

**COMMUNITY FOUNDATION OF  
MEDICINE HAT AND  
SOUTHEASTERN ALBERTA  
FINANCIAL STATEMENTS**

**JUNE 30, 2011**



# COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

## CONTENTS

JUNE 30, 2011

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Undistributed Income and Fund Balances	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 15
Schedule of Community Endowment Fund	16
Schedule of Designated Endowment Fund	17
Schedule of Operating Endowment Fund	18
Schedule of Flow-Through Fund	19
Schedule of Administrative Fund	20

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Community Foundation of Medicine Hat and Southeastern Alberta

We have audited the accompanying financial statements of Community Foundation of Medicine Hat and Southeastern Alberta, which comprise the Statement of Financial Position as at June 30, 2011, and the Statements of Operations, Changes in Undistributed Income and Fund Balances, and Statement of Cash Flows for the year then ended including supporting schedules, 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 accounting standards for not-for-profit organizations, 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.

### *Auditor's 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.

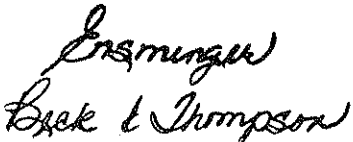
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization'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 organization'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 Community Foundation of Medicine Hat and Southeastern Alberta as at June 30, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Medicine Hat, Alberta  
September 22, 2011

  
ERIC E. THOMPSON  
CHARTERED ACCOUNTANTS

# COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

## STATEMENT OF FINANCIAL POSITION

JUNE 30, 2011

ASSETS	2011	2010
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 92,201	\$ 231,088
Marketable securities (Note 4)	6,673,666	6,036,901
Prepaid expenses	2,617	-
GST receivable	4,873	4,580
	6,773,357	6,272,569
<b>EQUIPMENT (Note 5)</b>	1,484	6,540
<b>OTHER ASSETS (Note 6)</b>	23,723	22,380
	\$ 6,798,564	\$ 6,301,489
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 13,923	\$ 9,242
Deferred revenue (Note 7)	9,000	23,500
Managed funds (Note 8)	79,602	186,496
	102,525	219,238
<b>FUND BALANCES</b>		
<b>COMMUNITY ENDOWMENT FUND</b>	3,455,473	3,124,354
<b>DESIGNATED ENDOWMENT FUND</b>	2,373,257	2,125,159
<b>OPERATING ENDOWMENT FUND</b>	789,018	733,121
<b>FLOW-THROUGH FUND (AS RESTATED NOTE 17)</b>	7,950	24,133
<b>ADMINISTRATIVE FUND</b>	70,341	75,484
	6,696,039	6,082,251
	\$ 6,798,564	\$ 6,301,489

On behalf of the Board

CBurke Member

R. D. St. Member

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

# COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED JUNE 30, 2011

	2011	2010
<b>REVENUES</b>		
Community Endowment Fund (Schedule 1)	\$ 287,100	\$ 45,076
Designated Endowment Fund (Schedule 2)	180,048	3,569
Operating Endowment Fund (Schedule 3)	52,136	(1,240)
Flow-Through Fund (Schedule 4)	(16,183)	13,955
Administrative Fund (Schedule 5)	(5,143)	26,602
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 497,958</b>	<b>\$ 87,962</b>

**COMMUNITY FOUNDATION OF MEDICINE HAT &  
SOUTH EASTERN ALBERTA**

**STATEMENT OF CHANGES IN UNDISTRIBUTED INCOME AND FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2011**

	Community Endowment Fund	Designated Endowment Fund	Operating Endowment Fund	Flow-Through Fund (as restated Note 17)	Administrative Fund	2011	2010
Capital Balance, beginning of year	\$ 3,303,993	\$ 2,249,689	\$ 864,655	\$ -	\$ -	\$ 6,418,337	\$ 6,189,433
Donations	44,019	68,050	3,761	-	-	115,830	228,904
Capital, end of year	3,348,012	2,317,739	868,416	-	-	6,534,167	6,418,337
Undistributed income (loss), beginning of year	(179,639)	(124,530)	(131,534)	24,133	75,484	(336,086)	(424,048)
Increase (decrease) in undistributed income	287,100	180,048	52,136	(16,183)	(5,143)	497,958	87,962
Preservation of Capital Adjustment	-	-	-	-	-	-	-
Undistributed income (loss), end of year	107,461	55,518	(79,398)	7,950	70,341	161,872	(336,086)
Fund Balances, end of year	\$ 3,455,473	\$ 2,373,257	\$ 789,018	\$ 7,950	\$ 70,341	\$ 6,696,039	\$ 6,082,251

# COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2011

	2011
<b>OPERATING ACTIVITIES</b>	
Excess of revenues over expenditures	\$ 497,958
Adjustments for	
Amortization	4,466
Unrealized gains	(575,612)
Non-cash donations of shares	(6,933)
Disposal of obsolete computer equipment	591
	(79,530)
Changes in non-cash working capital	
Prepaid expenses	(2,617)
GST	(293)
Accounts payable and accrued liabilities	4,680
Deferred revenue	(14,500)
	(92,260)
<b>INVESTING ACTIVITIES</b>	
Proceeds on disposal of marketable securities	145,503
Purchase of marketable securities	(199,723)
Increase in other assets	(1,343)
	(55,563)
<b>FINANCING ACTIVITIES</b>	
Managed funds	(106,894)
Capital donations received	115,830
	8,936
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	(138,887)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	231,088
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 92,201

Prior Year Cash Flow Information (Note 13)

# **COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA**

## **NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2011**

### **1. NATURE OF BUSINESS**

Community Foundation of Medicine Hat and Southeastern Alberta ("the Foundation") is enabled by the Medicine Hat Community Foundation Act, a special statute enacted by the Legislative Assembly of the Province of Alberta on June 26, 1992. The Foundation is a charitable organization registered under the Income Tax Act (Canada) and as such is exempt from income taxes and able to issue donation receipts for income tax purposes.

The Foundation assembles and administers a pool of capital, the income from which is distributed to worthy charitable and community causes.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

#### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

#### **MARKETABLE SECURITIES**

Marketable securities, as described in Note 4, are valued at fair market value, as determined by the independent investment firm that holds the marketable securities.

#### **BEQUESTS AND OTHER DONATIONS**

Bequests and other donations are recorded when they become receivable.

#### **GRANT EXPENSES**

Grant expenses are recorded in the year approved.

#### **CONTRIBUTED MATERIALS AND SERVICES**

Contributed materials and services are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the Foundation's operations and would otherwise have been purchased.



# COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

### 2. SIGNIFICANT ACCOUNTING POLICIES, *continued*

#### FUND ACCOUNTING

As donors have provided amounts for special purposes, the Statement of Changes in Undistributed Income and Fund Balances and Statement of Operations have been presented in a manner which segregates the Community Endowment Fund (unrestricted) from the Designated Endowment Fund (for special purposes), the Operating Endowment Fund (to aid in the administrative expenses), the Flow Through Fund (third-party donations directed through the Foundation) and the Administrative Fund (for administrative expenses).

The revenues and expenses related to the collection of unrestricted donations and fundraising activities are reported in the Community Endowment Fund. The income earned by this fund is to be distributed as determined by the Board of Directors.

The Designated Endowment Fund, Operating Endowment Fund, Flow-Through Fund, and Administrative Funds report amounts for which the use is restricted by the donors and related investment income on the fund balances.

The Designated Endowment Fund reports resources contributed to the Foundation with the stipulation that the capital amount be permanently retained. Grants are distributed for designated purposes from the income earned.

The Operating Endowment Fund reports resources contributed to the Foundation with the stipulation that the capital amount be preserved to fund administrative expenses.

The Flow-Through Fund reports resources contributed to the Foundation with the stipulation that the entire capital amount be paid to another charitable organization.

The Administrative Fund reports resources contributed to the Foundation with the stipulation that the capital amount be used to directly fund administrative expenses.

#### REVENUE RECOGNITION

The Foundation follows the deferral method of accounting for contributions which includes grants and donations.

Restricted contributions are recognized as revenue in the year in which the related expenses are made. 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.

# COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### EQUIPMENT

Equipment is recorded at cost. The organization provides for amortization using the following methods at rates designed to amortize the cost of the equipment over its estimated useful life. One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rates and methods are as follows:

Furniture and fixtures	20% Declining balance
Computer equipment and software	30-100% Declining balance

#### DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent contributed equipment and restricted contributions to purchase equipment. These contributions are deferred and amortized on the same basis as the related equipment is amortized. The Foundation does not currently have any deferred capital contributions.

#### MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

#### IMPAIRMENT OF LONG-LIVED ASSETS

The organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

#### FINANCIAL INSTRUMENTS

##### Held for Trading

The Foundation has classified cash and marketable securities as held for trading. These instruments are initially recognized at their fair value, determined by published price quotations in an active market.

# COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### FINANCIAL INSTRUMENTS, continued

Held for trading financial instruments are subsequently measured at their fair value. Net gains and losses arising from changes in fair value are recognized immediately in income.

Fees incurred on an exchange of financial liabilities or a modification of the terms of financial liabilities that is accounted for as an extinguishment are included as part of the gain or loss on extinguishment, while any related other costs incurred are recognized in current year earnings. All fees and costs incurred on the exchange or modification of a financial liability not accounted for as an extinguishment, are recognized in current year earnings.

#### Loans and Receivables

The Foundation has classified the following financial asset as loans and receivables: accounts receivable. The receivables are initially recognized at their fair value, determined by terms of the agreement entered into. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in income.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized costs is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectibility. Gains and losses arising from changes in fair values are recognized in excess of revenues over expenses upon derecognition or impairment.

#### Held to Maturity

The Foundation has classified other assets as held to maturity. These assets are initially recognized at their fair values as determined by the actuarial value of the charitable trust.

Held to maturity financial assets are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life to its net carrying value. Net gains and losses arising from changes in fair value are recognized in net income upon derecognition or impairment.

#### Other financial liabilities

The Foundation has classified the following financial liabilities as other financial liabilities: accounts payables and accrued liabilities, deferred revenue and managed funds. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

# COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

**FINANCIAL INSTRUMENTS, continued**

Fees incurred on an exchange of financial liabilities or a modification of the terms of financial liabilities that is accounted for as an extinguishment are included as part of the gain or loss on extinguishment, while any related other costs incurred are recognized in current earnings. Any related other costs incurred are recognized in current year earnings.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to their net carrying amount. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount. Net gains and losses arising from changes in fair value and are recognized in income upon derecognition.

**3. CASH AND CASH EQUIVALENTS**

Included in cash is \$71,614 (2010 Restated \$164,927) received from the Government of Alberta under the Alberta Nonprofit/Voluntary Sector Initiative (ANVSI) which is to be disbursed by the Foundation in accordance with their agreement. Of these funds \$50,000 (2010 - \$100,000) has been placed in a GIC bearing interest at 0.85% (2010 - 0.75%), maturing July 2011 (matured in September 2010).

	2011	2010
Cash	\$ 20,587	\$ 66,161
Restricted cash - ANVSI	71,614	164,927
	\$ 92,201	\$ 231,088

**4. MARKETABLE SECURITIES**

	2011 Market	2011 Cost	2010 Market	2010 Cost
Mutual funds	\$ 6,673,666	\$ 6,395,601	\$ 6,036,901	\$ 6,334,449

# COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

### 5. EQUIPMENT

	Cost	Accumulated amortization	2011 Net	2010 Net
Furniture and fixtures	\$ 20,629	\$ 19,145	\$ 1,484	\$ 1,855
Computer equipment and software	8,190	8,190	-	4,685
	<b>\$ 28,819</b>	<b>\$ 27,335</b>	<b>\$ 1,484</b>	<b>\$ 6,540</b>

### 6. OTHER ASSETS

In a prior year, the Foundation became the beneficiary of a charitable remainder trust in the amount of \$25,000. At the date of funding of the trust, it was valued at \$12,497. At June 30, 2011 it is actuarially valued at \$23,722 (2010 - \$22,380) and the increase has been recorded in the financial statements as an increase to the Community Fund.

### 7. DEFERRED REVENUE

	2011	2010
Legacy club	\$ 9,000	\$ 7,500
ANVSI Administration	-	16,000
	<b>\$ 9,000</b>	<b>\$ 23,500</b>

### 8. MANAGED FUNDS

The managed funds are not included in the fund balances of the Foundation as they are funds being held for other organizations. Income generated from the investment of the Legacy fund is managed and distributed by the Foundation. The ANVSI funds are held as cash to be distributed in the future in accordance with the related agreement.

	2011	2010
Opening balance	\$ 186,496	\$ 147,568
Funding additions	136	104,098
Disbursements	(107,030)	(65,170)
	<b>\$ 79,602</b>	<b>\$ 186,496</b>

# COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

### 9. FINANCIAL INSTRUMENTS

The Foundation as part of its operations carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant currency or credit risks arising from these financial instruments except as otherwise disclosed.

The organization's financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, deferred revenue and managed funds. The carrying value of these instruments approximates their fair value due to their short-term maturities.

The organization is exposed to the following risks in respect of certain of the financial instruments held:

#### (a) INTEREST RATE RISK

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets and liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financing activities.

#### (b) MARKET RISK

The organization is exposed to certain market risks including changes in pricing and limited access to foreign markets.

The Foundation, as part of operations, has established avoidance of undue concentrations of risk as risk management objectives. In seeking to meet these objectives, the Foundation follows a risk management policy approved by its Board of Directors.

### 10. PRESERVATION OF CAPITAL ADJUSTMENT

As part of its function in administering its funds, the Foundation reinvests a portion of the net increase in the value of the investments into the capital funds in order to preserve their intended value and mitigate the effects of inflation. Preservation of capital is only undertaken in those years when investment returns exceed the amounts required for the disbursement of grants and to cover a portion of the administration costs. There was no preservation of capital recorded in 2011 (2010 - nil).

# COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

### 11. ADMINISTRATIVE CHARGES

As part of its operations, the Foundation calculates a fee to the endowment funds based on 1.0% (2010 - 1.0%) of the investments held for each fund, calculated quarterly. The corresponding revenue is recorded in grants, donations and administrative charges. Administrative charges for 2011 were \$65,777 (2010 - \$61,961). This is a non-cash charge and is not reflected in the Statement of Cash Flows.

### 12. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

### 13. PRIOR YEAR CASH FLOW INFORMATION

The cash flow statement for the prior year has not been presented as it was prepared on a different basis and as such does not provide useful comparative information.

### 14. SUPPLEMENTAL CASH FLOW INFORMATION

Cash flow from the following:

	2011	2010
Interest and bank charges paid	\$ 497	\$ 520
Investment income received	(206,327)	(180,371)

The Operating Endowment Fund grant expenses of \$30,276 (2010 - \$30,167) are offset by a corresponding amount in the Administrative Fund administrative charges revenue. This represents a 3.5% grant to fund administrative costs and is a non-cash transaction. The percentage is determined by the board. During the year, shares with a fair market value of \$6,933 (2010 - \$79,431) were donated to the foundation and as such are a non-cash transaction. In the current year, computer equipment with a net book value of \$591 that was obsolete was disposed of for zero proceeds and as such this is a non-cash transaction.

# COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

### 15. RELATED PARTY TRANSACTIONS

The following donations were made by directors and staff:

	2011	2010
Donations by directors:		
Community Fund	\$ 9,250	\$ 6,350
Flow-Through Fund	1,650	-
Endowment Fund	1,195	-
Designated Fund	340	-
	\$ 12,435	\$ 6,350
Donations by staff members:		
Administrative Fund	\$ 715	\$ 580
Designated Fund	30	-
	\$ 745	\$ 580

The donations were conducted in the normal course of operations and were measured at exchange value, which is the amount of consideration established and agreed to by the related parties.

### 16. CAPITAL DISCLOSURE

The Foundation's main objective in managing its capital is to safeguard its ability to continue its charitable operations. The Foundation considers its capital structure to include the Foundation's fund balances.

The Foundation is not exposed to externally imposed financial requirements. The Foundation invests in accordance with policies established by the Board of Directors and Investment Committee. In the absence of any direction by the donor and subject to the disbursement quota requirements of the Income Tax Act (Canada) and the regulations there under, contributions are to be invested and devoted in perpetuity for charitable purposes.



# COMMUNITY FOUNDATION OF MEDICINE HAT AND SOUTHEASTERN ALBERTA

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

### 17. SUBSEQUENT EVENTS

Subsequent to year end, the foundation received a bequest of \$300,000.

Subsequent to year-end, there was a significant downturn in the financial markets. As a result, the market value of the marketable securities at September 22, 2011 was \$6,269,699, a decrease of \$403,967 compared to June 30, 2011.

Subsequent to year-end, the \$50,000 ANVSI GIC matured and has not been reinvested.

### 18. PRIOR PERIOD ADJUSTMENT

The comparative figures have been retroactively restated to reflect flow through donation revenue which was not recorded in the June 30, 2010 financial statements. As a result, the Cash balance as at June 30, 2010 has increased by \$20,591, the grants, donations and administrative charges of the Flow-Through Fund have increased by \$20,594, and the administrative charges of the Administrative Fund have increased by \$3. The Flow-Through Fund balance as at June 30, 2010 has increased by \$20,591.

**COMMUNITY FOUNDATION OF MEDICINE HAT AND  
SOUTHEASTERN ALBERTA**

**SCHEDULE OF COMMUNITY ENDOWMENT FUND**

**FOR THE YEAR ENDED JUNE 30, 2011**

	2011	2010
<b>REVENUES</b>		
Investment revenue	\$ 106,858	\$ 94,526
<b>EXPENSES</b>		
Administrative charges (Note 11)	34,202	32,502
Grants	64,885	64,413
Investment fees	20,505	19,838
	119,592	116,753
<b>UNDISTRIBUTED LOSS BEFORE UNREALIZED GAIN</b>	(12,734)	(22,227)
<b>UNREALIZED GAIN</b>	299,834	67,303
<b>INCREASE IN UNDISTRIBUTED INCOME</b>	\$ 287,100	\$ 45,076

**COMMUNITY FOUNDATION OF MEDICINE HAT AND  
SOUTHEASTERN ALBERTA**

**SCHEDULE OF DESIGNATED ENDOWMENT FUND**

**FOR THE YEAR ENDED JUNE 30, 2011**

	2011	2010
<b>REVENUE</b>		
Investment revenue	\$ 74,585	\$ 60,751
<b>EXPENSES</b>		
Administrative charges (Note 11)	23,754	20,841
Grants	62,171	62,254
Investment fees	14,288	12,738
	100,213	95,833
<b>UNDISTRIBUTED LOSS BEFORE UNREALIZED GAIN</b>	(25,628)	(35,082)
<b>UNREALIZED GAIN</b>	205,676	38,651
<b>INCREASE IN UNDISTRIBUTED INCOME</b>	\$ 180,048	\$ 3,569



**COMMUNITY FOUNDATION OF MEDICINE HAT AND  
SOUTHEASTERN ALBERTA**

**SCHEDULE OF OPERATING ENDOWMENT FUND**

**FOR THE YEAR ENDED JUNE 30, 2011**

	2011	2010
<b>REVENUE</b>		
Investment revenue	\$ 24,884	\$ 25,095
<b>EXPENSES</b>		
Administrative charges (Note 11)	7,821	8,619
Grants	30,276	30,167
Investment fees	4,753	5,266
	42,850	44,052
<b>UNDISTRIBUTED LOSS BEFORE UNREALIZED GAIN</b>	(17,966)	(18,957)
<b>UNREALIZED GAIN</b>	70,102	17,717
<b>INCREASE (DECREASE) IN UNDISTRIBUTED INCOME</b>	\$ 52,136	\$ (1,240)

**COMMUNITY FOUNDATION OF MEDICINE HAT AND  
SOUTHEASTERN ALBERTA****SCHEDULE OF FLOW-THROUGH FUND****FOR THE YEAR ENDED JUNE 30, 2011**

	<b>2011</b>	<b>2010</b>
<b>REVENUE</b>		
Grants, donations, and administrative charges	\$ 71,786	\$ 46,783
<b>EXPENDITURES</b>		
Grants	87,969	32,828
<b>INCREASE (DECREASE) IN UNDISTRIBUTED INCOME</b>	<b>\$ (16,183)</b>	<b>\$ 13,955</b>

**COMMUNITY FOUNDATION OF MEDICINE HAT AND  
SOUTHEASTERN ALBERTA**

**SCHEDULE OF ADMINISTRATIVE FUND**

**FOR THE YEAR ENDED JUNE 30, 2011**

	2011	2010
<b>REVENUE</b>		
Grants, donations, and administrative charges	\$ 226,861	\$ 249,199
<b>EXPENSES</b>		
Advertising and promotion	9,485	6,605
Amortization	4,466	4,812
Contract expenses	38,675	42,344
Design and printing	10,600	7,681
Dues and memberships	3,064	2,722
Equipment	801	4,659
Insurance	2,457	2,378
Interest and bank charges	497	520
Office	8,767	7,444
Office rent	3,582	3,534
Postage	3,266	2,935
Professional fees	10,206	8,558
Salaries and benefits	119,746	116,532
Special events	6,114	6,502
Telephone	2,396	2,531
Travel and seminars	6,342	1,985
Utilities	950	855
Loss on disposal of equipment	590	-
	232,004	222,597
<b>INCREASE (DECREASE) IN UNDISTRIBUTED INCOME</b>	\$ (5,143)	\$ 26,602