

THE PERTH AND DISTRICT COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2007

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**The Perth and District Community Foundation
Statement of Financial Position**

December 31	2007	2006
	\$	\$
Assets		
Financial Assets		
Cash	41,937	16,043
Investments (note 2)	168,503	154,410
Accrued investment income	28,356	37,392
Total Assets	238,796	207,845
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	2,005	1,666
Fund Balances		
Operating fund	24,381	2,556
Endowment fund	106,528	133,718
Restricted and named funds (note 3)	105,882	69,905
	236,791	206,179
Total Liabilities and Fund Balances	238,796	207,845

On behalf of the Board:

_____ President _____ Treasurer

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

**The Perth and District Community Foundation
Statement of Financial Activities and Fund Balances**

For the year ended December 31	Operating Fund	Endowment Fund	Restricted Fund	2007	2006
	\$	\$	\$	\$	\$
Revenue					
Donations	5,930	1,060	64,762	71,752	44,430
Investment income (loss)	---	(6,450)	(2,585)	(9,035)	22,166
Golf Tournament (net)	20,685	---	---	20,685	20,198
Christmas Fundraiser (net)	22,719	---	---	22,719	---
Other income	7,450	---	---	7,450	190
	56,784	(5,390)	62,177	113,571	86,984
Expenditure					
Administrative					
Amortization	---	---	---	---	340
Bank charges	90	---	---	90	99
Marketing and advertising	5,034	---	---	5,034	765
Office and general	3,268	---	---	3,268	3,965
Salaries and benefits	26,567	---	---	26,567	22,000
Grants	---	12,200	35,800	48,000	23,900
	34,959	12,200	35,800	82,959	51,069
Net Revenue (Expenditure) for the Year	21,825	(17,590)	26,377	30,612	35,915
Transfers	---	(9,600)	9,600	---	---
Fund Balances, Beginning of Year	2,556	133,718	69,905	206,179	170,264
Fund Balances, End of Year	24,381	106,528	105,882	236,791	206,179

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

**The Perth and District Community Foundation
Statement of Cash Flows**

For the year ended December 31	2007	2006
	\$	\$
Cash Flows Provided From:		
Operating Activities		
Net revenue for the year	30,612	35,915
Add: amortization	---	340
	30,612	36,255
Working Capital Provided (Applied)		
Investments	(14,093)	(24,910)
Accrued investment income	9,036	(22,166)
Donation receivable	---	1,200
Accounts payable and accrued liabilities	339	(907)
	(4,718)	(46,783)
Change in Cash, During the Year	25,894	(10,528)
Cash, Beginning of Year	16,043	26,571
Cash, End of Year	41,937	16,043

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

The Perth and District Community Foundation Notes to the Financial Statements

December 31, 2007

Purpose of Organization

The Perth and District Community Foundation was incorporated without share capital under Part II of the Canada Corporations Act. The Community Foundation pools charitable gifts which are invested in perpetuity. The income earned on these funds is used to encourage community development in areas such as arts and culture, health and social services, education and environmental initiatives.

The Foundation is a registered charity and is classified as a public foundation under Section 149.1(1) of the Income Tax Act (Canada). As such, the Community Foundation is exempt from income taxes and able to issue donation receipts for income tax purposes.

1. Significant Accounting Policies

(a) Fund Accounting

The Foundation follows the Restricted Fund method for accounting for contributions. The Foundation ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for that purpose.

For financial reporting purposes, the accounts have been classified into the following funds:

The Endowment Fund reports resources that are required to be maintained by the Foundation on a permanent basis.

The Restricted Fund reports resources that are available to be used for purposes specified by the donor and do not form part of the Endowment Fund.

The Operating Fund reports resources available for The Foundation's general operating activities. These activities include fund development, grant making, community leadership projects, and philanthropic services to the community. The general costs of supporting these activities are reported as expenditures in the Operating Fund.

(b) Property, Plant and Equipment

Property, plant and equipment are recorded at cost and amortized over their useful lives.

(c) Investments

The investments of The Foundation are recorded at year end market values. Investment income includes dividends, interest, realized gains (losses), the net change in unrealized gains (losses) for the year, less investment counsel and custodian fees.

The Perth and District Community Foundation

Notes to the Financial Statements

December 31, 2007

1. Significant Accounting Policies / continued

(d) Revenue Recognition

Donor contributions for endowment purposes are recognized as revenue in the Endowment Fund. Other donor-restricted contributions are recognized as revenue in the Restricted Fund or the Operating Fund depending on the nature of the restriction. Unrestricted contributions are recognized as revenue in the Operating Fund. Contributions are recognized as revenue when received.

Income is recorded as follows:

The Restricted Fund reports income earned on resources of the Endowment or Restricted Fund that must be spent on donor restricted activities.

The Operating Fund reports income earned on the assets held in the Operating Fund and donations specifically earmarked for facilitating The Foundation's operation in the short run.

(e) Contributed Goods and Services

Volunteers contribute a substantial number of hours each year to assist The Foundation in carrying out its activities. Due to the difficulty of determining the fair value, contributions of such services are not recognized in the financial statements.

(f) Use of Estimates

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 at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting year. Actual results could differ from management's best estimates, as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

(g) Financial Instruments

The Foundation's financial instruments consist of cash, other assets, investments, accounts payable and amounts due to (from) funds. Unless otherwise noted, it is management's opinion that The Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Investments recorded at market value are subject to fluctuations in value as a result of changing market conditions. The Foundation is exposed to significant interest and currency risk fluctuations arising from these investments.

The Perth and District Community Foundation Notes to the Financial Statements

December 31, 2007

2. Investments at Market

Investments are comprised of the following:

	2007	2006
	\$	\$
Fixed income	336	177
Equities	26,846	16,576
Mutual / segregated funds	169,677	175,049
	196,859	191,802

3. Restricted and Named Funds

Restricted funds consist of donor designated, donor advised, field of interest and agency endowed funds. All donations, the income of which are to be designated for specific purposes, are recorded as additions to the capital of a restricted fund. Funds as at December 31, 2007 consist of the following:

	2007	2006
	\$	\$
Graham Family	10,884	11,402
McIntosh Perry	18,092	14,778
Dr. Gordon Jackson	28,208	33,315
Bill Cuthbertson	5,660	5,410
Stevens Family	6,000	5,000
MERA	10,000	---
Environmental	20,488	---
Anderson Family	3,250	---
Hollis Family	3,300	---
	105,882	69,905

4. Grants

The Perth and District Community Foundation incurs expenditures on an annual basis in the form of grants to qualified donees. The funds received for granting purposes are derived from two sources. The first source is through investment income earned on The Foundations' endowed capital. The second source is through gifts received from donors whereby the donor has designated that the amount of the gift, less an agreed upon administrative fee, is to be directed immediately to an agency or agencies specified by the donor (provided that the agency is a "qualified donee"). The latter are referred to as "flow through" grants.
