

**CARMAN AREA FOUNDATION INC**

**FINANCIAL STATEMENTS**

(Prepared without audit)

**DECEMBER 31, 2010**

**NAKONECHNY & POWER**

CHARTERED ACCOUNTANTS LTD.

# CARMAN AREA FOUNDATION INC

DECEMBER 31, 2010

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# NAKONECHNY & POWER

CHARTERED ACCOUNTANTS LTD.

## Review Engagement Report

To the Directors of  
Carman Area Foundation Inc

We have reviewed the balance sheet of Carman Area Foundation Inc as at December 31, 2010 and the statement of income and retained earnings and cash flow statement for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the company.

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 generally accepted accounting principles.

May 10, 2011



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# CARMAN AREA FOUNDATION INC

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2010

(Prepared without audit)

(with prior year's figures for comparison)

### ASSETS

<b>CURRENT</b>	<b>2010</b>	<b>2009</b>
General account	\$ 44,793	\$ 5,425
Trust account	-	3,494
Linear Grain Fund	6	-
Premium savings	147,918	-
Investments (note 1)	209,420	50,933
Accrued interest receivable	8,995	8,165
GST receivable	<u>575</u>	<u>417</u>
	411,707	68,434
<b>INVESTMENTS, NON-CURRENT</b> (note 1)	<u>695,955</u>	<u>922,452</u>
	<u>\$1,107,662</u>	<u>\$ 990,886</u>

### LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ <u>2,800</u>	\$ <u>2,801</u>
	<u>2,800</u>	<u>2,801</u>
<b>NET ASSETS</b>		
Endowment fund (note 2)		
Balance, beginning of the year	939,629	712,962
Donations received	<u>110,392</u>	<u>226,667</u>
Balance, end of the year	<u>1,050,021</u>	<u>939,629</u>
General fund		
Undistributed income	<u>54,841</u>	<u>48,456</u>
	<u>\$1,107,662</u>	<u>\$ 990,886</u>

The accompanying notes are an integral part of these financial statements.

**CARMAN AREA FOUNDATION INC**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

(Prepared without audit)

(with prior year's figures for comparison)

	<u>2010</u>	<u>2009</u>
<b>INCOME</b>		
Donations for current operations	\$ 3,000	\$ 3,200
Operating grant - The Winnipeg Foundation	2,574	3,826
Fundraising - Golf tournament	11,325	14,800
Fundraising - Celebration	48,530	36,191
Interest income	44,206	39,275
Gifts in Kind	1,465	-
Gain (loss) on disposal of investments	-	(6)
	<u>111,100</u>	<u>97,286</u>
<b>EXPENSES</b>		
Accounting and legal	2,738	3,245
Advertising	2,377	3,416
Conference	100	175
Interest and bank charges	8	75
Fundraising - Celebration	11,093	7,276
Fundraising - Golf tournament	4,746	5,959
Insurance	1,282	1,282
Membership	350	350
Office	4,885	3,770
	<u>27,579</u>	<u>25,548</u>
<b>EXCESS REVENUE FOR THE YEAR</b>	83,521	71,738
Undistributed income at beginning of year	48,456	42,826
Transfer net proceeds from fundraising activities to endowment fund	<u>(45,797)</u>	<u>(37,958)</u>
<b>UNDISTRIBUTED INCOME AVAILABLE FOR DISTRIBUTION</b>	<u>86,180</u>	<u>76,606</u>
<b>GRANTS PAID</b>		
<b>Designated</b>		
Mason's Health Care Fund - Boyne Lodge	520	520
Mason's Health Care Fund -Carman Memorial Hospital	520	520
Mason's Education Fund - Carman Collegiate	520	520
Mason's Education Fund - Carman Elementary School	520	520
Carman Kinsmen Pool Fund	300	270
Sperling Community Fund	1,750	1,490
Linear Grain - Underprivileged Children's Fund	1,494	490
Theatre Fund	175	175
Roland Community Fund	565	435
Health and Wellness Fund	4,355	4,355

The accompanying notes are an integral part of these financial statements.

# CARMAN AREA FOUNDATION INC

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2010

(Prepared without audit)

(with prior year's figures for comparison)

	<u>2010</u>	<u>2009</u>
<b>GRANTS PAID - CONTINUED</b>		
Boyne Regional Library Fund	515	515
Carman Lions Club Fund	420	420
RM of Grey	450	380
Preston - Kitching Fund	560	520
Boyne Lodge Fund	1,050	-
Carman Memorial Hospital Fund	1,000	-
Total designated	<u>14,714</u>	<u>11,130</u>
<b>Discretionary</b>		
Active Living Centre	\$ 2,000	\$ -
Back Door Youth Centre	-	2,500
Boyne Lodge	1,000	-
Boyne Regional Library	185	110
Carman Family Resource Center	500	500
Carman Hospital	500	2,475
Dufferin Historical Society	2,060	500
Golden Prairie Arts Council	1,500	1,127
Mountain Ind/Stepping Stone	1,269	-
Prairie Rose SD - Carman Elementary Advisory Council	-	14
Prairie Rose SD - Carman Collegiate	1,611	897
Prairie Rose SD - Midland Adult Education	-	1,000
Prairie Rose SD - Carman Elementary School	480	480
Prairie Rose SD - Elm Creek Parent Advisory	1,000	620
Prairie Rose SD - Roland School	690	-
RM of Grey - Elm Creek Curling Club	-	500
RM of Grey - Elm Creek Housing	550	-
RM of Dufferin - Roseisle Rink	-	1,000
RM of Roland - Rink Board	-	607
Roland Pumpkin Fair	30	-
Sperling Community Club	250	510
TLC Centre Inc.	1,500	1,000
Town of Carman - Kinsmen Pool	-	30
Town of Carman - Carman Dufferin Recreation	-	2,150
Wee Care Child Care Center Inc.	1,500	1,000
Total discretionary	<u>16,625</u>	<u>17,020</u>
Total grants paid	<u>31,339</u>	<u>28,150</u>
<b>UNDISTRIBUTED INCOME AT END OF YEAR</b>	<u>\$ 54,841</u>	<u>\$ 48,456</u>

The accompanying notes are an integral part of these financial statements.

**CARMAN AREA FOUNDATION INC**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**DECEMBER 31, 2010**

(Prepared without audit)

<b>Nature of Operations</b>	The Carman Area Foundation Inc was incorporated under the Manitoba Corporations Act on April 15, 1998 and began operations in February, 1999.
<b>Use of estimates</b>	The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. There are no specific areas where estimates are used on an ongoing basis.
<b>Financial Instruments</b>	<p>The organization utilizes various financial instruments. The organization's financial instruments consist of cash, investments, accounts receivable and accounts payable. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant currency or credit risks arising from these financial instruments and the carrying amounts approximate fair values.</p> <p><u>Market risk</u></p> <p>The company is exposed to interest rate risk on its fixed-interest financial instruments which subject it to a fair value risk.</p>
<b>Cash and cash equivalents</b>	Cash and cash equivalents consist of cash on hand, balances with banks, and short-term deposits with a maturity of three months or less.
<b>Investments</b>	Investments are held to maturity and are stated at the lower of cost or fair market value.

**CARMAN AREA FOUNDATION INC**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**DECEMBER 31, 2010**

(Prepared without audit)

**Revenue Recognition**

The Foundation uses the deferral method of accounting for contributions. Under this method, endowment contributions are added to the Foundations' net assets.

Fundraising income is recognized when received.

Grants are recognized when confirmation is received that the organization has been successful in its application and has met any conditions required by the grantor.

Interest income is recognized on a time proportioned basis.

Investment income is recognized as revenue in the year it is realized.

**Contributed services**

Volunteers contribute a significant amount of time to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.



# CARMAN AREA FOUNDATION INC

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

(Prepared without audit)

### 1. INVESTMENTS

	<u>2010</u>	<u>2009</u>
This consists of the following, which are stated at cost:		
A 4.25% guaranteed investment certificate with the Access Credit Union, Carman maturing September 15, 2010	\$ -	\$ 50,000
A 2.5% guaranteed investment certificate with the Access Credit Union, Carman maturing December 23, 2012	-	40,000
A 2.5% guaranteed investment certificate with the Access Credit Union, Carman maturing December 23, 2012	-	50,000
A 1.75% guaranteed investment certificate with the Access Credit Union, Carman maturing September 15, 2013	50,000	-
A 2.5% guaranteed investment certificate with the Access Credit Union, Carman maturing December 23, 2012	-	50,000
A 2.5% guaranteed investment certificate with the Access Credit Union, Carman maturing December 31, 2012	30,000	30,000
A 3.9% guaranteed investment certificate with the Access Credit Union, Carman maturing July 30, 2013	50,000	50,000
Town of Carman debenture at a rate of 5% over a ten year term maturing December 1, 2020	100,000	-
Town of Carman debenture at a rate of 6.25% over a twenty year term maturing December 1, 2024	81,425	85,008
Rural Municipality of Dufferin debenture at a rate of 6.25% over a ten year term maturing December 31, 2011	9,420	18,286
Rural Municipality of Dufferin series B debenture at a rate of 6.25% over a ten year term maturing December 31, 2012	25,469	37,092
Rural Municipality of Dufferin series B debenture at a rate of 6.25% over a ten year term maturing December 31, 2013	10,187	13,192
Carman Community Development Corporation mortgage at a rate of 6.00% with monthly payments of \$700, maturing December 15, 2009	-	933

# CARMAN AREA FOUNDATION INC

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

(Prepared without audit)

### INVESTMENTS (Continued)

A 4.25% guaranteed investment certificate with the Access Credit Union Limited, Winkler maturing December 22, 2011.	100,000	100,000
A 4.5% guaranteed investment certificate with the Access Credit Union Limited, Winkler maturing December 22, 2012.	100,000	100,000
A 4.8% guaranteed investment certificate with the Access Credit Union Limited, Winkler maturing December 22, 2013.	100,000	100,000
A 4.201% guaranteed investment certificate with the Northern Savings Credit Union, Victoria, BC maturing January 1, 2011.	100,000	100,000
A 7.768% Manulife bond held with Credential Securities, maturing April 8, 2019	98,864	98,864
A 4.513% Cdn Cr Card TR bond held with Credential Securities, maturing April 24, 2012	<u>50,010</u>	<u>50,010</u>
	905,375	973,385
Less: Current Investments	<u>209,420</u>	<u>50,933</u>
Total Long-term Investments	<u>\$ 695,955</u>	<u>\$ 922,452</u>

# CARMAN AREA FOUNDATION INC

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

(Prepared without audit)

### 2. ENDOWMENT FUNDS

These funds have been specified by the donor to be retained in perpetuity. Interest earned is distributed annually at the rate of 3.5% of the average of the previous 2 years Endowment Fund balance. For the designated funds, the distribution is as specified by the donor. For the undesignated funds the distribution is determined by the board of the Foundation.

	<u>2010</u>	<u>2009</u>
Designated:		
Mason's Health Care Fund - Boyne Lodge	\$ 14,738	\$ 14,738
Mason's Health Care Fund -Carman Memorial Hospital	14,738	14,738
Mason's Education Fund - Carman Collegiate	14,738	14,738
Mason's Education Fund - Carman Elementary School	14,738	14,738
Carman Kinsmen Pool Fund	9,580	8,580
Sperling Community Fund	75,062	54,953
Linear Grain - Underprivileged Children's Fund	92,407	64,126
Theatre Fund	5,000	5,000
Roland Community Fund	23,707	18,423
Health and Wellness Fund (note 3)	125,410	124,892
Boyne Regional Library Fund	14,605	14,605
Preston Kitching Fund	18,293	17,093
RM of Grey Fund	16,928	14,022
Carman Lions Club Fund	12,000	12,000
Boyne Lodge Fund	59,949	57,143
Carman Memorial Hospital Fund	<u>59,121</u>	<u>57,356</u>
	571,014	507,145
Undesignated	<u>479,008</u>	<u>432,484</u>
	<u>\$1,050,022</u>	<u>\$ 939,629</u>

### 3. HEALTH AND WELLNESS FUND

This fund began on January 1, 2003 when the Carman District Health Care Foundation Inc. transferred all of its funds to the Carman Area Foundation Inc. The transferred funds included \$104,114 of Endowment Funds which were designated as a Health and Wellness Fund as well as \$5,145 of general funds which were added to the undistributed income.

# **CARMAN AREA FOUNDATION INC**

## **NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

(Prepared without audit)

### **4. ADMINISTRATIVE EXPENSES**

The Foundation policy permits a transfer from the trust account to the operating account to cover administrative expenses. The maximum amount is 1% of the average of the previous 2 years Endowment Fund balance. Funds are transferred only if the operating account requires the funds . The amount transfered in 2010 was \$6,000 (2009 - nil).

### **5. STATEMENT OF CASH FLOWS**

A separate statement of cash flows has not been presented since cash flows from operating, investing and financing activities are readily apparent from the other financial statements.