. Restricted for endowment purposes:	<u>2008</u>	<u>2007</u>
Designations for specific endowment purposes are as follows:		
Teulon Collegiate Alumni Fund	\$ 5,541	6,131
Mr & Mrs. A Campbell Scholarship Fund	2,026	2,435
Hunter Cummings Scholarship Fund	2,986	3,619
Dr. Goodwin Memorial Scholarship Fund	2,848	3,379
Community Builder Fund		
- Stonewall	3,557	3,529
- Teulon	2,534	2,504
- Rosser	502	470
- All Communities	5,246	5,599
Herbert and Helen Kletke Endowment Fund	14,604	17,319
Michael A. Lindell Automotive Scholarship Fund	17,950	18,907
The Arts	1,052	1,208
Teulon Hunter Memorial Health District Foundation Inc. Fund	51,182	60,963
Stonewall Collegiate Youth and Philanthropy Fund	4,699	3,892
Warren Collegiate Philanthropy Fund	935	-
Rev. Dr. Barry Grant Rasmussen Memorial Scholarship Fund	5,296	6,788
Ben and Marjorie King Memorial Bursary Fund	33,225	16,740
Lorne and Irene Ferley Endowment Fund		
Michael Ferley Bursary Scholarship Fund	9,311	10,324
Lorne Ferley Scholarship Fund	<u>8,790</u>	<u>-</u>
	\$ <u>172,284</u>	<u>163,807</u>

8. Comparative figures:

Certain of the prior year comparative figures have been restated to conform with the presentation of the current year.

9. Cash flow statement:

A statement of cash flows has not been provided as it does not provide any additional information not easily determinable from the financial statements.