

INTERLAKE COMMUNITY FOUNDATION INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2006

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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, 2006 and the statements of operations and changes in net assets and cash flow 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, 2006 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 28, 2007


Chartered Accountants

INTERLAKE COMMUNITY FOUNDATION INC.Statement of Financial Position
December 31, 2006

	<u>2006</u>	<u>2005</u>
ASSETS		
Current		
Cash	\$ 60,602	67,653
Marketable securities (note 3)	484,198	431,477
GST receivable	269	222
Accounts recoverable	230	-
	545,299	499,352
Furniture and equipment at cost	903	903
	\$ 546,202	500,255
LIABILITIES		
Current		
Accounts payable	\$ 2,576	2,400
Grant commitments	10,082	7,700
	12,658	10,100
NET ASSETS		
Restricted for endowment purposes (note 6)	116,307	108,927
Internally restricted by Community	360,643	334,508
Unrestricted	56,594	46,720
	533,544	490,155
	\$ 546,202	500,255

APPROVED BY THE BOARD:


 DIRECTOR

INTERLAKE COMMUNITY FOUNDATION INC.

Statement of Changes in Net Assets
for the year ended December 31, 2006

	<u>Restricted for Endowment Purposes</u>	<u>Internally Restricted by Community</u>	<u>Unrestricted</u>	<u>2006 Total</u>	<u>2005 Total</u>
Balance, beginning of year	\$ 108,927	334,508	46,720	490,155	462,839
Excess (deficiency) of revenue over expenditure for the year	-	31,153	3,222	34,375	13,604
Administration	(1,634)	(5,018)	6,652	-	-
Endowment contributions	8,225	-	-	8,225	20,865
Grants disbursed	(3,775)	-	-	(3,775)	(3,555)
Funds transferred to Winnipeg Foundation	(2,000)	-	-	(2,000)	(5,874)
Investment income	6,564	-	-	6,564	2,276
Balance, end of year	\$ 116,307	360,643	56,594	533,544	490,155

INTERLAKE COMMUNITY FOUNDATION INC.

Statement of Operations
for the year ended December 31, 2006

	<u>2006</u>	<u>2005</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	2,500
Town of Teulon	5,000	5,000
Investment income	23,438	7,688
Thomas Sill Foundation grant	2,500	2,500
Winnipeg Foundation grant	883	856
Donations	6,137	3,776
Fundraising and other	4,750	3,301
	<hr/> 60,208	<hr/> 40,621
Expenditures		
Administration	3,960	3,960
Advertising and annual reception	624	670
Fundraising and promotion	436	439
Professional fees	2,752	2,631
Memberships	350	270
Office	658	1,075
Meetings and conferences	286	658
Grants disbursed	16,767	17,314
	<hr/> 25,833	<hr/> 27,017
Excess of revenue over expenditures	<hr/> <hr/> \$ 34,375	<hr/> <hr/> 13,604

INTERLAKE COMMUNITY FOUNDATION INC.

Cash Flow Statement
for the year ended December 31, 2006

	<u>2006</u>	<u>2005</u>
Cash from operating activities		
Excess of revenue over expenditures for the year	\$ 34,375	13,604
Change in non-cash working capital components		
GST receivable	(47)	5
Accounts recoverable	(230)	-
Accounts payable and grant commitments	2,558	5,450
Cash provided by operations	36,656	19,059
Financing and investing activities		
Endowment contributions received	8,225	20,865
Endowment grants disbursed	(3,775)	(3,555)
Endowment investment income	6,564	2,276
Endowment funds transferred to Winnipeg Foundation	(2,000)	(5,874)
Cash provided by financing and investing activities	9,014	13,712
Change in cash for the year	45,670	32,771
Cash position, beginning of year	499,130	466,359
Cash position, end of year	\$ 544,800	499,130
Cash comprised of:		
Cash	\$ 60,602	67,653
Term deposit and investments	484,198	431,477
	\$ 544,800	499,130

INTERLAKE COMMUNITY FOUNDATION INC.

Notes to Financial Statements
December 31, 2006

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 recorded using the cost method.

Capital assets

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

Grant commitments

Board approves 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, 2006

3. Marketable securities:	<u>2006</u>	<u>2005</u>
Money market funds	\$ 42,610	89,977
Investment in pooled funds and equities (market value 2006 - \$492,557, 2005 - \$370,873)	431,588	331,500
Bonds (market value 2006 - \$13,328, 2005 - \$10,517)	<u>10,000</u>	<u>10,000</u>
	\$ <u>484,198</u>	<u>431,477</u>
4. Restrictions on net assets:		
<p>The net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating how the endowment funds are to be disbursed.</p> <p>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.</p>		
5. Net assets internally restricted for communities:	<u>2006</u>	<u>2005</u>
<p>The net assets restricted for communities are as follows:</p>		
R.M. of Rockwood	\$ 127,549	118,275
R.M. of Rosser	54,561	48,919
R.M. of Woodlands	11,931	9,756
Town of Stonewall	116,515	113,076
Town of Teulon	<u>50,087</u>	<u>44,482</u>
	\$ <u>360,643</u>	<u>334,508</u>
6. Restricted for endowment purposes:	<u>2006</u>	<u>2005</u>
<p>Designations for specific endowment purposes are as follows:</p>		
Teulon Collegiate Alumni Fund	\$ 5,350	4,925
Mr & Mrs. A Campbell Scholarship Fund	2,262	2,263
Hunter Cummings Scholarship Fund	3,388	3,414
Dr. Goodwin Memorial Scholarship Fund	3,101	3,066
Community Builder Fund		
- Stonewall	3,136	2,394
- Teulon	2,225	1,640
- Rosser	417	302
- All Communities	3,338	1,874
Herbert and Helen Kletke Endowment Fund	15,880	15,200
Michael A. Lindell Automotive Scholarship Fund	16,751	14,762
The Arts	1,074	1,028
Teulon Hunter Memorial Health District Foundation Inc. Fund	56,100	56,045
Stonewall Collegiate Youth and Philanthropy Fund	<u>3,285</u>	<u>2,014</u>
	\$ <u>116,307</u>	<u>108,927</u>