

**THE LETHBRIDGE
COMMUNITY FOUNDATION**

**FINANCIAL STATEMENTS
DECEMBER 31, 2001**



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Chartered Accountants
and Consultants

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AUDITORS' REPORT

To the Directors of
The Lethbridge Community Foundation

We have audited the balance sheet of The Lethbridge Community Foundation as at December 31, 2001 and the statements of revenue, expenditures and undistributed income, fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's Board of Directors. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2001 and the results of its operations and changes in its funds for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Lethbridge, Alberta
February 20, 2002

Chartered Accountants

THE LETHBRIDGE COMMUNITY FOUNDATION

BALANCE SHEET AS AT DECEMBER 31, 2001

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash	\$ 18,392	\$ 13,690
Accounts receivable	238,040	2,829
Prepaid expenses	2,195	266
Investments (note 3)	4,724,487	4,264,948
Cash surrender value - life insurance policies (note 5)	61,238	78,876
	<u>\$ 5,044,352</u>	<u>\$ 4,360,609</u>
LIABILITIES		
Accounts payable	\$ 4,164	\$ 2,200
Grants payable	460,500	332,360
	<u>464,664</u>	<u>334,560</u>
FUND BALANCES		
Community fund	2,688,468	2,158,738
Field of interest funds	158,577	162,335
Designated funds	1,732,643	1,704,976
	<u>4,579,688</u>	<u>4,026,049</u>
	<u>\$ 5,044,352</u>	<u>\$ 4,360,609</u>

APPROVED BY THE BOARD:

DIRECTOR

DIRECTOR

THE LETHBRIDGE COMMUNITY FOUNDATION

STATEMENT OF REVENUE, EXPENDITURES, AND UNDISTRIBUTED INCOME

	Year Ended December 31, 2001				Year Ended Dec. 31, 2000
	General Community Fund	Field of Interest Funds	Designated Funds	Total	Total
REVENUE					
Investments	\$ 47,713	\$ 2,892	\$ 30,652	\$ 81,257	\$ 301,484
Other (note 6)	519,895	-	-	519,895	312,080
	567,608	2,892	30,652	601,152	613,564
EXPENDITURES					
Administrative (note 7)	(14,654)	1,280	13,148	(226)	23,944
Capitalized income	-	-	-	-	116,828
Equipment	-	-	-	-	3,225
Transfers	-	-	-	-	(152)
	(14,654)	1,280	13,148	(226)	143,845
GRANTS (note 4)	616,052	5,370	74,932	696,354	442,724
	601,398	6,650	88,080	696,128	586,569
INCREASE (DECREASE) IN UNDISTRIBUTED INCOME	(33,790)	(3,758)	(57,428)	(94,976)	26,995
UNDISTRIBUTED INCOME BEGINNING OF YEAR	4,395	2,281	61,456	68,132	41,137
UNDISTRIBUTED INCOME END OF YEAR	\$ (29,395)	\$ (1,477)	\$ 4,028	\$ (26,844)	\$ 68,132

THE LETHBRIDGE COMMUNITY FOUNDATION

STATEMENT OF FUND BALANCES

	Year Ended December 31, 2001				Year Ended Dec. 31, 2000
	General Community Fund	Field of Interest Funds	Designated Funds	Total	Total
CAPITAL BEGINNING OF YEAR	\$ 2,154,343	\$ 160,054	\$ 1,643,520	\$ 3,957,917	\$ 3,189,050
Donations and Bequests	581,158	-	85,095	666,253	635,187
Income Capitalized	-	-	-	-	116,828
Interfund and Other Transfers	-	-	-	-	(152)
Life Insurance CSV (note 5)	(17,638)	-	-	(17,638)	17,004
CAPITAL END OF YEAR	2,717,863	160,054	1,728,615	4,606,532	3,957,917
UNDISTRIBUTED INCOME	(29,395)	(1,477)	4,028	(26,844)	68,132
BALANCE END OF YEAR	<u>\$ 2,688,468</u>	<u>\$ 158,577</u>	<u>\$ 1,732,643</u>	<u>\$ 4,579,688</u>	<u>\$ 4,026,049</u>

THE LETHBRIDGE COMMUNITY FOUNDATION

STATEMENT OF CASH FLOWS

	Year Ended December 31, 2001	Year Ended December 31, 2000
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Increase (decrease) in undistributed income	\$ (94,976)	\$ 26,995
Donations and bequests	666,253	635,187
Income capitalized	-	116,828
Transfers	-	(152)
	<u>571,277</u>	<u>778,858</u>
Net change in non-cash working capital balances		
Accounts receivable	(235,211)	2,706
Prepaid expenses	(1,929)	1,050
Accounts and grants payable	<u>130,104</u>	<u>(207,132)</u>
	464,241	575,482
INVESTMENTS		
Net purchase of investments	<u>(459,539)</u>	<u>(830,412)</u>
INCREASE (DECREASE) IN CASH POSITION	4,702	(254,930)
CASH POSITION AT BEGINNING OF YEAR	<u>13,690</u>	<u>268,620</u>
CASH POSITION AT END OF YEAR	<u>\$ 18,392</u>	<u>\$ 13,690</u>

THE LETHBRIDGE COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2001

1. PURPOSE OF THE ORGANIZATION

The Lethbridge Community Foundation (the "Foundation") was incorporated without share capital by a special statute of the Legislative Assembly of the Province of Alberta in 1966 and then continued under the Lethbridge Community Foundation Act, 1994, Alberta (the "Act"). The purpose of the Foundation is to act as a community leader and catalyst and to be a vehicle to provide a way for donors to improve their community forever by building and holding a permanent endowment, the income of which is to be used to meet the changing needs and opportunities across all sectors of southwestern Alberta through grantmaking and community leadership projects.

The Foundation is a charitable organization registered under the Income Tax Act (Canada) and as such, is exempted from income taxes and able to issue donation receipts for income tax purposes. To maintain its status as a public foundation registered under the Tax Act, the Foundation must meet certain requirements within the Tax Act. In the opinion of management, these requirements are being met.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Foundation have been prepared in accordance with Canadian generally accepted accounting principles and follow the restricted fund method of accounting for contributions. Because certain donors have provided amounts for special purposes, the financial statements have been presented in a manner which segregates the Community Fund (unrestricted) from Designated Funds (for special purposes).

Community Fund income earned is distributed as determined by the Board of Directors.

Designated Funds represent amounts donated to the Foundation for which the capital is generally intended to be preserved. Grants are made for designated purposes from the income earned.

The more significant accounting policies followed by the Foundation have been summarized to facilitate a review of the financial statements:

- a) Donations in kind and amounts contributed for reimbursement of specific expenses are included in "donations and bequests".
- b) Donated amounts for which the capital is to be preserved are recorded as fund capital. In addition, realized capital gains are recorded in fund balances.
- c) Investments are recorded at quoted market values. Accordingly, increases and decreases in the market values are directly reflected in the related fund balances.
- d) The Foundation's financial instruments consist of accounts receivable, investments and accounts and grants payable. 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.

3. INVESTMENTS

<u>2001</u> <u>Market</u>	<u>2000</u> <u>Market</u>
<u>\$ 4,724,487</u>	<u>\$ 4,264,948</u>

THE LETHBRIDGE COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2001

4. GRANTS

	Number of Grants	Amount
GENERAL COMMUNITY FUND		
Historical and Educational Needs	21	\$ 215,018
Social and Health Needs	25	314,477
Culture, Recreation and Environment Needs	15	94,297
	61	623,792
Less prior year's grants returned		(7,740)
		\$ 616,052
FIELD OF INTEREST FUNDS	4	\$ 5,370
DESIGNATED FUNDS	59	\$ 74,932

5. CASH SURRENDER VALUE LIFE INSURANCE POLICIES

	2001	2000
Balance, beginning of year	\$ 78,876	\$ 61,872
Life insurance premiums paid by donors	298	33,248
Less cost of insurance	(17,936)	(16,244)
Balance, end of year	\$ 61,238	\$ 78,876

6. OTHER REVENUE

	2001	2000
Flow through grants received from anonymous and other donors	\$ 519,895	\$ 312,080

THE LETHBRIDGE COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2001

7. ADMINISTRATIVE EXPENSES

	<u>2001</u>	<u>2000</u>
Advertising and publicity	\$ 11,514	\$ 7,221
Annual report	5,004	4,916
Bank charges	313	354
Convention and travel	709	3,010
GST	4,346	1,396
Hardware and software equipment purchases	18,800	14,051
Insurance	1,439	1,401
Internet home page	2,000	-
Investment counsel, custodial, and brokerage fees	15,235	16,487
Management and professional fees	60,241	52,841
Memberships	200	200
Office, stationery, postage, continuing education	3,582	2,821
Public functions	3,729	-
Rent	7,080	7,080
Telephone	2,160	1,758
	<u>136,352</u>	<u>113,536</u>
Less recovered expenses		
Administrative expenditures grants	96,576	50,000
Administration fee - Designated and Field of Interest Funds	14,429	10,149
Interest earned on Administrative Endowment Fund	1,130	2,025
Professional fees	15,571	20,267
Hardware and software purchase grant	20,000	14,000
Annual report	3,300	3,300
	<u>151,006</u>	<u>99,741</u>
Net administrative expense (recovery) allocated to Community Fund	<u>\$ (14,654)</u>	<u>\$ 13,795</u>
Allocated to Designated and Field of Interest Funds	<u>\$ 14,429</u>	<u>\$ 10,149</u>

8. LEASE COMMITMENT

The Foundation leases its premises under a lease agreement which expires December 31, 2002. The annual rental is \$7,080. There is an option to extend the lease a further three years.

