

INTERLAKE COMMUNITY FOUNDATION INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2010

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INDEPENDENT AUDITORS' REPORT

To the Directors of Interlake Community Foundation Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Interlake Community Foundation Inc., which comprise the balance sheet as at December 31, 2010 and the statements of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Interlake Community Foundation Inc. as at December 31, 2010 and its financial performance for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba
March 7, 2011

Stefanson Lee Romaniuk
Chartered Accountants

INTERLAKE COMMUNITY FOUNDATION INC.Statement of Financial Position
December 31, 2010

	<u>2010</u>	<u>2009</u>
ASSETS		
Current		
Cash	\$ 106,755	81,381
Marketable securities (note 3)	547,257	538,877
GST receivable	217	223
	654,229	620,481
Funds managed by Winnipeg Foundation (note 4)	100,349	82,009
Furniture and equipment (note 2)	1,408	2,012
	\$ 755,986	704,502
LIABILITIES		
Current		
Accounts payable	\$ 4,000	4,000
Prepaid subscription	-	690
Grant commitments	21,080	15,858
	25,080	20,548
NET ASSETS		
Restricted for endowment purposes	239,590	208,605
Internally restricted by Community	424,254	404,990
Unrestricted	67,062	70,359
	730,906	683,954
	\$ 755,986	704,502

APPROVED BY THE BOARD:


 _____ **DIRECTOR**

INTERLAKE COMMUNITY FOUNDATION INC.Statement of Changes in Net Assets
for the year ended December 31, 2010

	<u>Restricted for Endowment Purposes</u>	<u>Internally Restricted by Community</u>	<u>Unrestricted</u>	<u>2010 Total</u>	<u>2009 Total</u>
Balance, beginning of year	\$ 208,605	404,990	70,359	683,954	606,156
Excess (deficiency) of revenue over expenditure for the year	-	25,398	(3,122)	22,276	39,742
Administration	(2,418)	(6,075)	7,805	(688)	(528)
Endowment contributions	23,923	-	-	23,923	23,191
Matching grants	-	-	-	-	7,153
Grants disbursed	(11,827)	-	-	(11,827)	(11,075)
Allocation to Youth In Philanthropy	8,039	(59)	(7,980)	-	-
Unrealized gains (losses) relating to endowment for the year	11,622	-	-	11,622	15,605
Investment income	1,646	-	-	1,646	3,710
Balance, end of year	\$ 239,590	424,254	67,062	730,906	683,954

INTERLAKE COMMUNITY FOUNDATION INC.Statement of Operations
for the year ended December 31, 2010

	<u>2010</u>	<u>2009</u>
Revenue		
Grants		
R.M. of Rosser	\$ 5,000	5,000
R.M. of Rockwood	8,000	8,000
R.M. of Woodlands	3,000	3,000
Town of Stonewall	2,000	2,500
Town of Teulon	5,000	5,000
Investment income (loss)	(7,008)	6,035
Winnipeg Foundation grant	1,945	1,095
Donations	1,367	5,673
Fundraising and other	6,354	4,310
Unrealized gain on marketable securities	23,920	27,762
Prior year grants not disbursed	2,750	-
	<hr/> 52,328	<hr/> 68,375
Expenditures		
Administration	6,120	3,960
Advertising	844	1,456
Professional fees	3,833	4,392
Memberships	350	350
Office and administrative costs	1,349	1,008
Meetings and conferences	164	92
Grants disbursed	15,239	16,053
Website	701	380
Awards night	500	608
Telephone	348	334
Amortization	604	-
	<hr/> 30,052	<hr/> 28,633
Excess (deficiency) of revenue over expenditures	<hr/> \$ 22,276	<hr/> 39,742

INTERLAKE COMMUNITY FOUNDATION INC.

Notes to Financial Statements
December 31, 2010

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.

Furniture and equipment

Furniture and equipment are recorded at cost less amortization recorded at 30% per year on a declining balance.

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, 2010

3. Marketable securities:	<u>2010</u>	<u>2009</u>
At cost:		
Money market funds	\$ 55,633	90,367
Investment in pooled funds and equities (market value 2010 - \$471,503, 2009 - \$419,210)	449,038	426,907
Bonds (market value 2010 - \$20,086, 2009 - \$29,299)	<u>16,775</u>	<u>26,775</u>
	521,446	544,049
Unrealized gains (losses) relating to marketable securities	<u>25,811</u>	<u>(5,172)</u>
	\$ <u>547,257</u>	<u>538,877</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>2010</u>	<u>2009</u>
Lorne and Irene Ferley Endowment Fund		
Michael Ferley Bursary Fund	\$ 12,112	11,041
Lorne Ferley Scholarship Fund	12,461	10,752
Rev. Dr. Barry Grant Rasmussen Memorial Scholarship Fund	5,681	5,530
Ben and Marjorie King Memorial Bursary Fund	<u>70,095</u>	<u>54,686</u>
	\$ <u>100,349</u>	<u>82,009</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>2010</u>	<u>2009</u>
The net assets restricted for communities are as follows:		
R.M. of Rockwood	\$ 148,639	142,436
R.M. of Rosser	69,598	65,344
R.M. of Woodlands	21,249	17,957
Town of Stonewall	118,966	117,629
Town of Teulon	<u>65,802</u>	<u>61,624</u>
	\$ <u>424,254</u>	<u>404,990</u>

INTERLAKE COMMUNITY FOUNDATION INC.Notes to Financial Statements
December 31, 2010

7. Restricted for endowment purposes:	<u>2010</u>	<u>2009</u>
Designations for specific endowment purposes are as follows:		
Teulon Collegiate Alumni Enhancement Fund	\$ 2,064	2,016
Teulon Collegiate Alumni Scholarship Fund	5,387	5,316
Mr & Mrs. A Campbell Scholarship Fund	2,000	2,052
Hunter Cummings Scholarship Fund	2,891	2,997
Dr. Goodwin Memorial Scholarship Fund	2,895	2,927
Community Builder Fund		
- Stonewall	2,355	4,425
- Teulon	2,380	2,058
- Rosser	653	638
- Teulon Museum	1,176	1,030
- All Communities	6,523	5,892
Herbert and Helen Kletke Endowment Fund	15,064	15,023
Michael A. Lindell Automotive Scholarship Fund	17,676	18,068
The Arts	1,145	1,119
Teulon Hunter Memorial Health District Foundation Inc. Fund	52,303	52,913
Stonewall Collegiate Youth in Philanthropy Fund	10,511	4,999
Warren Collegiate Youth in Philanthropy Fund	3,574	2,027
Teulon Collegiate Youth in Philanthropy Fund	2,463	1,032
Janet Kuchma Scholarship Fund	5,125	2,064
Rev. Dr. Barry Grant Rasmussen Memorial Scholarship Fund	5,681	5,530
Ben and Marjorie King Memorial Bursary Fund	70,095	54,686
Lorne and Irene Ferley Endowment Fund		
Michael Ferley Bursary Fund	12,112	11,041
Lorne Ferley Scholarship Fund	12,461	10,752
Beck Family Endowment Fund		
The Beck Family Fund	2,803	-
Beck Family Scholarship	<u>253</u>	<u>-</u>
	\$ <u>239,590</u>	<u>208,605</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.