

**CARMAN AREA FOUNDATION INC**

**FINANCIAL STATEMENTS**  
(Prepared without audit)

**DECEMBER 31, 2011**

# CARMAN AREA FOUNDATION INC

DECEMBER 31, 2011

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**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, 2011 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.

February 22, 2012

# CARMAN AREA FOUNDATION INC

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011

(Prepared without audit)

(with prior year's figures for comparison)

### ASSETS

<b>CURRENT</b>	<b>2011</b>	<b>2010</b>
Cash	\$ 53,202	\$ 44,799
Premium savings	309,792	147,918
Investments (note 1)	193,131	209,420
Accrued interest receivable	9,905	8,995
GST receivable	<u>771</u>	<u>575</u>
	566,801	411,707
<b>INVESTMENTS, NON-CURRENT</b> (note 1)	<u>625,527</u>	<u>695,955</u>
	<u>\$1,192,328</u>	<u>\$1,107,662</u>

### LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ <u>3,362</u>	\$ <u>2,800</u>
<b>NET ASSETS</b>		
Endowment fund (note 2)		
Balance, beginning of the year	1,050,021	939,629
Donations received	<u>88,143</u>	<u>110,392</u>
Balance, end of the year	<u>1,138,164</u>	<u>1,050,021</u>
General fund		
Undistributed income	<u>50,802</u>	<u>54,841</u>
	<u>\$1,192,328</u>	<u>\$1,107,662</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, 2011

(Prepared without audit)

(with prior year's figures for comparison)

	<u>2011</u>	<u>2010</u>
<b>INCOME</b>		
Donations for current operations	\$ -	\$ 3,000
Operating grant - The Winnipeg Foundation	2,397	2,574
Fundraising - Celebration	49,289	48,530
Fundraising - Golf tournament	11,850	11,325
Interest income	47,520	44,206
Gifts in Kind	<u>1,282</u>	<u>1,465</u>
	<u>112,338</u>	<u>111,100</u>
<b>EXPENSES</b>		
Accounting and legal	3,718	2,738
Advertising	1,431	2,377
Brochures and distribution	526	-
Conference	149	100
Director wages (note 4)	7,380	3,000
Fundraising - Celebration	8,550	11,093
Fundraising - Golf tournament	4,806	4,746
Insurance	1,282	1,282
Interest and bank charges	64	8
Membership	350	350
Office	2,525	1,885
Special projects - AED (note 5)	<u>4,856</u>	<u>-</u>
	<u>35,637</u>	<u>27,579</u>
<b>EXCESS REVENUE FOR THE YEAR</b>	76,701	83,521
Undistributed income at beginning of year	54,841	48,456
Transfer net proceeds from fundraising activities to endowment fund (note 6)	<u>(41,522)</u>	<u>(45,797)</u>
<b>UNDISTRIBUTED INCOME AVAILABLE FOR DISTRIBUTION</b>	<u>90,020</u>	<u>86,180</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	350	300
Sperling Community Fund	2,700	1,750
Linear Grain - Underprivileged Children's Fund	3,298	1,494
Theatre Fund	175	175

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

# CARMAN AREA FOUNDATION INC

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2011

(Prepared without audit)

(with prior year's figures for comparison)

### GRANTS PAID - CONTINUED

	<u>2011</u>	<u>2010</u>
Roland Community Fund	830	565
Health and Wellness Fund	5,800	4,355
Other Health Care Fund	-	-
Boyne Regional Library Fund	515	515
Carman Lions Club Fund	420	420
RM of Grey	600	450
Preston - Kitching Fund	650	560
Carman Memorial Hospital Fund	700	1,050
Boyne Lodge Fund	<u>2,100</u>	<u>1,000</u>
Total designated	<u>20,218</u>	<u>14,714</u>
<b>Discretionary</b>		
Active Living Centre	\$ -	\$ 2,000
Boyne Lodge	-	1,000
Boyne Regional Library	595	185
Boyne Valley Hostel Corp	1,055	-
Carman Family Resource Center	600	500
Carman Hospital	1,151	500
Cornerstone Christian Care Society	1,000	-
Dufferin Historical Society	1,644	2,060
Elm Creek Stay & Play Inc.	900	-
Golden Prairie Arts Council	1,100	1,500
Mountain Ind/Stepping Stone	-	1,269
Prairie Rose SD - Carman Collegiate	2,305	1,611
Prairie Rose SD - Carman Elementary School	480	480
Prairie Rose SD - Elm Creek Parent Advisory	-	1,000
Prairie Rose SD - Roland School	-	690
RM of Grey - Elm Creek Housing	1,000	550
RM of Dufferin - Roseisle Rink	1,000	-
Roland Golf Club	170	-
Roland Pumpkin Fair	500	30
Sperling Community Club	-	250
TLC Centre Inc.	2,500	1,500
Town of Carman - Carman Community Pathway	2,000	-
Wee Care Child Care Center Inc.	<u>1,000</u>	<u>1,500</u>
Total discretionary	<u>19,000</u>	<u>16,625</u>
Total grants paid	<u>39,218</u>	<u>31,339</u>
<b>UNDISTRIBUTED INCOME AT END OF YEAR</b>	<u>\$ 50,802</u>	<u>\$ 54,841</u>

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

# CARMAN AREA FOUNDATION INC

## CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2011

(Prepared without audit)

(with prior year's figures for comparison)

	<u>2011</u>	<u>2010</u>
<b>OPERATING ACTIVITIES:</b>		
Excess revenue	\$ 76,701	\$ 83,521
Less:		
Transfer to endowment fund	<u>(41,522)</u>	<u>(45,797)</u>
	35,179	37,724
Net changes in non-cash working capital items:		
Accrued interest receivable	(910)	(830)
GST receivable	(196)	(158)
Accounts payable and accrued liabilities	<u>562</u>	<u>-</u>
	<u>34,635</u>	<u>36,736</u>
<b>INVESTING ACTIVITIES:</b>		
Donations received	88,143	110,392
Grants paid	(39,218)	(31,339)
Proceeds from investments	286,717	218,009
Purchase of new investments	(200,000)	(150,000)
Net change in premium savings	<u>(161,874)</u>	<u>(147,918)</u>
	<u>(26,232)</u>	<u>(856)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	8,403	35,880
<b>CASH AND CASH EQUIVALENTS</b> , beginning of year	<u>44,799</u>	<u>8,919</u>
<b>CASH AND CASH EQUIVALENTS</b> , end of year	<u>\$ 53,202</u>	<u>\$ 44,799</u>

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

# CARMAN AREA FOUNDATION INC

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### DECEMBER 31, 2011

(Prepared without audit)

<b>Nature of Operations</b>	<p>The Carman Area Foundation Inc was incorporated under the Manitoba Corporations Act on April 15, 1998 and began operations in February, 1999.</p>
<b>Use of estimates</b>	<p>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.</p>
<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>	<p>Cash and cash equivalents consist of cash on hand, balances with banks, and short-term deposits with a maturity of three months or less.</p>
<b>Investments</b>	<p>Investments are held to maturity and are stated at the lower of cost or fair market value.</p>
<b>Revenue Recognition</b>	<p>The Foundation uses the deferral method of accounting for contributions. Under this method, endowment contributions are added to the Foundations' net assets.</p> <p>Donations, fundraising and gifts in kind are recognized when received.</p> <p>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.</p> <p>Interest income is recognized on a time proportioned basis.</p>



**CARMAN AREA FOUNDATION INC**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**DECEMBER 31, 2011**

(Prepared without audit)

**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, 2011

(Prepared without audit)

### 1. INVESTMENTS

	<u>2011</u>	<u>2010</u>
This consists of the following, which are stated at cost:		
A 1.75% guaranteed investment certificate with the Access Credit Union, Carman maturing September 15, 2013	\$ -	\$ 50,000
A 4.0% guaranteed investment certificate with the Access Credit Union, Carman maturing August 14, 2015	200,000	-
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	92,050	100,000
Town of Carman debenture at a rate of 6.25% over a twenty year term maturing December 1, 2024	77,618	81,425
Rural Municipality of Dufferin debenture at a rate of 6.25% over a ten year term maturing December 31, 2011	-	9,420
Rural Municipality of Dufferin series B debenture at a rate of 6.25% over a ten year term maturing December 31, 2012	13,121	25,469
Rural Municipality of Dufferin series B debenture at a rate of 6.25% over a ten year term maturing December 31, 2013	6,995	10,187
A 4.25% guaranteed investment certificate with the Access Credit Union Limited, Winkler maturing December 22, 2011.	-	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

# CARMAN AREA FOUNDATION INC

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

(Prepared without audit)

### INVESTMENTS (Continued)

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>
	818,658	905,375
Less: Current Investments	<u>193,131</u>	<u>209,420</u>
Total Long-term Investments	<u>\$ 625,527</u>	<u>\$ 695,955</u>

### 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>2011</u>	<u>2010</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	10,580	9,580
Sperling Community Fund	80,692	75,062
Linear Grain - Underprivileged Children's Fund	94,156	92,407
Theatre Fund	5,000	5,000
Roland Community Fund	30,494	23,707
Health and Wellness Fund (note )	126,406	125,410
Boyne Regional Library Fund	14,605	14,605
Preston Kitching Fund	18,643	18,293
RM of Grey Fund	20,576	16,928
Carman Lions Club Fund	12,000	12,000
Boyne Lodge Fund	59,949	59,949
Carman Memorial Hospital Fund	59,121	59,121
Arts Stabilization Manitoba Fund	10,000	-
Winston Simpson Memorial Fund	<u>18,220</u>	<u>-</u>
	619,394	571,014
Undesignated	<u>518,770</u>	<u>479,008</u>
	<u>\$1,138,164</u>	<u>\$1,050,022</u>

# CARMAN AREA FOUNDATION INC

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

(Prepared without audit)

### 3. ADMINISTRATIVE EXPENSES

The Foundation policy permits a transfer from the endowment fund 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 transferred in 2010 was \$6,000. In 2011 the Foundation designated the net proceeds generated from the Carman golf tournament of \$7,044 to contribute to the administrative costs.

### 4. RECLASSIFICATION OF PRIOR YEAR EXPENSES

Director's wages of \$3,000 were included in office expense in the previously issued financial statements.

### 5. SPECIAL PROJECTS - AED

During the year the Foundation subsidized the purchase of several Automated External Defibrillator's (AED) to be placed in various buildings in the area. In total, the Foundation distributed \$9,712 for this project - \$4,856 was paid out of the endowment funds as a grant and \$4,856 was paid out of the operating fund.

### 6. TRANSFER TO ENDOWMENT FUND

The net proceeds generated from the fundraising activities is transferred to the endowment fund. Beginning in 2011, the Foundation designated the funds raised from the golf tournament to be used for the administrative expenses (see note 3), therefore none of net proceeds generated from the golf tournament were transferred to the endowment fund. The transfer is calculated as follows:

	<u>2011</u>	<u>2010</u>
Fundraising revenue - Celebration	\$ 49,289	\$ 48,530
Fundraising revenue - Golf Tournament	<u>-</u>	<u>11,325</u>
	<u>49,289</u>	<u>59,855</u>
Expenses - Celebration	8,550	11,093
Expenses - Golf Tournament	-	4,746
Expenses covered by the Foundation	<u>(783)</u>	<u>(1,781)</u>
	<u>7,767</u>	<u>14,058</u>
	<u>\$ 41,522</u>	<u>\$ 45,797</u>