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**THE PERTH AND DISTRICT COMMUNITY FOUNDATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

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

December 31	2008	2007
	\$	\$
<b>Assets</b>		
<b>Financial Assets</b>		
Cash	38,667	41,937
Investments (note 2)	229,848	168,503
Accrued investment income	1,612	28,356
<b>Total Assets</b>	<b>270,127</b>	<b>238,796</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	2,579	2,005
<b>Fund Balances</b>		
Operating fund	31,085	24,381
Endowment fund	87,996	106,528
Restricted and named funds (note 3)	148,467	105,882
	<b>267,548</b>	<b>236,791</b>
<b>Total Liabilities and Fund Balances</b>	<b>270,127</b>	<b>238,796</b>

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	Endowment			2008	2007
	Operating Fund	Unrestricted Fund	Restricted Fund		
	\$	\$	\$	\$	\$
<b>Revenue</b>					
Donations	1,665	---	58,445	<b>60,110</b>	71,752
Investment (loss)	---	(14,832)	(11,913)	<b>(26,745)</b>	(9,035)
Golf Tournament (net)	25,875	---	---	<b>25,875</b>	20,685
Christmas Fundraiser (net)	15,283	---	---	<b>15,283</b>	22,719
Other income (losses)	976	---	---	<b>976</b>	7,450
	43,799	(14,832)	46,532	<b>75,499</b>	113,571
<b>Expenditure</b>					
Administrative					
Bank charges	83	---	---	<b>83</b>	90
Marketing and advertising	1,304	---	1,947	<b>3,251</b>	5,034
Office and general	5,708	---	---	<b>5,708</b>	3,268
Salaries and benefits	26,800	---	---	<b>26,800</b>	26,567
Grants	3,200	3,700	2,000	<b>8,900</b>	48,000
	37,095	3,700	3,947	<b>44,742</b>	82,959
<b>Net Revenue (Expenditure) for the Year</b>	6,704	(18,532)	42,585	<b>30,757</b>	30,612
<b>Fund Balances, Beginning of Year</b>	24,381	106,528	105,882	<b>236,791</b>	206,179
<b>Fund Balances, End of Year</b>	31,085	87,996	148,467	<b>267,548</b>	236,791

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	2008	2007
	\$	\$
<b>Cash Flows Provided From:</b>		
<b>Operating Activities</b>		
Net revenue for the year	30,757	30,612
<b>Working Capital Provided (Applied)</b>		
Investments	(61,345)	(14,093)
Accrued investment income	26,744	9,036
Accounts payable and accrued liabilities	574	339
	(34,027)	(4,718)
 <b>Change in Cash, During the Year</b>	 (3,270)	 25,894
 <b>Cash, Beginning of Year</b>	 41,937	 16,043
 <b>Cash, End of Year</b>	 38,667	 41,937

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

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# The Perth and District Community Foundation Notes to the Financial Statements

December 31, 2008

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## **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.

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## **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.

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# The Perth and District Community Foundation Notes to the Financial Statements

December 31, 2008

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## 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, 2008**

**2. Investments at Market**

Investments are comprised of the following:

	2008	2007
	\$	\$
Cash and equivalents	19,922	336
Equities	26,044	26,846
Mutual / segregated funds	185,494	169,677
	<b>231,460</b>	<b>196,859</b>

**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, 2008 consist of the following:

	2008	2007
	\$	\$
Big Brothers Big Sisters	3,500	---
Physician Recruitment Fund	19,605	---
Graham Family	9,547	10,884
McIntosh Perry	13,958	18,092
Dr. Gordon Jackson	24,939	28,208
Bill Cuthbertson / Roy	5,750	5,660
Stevens Family	7,000	6,000
MERA	8,772	10,000
Environmental	47,096	20,488
Anderson Family	3,250	3,250
Hollis Family	5,050	3,300
	<b>148,467</b>	<b>105,882</b>

**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.