

**INTERLAKE COMMUNITY FOUNDATION INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

Page

1

2

3

4

5 - 7

Auditors' Report

Statement of Financial Position

Statement of Changes in Net Assets

Statement of Operations

Notes to Financial Statements

## 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, 2011 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, 2011 and its financial performance for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba  
March 5, 2012

  
Chartered Accountants



## 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, 2011 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, 2011 and its financial performance for the year then ended in accordance with Canadian generally accepted accounting principles.


Winnipeg, Manitoba  
March 5, 2012

  
Chartered Accountants

**INTERLAKE COMMUNITY FOUNDATION INC.**Statement of Financial Position  
December 31, 2011

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Current		
Cash	\$ 94,413	106,755
Marketable securities (note 3)	563,677	547,257
GST receivable	136	217
	<hr/> 658,226	<hr/> 654,229
Funds managed by Winnipeg Foundation (note 4)	94,424	100,349
Furniture and equipment (note 2)	986	1,408
	<hr/> <hr/> \$ 753,636	<hr/> <hr/> 755,986
<b>LIABILITIES</b>		
Current		
Accounts payable	\$ 4,000	4,000
Grant commitments	22,715	21,080
	<hr/> 26,715	<hr/> 25,080
<b>NET ASSETS</b>		
Restricted for endowment purposes	237,278	239,590
Internally restricted by Community	429,777	424,254
Unrestricted	59,866	67,062
	<hr/> 726,921	<hr/> 730,906
	<hr/> <hr/> \$ 753,636	<hr/> <hr/> 755,986

APPROVED BY THE BOARD:


 A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.
 

DIRECTOR

**INTERLAKE COMMUNITY FOUNDATION INC.**Statement of Changes in Net Assets  
for the year ended December 31, 2011

	<u>Restricted for Endowment Purposes</u>	<u>Internally Restricted by Community</u>	<u>Unrestricted</u>	<u>2011 Total</u>	<u>2010 Total</u>
<b>Balance, beginning of year</b>	\$ 239,590	424,254	67,062	730,906	683,954
Excess (deficiency) of revenue over expenditure for the year	-	11,887	(12,148)	(261)	22,276
Administration	(2,813)	(6,364)	8,452	(725)	(688)
Endowment contributions	8,045	-	-	8,045	23,923
Grants disbursed	(12,080)	-	-	(12,080)	(11,827)
Allocation to Youth In Philanthropy	3,500	-	(3,500)	-	-
Unrealized gains (losses) relating to endowment for the year	(7,237)	-	-	(7,237)	11,622
Investment income	8,273	-	-	8,273	1,646
<b>Balance, end of year</b>	<b>\$ 237,278</b>	<b>429,777</b>	<b>59,866</b>	<b>726,921</b>	<b>730,906</b>

# INTERLAKE COMMUNITY FOUNDATION INC.

Statement of Operations  
for the year ended December 31, 2011

	<u>2011</u>	<u>2010</u>
<b>Revenue</b>		
Grants		
R.M. of Rosser	\$ 5,000	5,000
R.M. of Rockwood	8,000	8,000
R.M. of Woodlands	-	3,000
Town of Stonewall	-	2,000
Town of Teulon	5,000	5,000
Investment income (loss)	12,851	(7,008)
Winnipeg Foundation grant	1,732	1,945
Donations	1,165	1,367
Fundraising and other	-	6,354
Unrealized gain (loss) on marketable securities	(2,850)	23,920
Prior year grants not disbursed	-	2,750
	<hr/> 30,898	<hr/> 52,328
<b>Expenditures</b>		
Administration	7,200	6,120
Advertising	603	844
Professional fees	3,942	3,833
Memberships	350	350
Office and administrative costs	267	1,349
Meetings and conferences	468	164
Grants disbursed	15,356	15,239
Liability Insurance	885	-
Website	863	701
Awards night	454	500
Telephone	348	348
Amortization	423	604
	<hr/> 31,159	<hr/> 30,052
<b>Excess (deficiency) of revenue over expenditures</b>	<hr/> <b>\$ (261)</b>	<hr/> <b>22,276</b>

# INTERLAKE COMMUNITY FOUNDATION INC.

Notes to Financial Statements  
December 31, 2011

---

## 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, 2011

<b>3. Marketable securities:</b>	<b><u>2011</u></b>	<b><u>2010</u></b>
At cost:		
Money market funds	\$ 65,005	55,633
Investment in pooled funds and equities (market value 2011 - \$481,358, 2010 - \$471,503)	466,761	449,038
Bonds (market value 2011 - \$17,279, 2010 - \$20,086)	<u>9,775</u>	<u>16,775</u>
	541,541	521,446
Unrealized gains (losses) relating to marketable securities	<u>22,136</u>	<u>25,811</u>
	<b>\$ <u>563,677</u></b>	<b><u>547,257</u></b>

**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.

	<b><u>2011</u></b>	<b><u>2010</u></b>
Lorne and Irene Ferley Endowment Fund		
Michael Ferley Bursary Fund	\$ 11,317	12,112
Lorne Ferley Scholarship Fund	11,649	12,461
Rev. Dr. Barry Grant Rasmussen Memorial Scholarship Fund	5,196	5,681
Ben and Marjorie King Memorial Bursary Fund	<u>66,262</u>	<u>70,095</u>
	<b>\$ <u>94,424</u></b>	<b><u>100,349</u></b>

**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.

<b>6. Net assets internally restricted for communities:</b>	<b><u>2011</u></b>	<b><u>2010</u></b>
The net assets restricted for communities are as follows:		
R.M. of Rockwood	\$ 152,250	148,639
R.M. of Rosser	72,602	69,598
R.M. of Woodlands	20,603	21,249
Town of Stonewall	115,433	118,966
Town of Teulon	<u>68,890</u>	<u>65,802</u>
	<b>\$ <u>429,778</u></b>	<b><u>424,254</u></b>



**INTERLAKE COMMUNITY FOUNDATION INC.**Notes to Financial Statements  
December 31, 2011

<b>7. Restricted for endowment purposes:</b>	<b><u>2011</u></b>	<b><u>2010</u></b>
Designations for specific endowment purposes are as follows:		
Teulon Collegiate Alumni Enhancement Fund	\$ 2,076	2,064
Teulon Collegiate Alumni Scholarship Fund	5,362	5,387
Mr & Mrs. A Campbell Scholarship Fund	1,911	2,000
Hunter Cummings Scholarship Fund	2,732	2,891
Dr. Goodwin Memorial Scholarship Fund	2,812	2,895
Community Builder Fund		
- Stonewall	2,689	2,355
- Teulon	2,655	2,380
- Rosser	657	653
- Teulon Museum	1,303	1,176
- All Communities	6,861	6,523
Herbert and Helen Kletke Endowment Fund	14,649	15,064
Michael A. Lindell Automotive Scholarship Fund	17,080	17,676
The Arts	1,152	1,145
Teulon Hunter Memorial Health District Foundation Inc. Fund	50,768	52,303
Stonewall Collegiate Youth in Philanthropy Fund	12,252	10,511
Warren Collegiate Youth in Philanthropy Fund	4,734	3,574
Teulon Collegiate Youth in Philanthropy Fund	3,480	2,463
Janet Kuchma Scholarship Fund	5,655	5,125
Rev. Dr. Barry Grant Rasmussen Memorial Scholarship Fund	5,196	5,681
Ben and Marjorie King Memorial Bursary Fund	66,262	70,095
Lorne and Irene Ferley Endowment Fund		
Michael Ferley Bursary Fund	11,317	12,112
Lorne Ferley Scholarship Fund	11,649	12,461
Beck Family Endowment Fund		
The Beck Family Fund	2,919	2,803
Beck Family Scholarship	<u>1,107</u>	<u>253</u>
	\$ <u>237,278</u>	<u>239,590</u>

**8. 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.