

FINANCIAL STATEMENTS

LONDON NORTH ROTARY CLUB FOUNDATION

June 30, 2011

London North Rotary Club Foundation
Incorporated under the laws of Canada

STATEMENT OF FINANCIAL POSITION
(unaudited)

As at June 30

| | 2011 | 2010 |
|--|---------------|---------------|
| | \$ | \$ |
| ASSETS | | |
| Current Assets | | |
| Cash | 5,081 | 3,102 |
| Investments (note 2) | 65,042 | 61,151 |
| GST Rebate | 48 | 13 |
| | <u>70,171</u> | <u>64,266</u> |
| LIABILITIES | | |
| Accounts Payable | 30 | |
| Accrued Audit Fee | 100 | 532 |
| | <u>130</u> | <u>532</u> |
| FUND BALANCES | | |
| Resitricted - scholarship fund | 68,712 | 63,629 |
| Unrestricted | 1,329 | 105 |
| | <u>70,041</u> | <u>63,734</u> |
| Total liabilities and fund balances | <u>70,171</u> | <u>64,266</u> |

see accompanying notes

Approved on behalf of the Board

Director

Director

London North Rotary Club Foundation

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended June 30 (unaudited)

| | Restricted | | Unrestricted | | Total | | Total | |
|--|-------------------|---------------|---------------------|--------------|---------------|---------------|--------------|------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| REVENUE | | | | | | | | |
| Dividends | 324 | 593 | 0 | | 324 | 593 | | |
| Donations | 250 | 500 | 1,375 | 3,435 | 1,625 | 3,935 | | |
| Interest | 942 | 782 | 0 | | 942 | 782 | | |
| London North Rotary Club Inc. | 0 | 0 | 2,000 | 2,000 | 2,000 | 2,000 | | |
| | <u>1,516</u> | <u>1,875</u> | <u>3,375</u> | <u>5,435</u> | <u>4,891</u> | <u>7,310</u> | | |
| EXPENSES | | | | | | | | |
| Donations | 0 | 0 | 2,000 | 2,725 | 2,000 | 2,725 | | |
| Annual filing fee and admin expenses | 0 | 0 | 30 | 30 | 30 | 30 | | |
| Audit fees | 0 | 0 | 121 | 545 | 121 | 545 | | |
| Bursaries | 0 | 0 | 0 | 2,000 | 0 | 2,000 | | |
| | <u>0</u> | <u>0</u> | <u>2,151</u> | <u>5,300</u> | <u>2,151</u> | <u>5,300</u> | | |
| Other revenue & expenses | 3,567 | 1,255 | | | 3,567 | 1,255 | | |
| | <u>3,567</u> | <u>1,255</u> | | | <u>3,567</u> | <u>1,255</u> | | |
| Excess (deficiency) of revenue over expenses | 5,083 | 3,130 | 1,224 | 135 | 6,307 | 3,265 | | |
| Fund balance, beginning of year | 63,629 | 60,499 | 106 | -29 | 63,735 | 60,470 | | |
| | <u>68,712</u> | <u>63,629</u> | <u>1,330</u> | <u>106</u> | <u>70,042</u> | <u>63,735</u> | | |

| | Restricted | |
|--|-------------------|-------------|
| | 2011 | 2010 |
| | \$ | \$ |
| INTERIM REVENUE | | |
| Unrealized capital gains for restricted investment | -3,567 | -1,255 |

see accompanying notes

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

1 ACCOUNTING POLICIES

(a) General

The London North Rotary Club Foundation is a non-profit organization that qualifies under Section 149 (1) (f) of the *Income Tax Act* for tax-exempt status as a registered charity. The members of the Foundation consist of the current members of the London North Rotary Club Inc.

A Statement of Changes in Financial Position has not been prepared as the relevant information is available on the Statements of Operations.

(b) Organization

The Foundation was incorporated under Part II of the *Canada Corporation Act*, without share capital. The incorporation date was September 6, 1989.

(c) Revenue Recognition

Unrestricted contributions are recognized as revenue when they are received or receivable if the collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the contribution is received.

(d) Basis of Presentation

Restricted funds consist of those donations for which the donor has required the Foundation to hold the principal of the funds for a period of not less than ten years. These funds have been designated by the Board of the Foundation as part of the scholarship fund.

Unrestricted funds may be used for charitable purposes at the discretion of the Board of Directors of the Foundation.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

2 SCHOLARSHIP FUND

The Scholarship Funds are to be used to provide bursaries to London area students attending their first year at the University of Western Ontario, its affiliated University, Colleges or Fanshawe College.

The investments that are held by the Foundation and their related market values at June 30 are as follows:

| | 2011 | | 2010 | |
|---------------------------------------|---------------|---------------|---------------|---------------|
| | Cost | Market Value | Cost | Market Value |
| Government of Canada 5-year bond fund | 28,576 | 28,341 | 28,576 | 28,508 |
| Harbour Canadian Equity Fund | 8,159 | 13,618 | 8,159 | 11,557 |
| Ivy Foreign Equity Fund | 11,201 | 13,735 | 11,201 | 12,117 |
| TD Canadian Bond Fund | 9,028 | 9,347 | 8,704 | 8,968 |
| | <u>56,964</u> | <u>65,041</u> | <u>56,640</u> | <u>61,150</u> |
| | | | | |
| | <u>56,964</u> | <u>65,041</u> | <u>56,640</u> | <u>61,150</u> |

3 FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, due from shareholder, investment, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

4 LONDON NORTH ROTARY CLUB INC.

The Foundation received donations from London North Rotary Club Inc., that amounted to \$2,000. (2010-\$2,000)