

**VERNON AND DISTRICT
FOUNDATION**

**Financial Statements
For the year ended September 30, 2000**

VERNON AND DISTRICT FOUNDATION
Financial Statements
For the year ended September 30, 2000

Contents

Auditors' Report	2
Financial Statements	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Revenue and Expenditures	5
Summary of Significant Accounting Policies	6
Notes to Financial Statements	7 - 9
Schedule 1 – Funds Under Administration	10 - 12
Schedule 2 – Funds Distributed	13 - 14

Auditors' Report

To the Members of
VERNON AND DISTRICT FOUNDATION

We have examined the statement of financial position of **VERNON AND DISTRICT FOUNDATION** as at September 30, 2000, the statement of changes in net assets and the statement of revenue and expenditures for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with 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 common with many charitable organizations, the organization derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donations, excess of revenues over expenditures and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements present fairly in all material respects, the financial position of the Foundation as at September 30, 2000 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Chartered Accountants

Vernon, British Columbia
November 16, 2000

VERNON AND DISTRICT FOUNDATION
Statement of Financial Position

September 30, **2000** **1999**

Assets

Cash	\$ 238,045	\$ 38,543
Accrued interest receivable	48,050	40,955
Investments (Note 1)	3,885,956	2,878,430
Endowment fund (Vancouver Foundation)	<u>110,000</u>	<u>110,000</u>
	<u>\$ 4,282,051</u>	<u>\$ 3,067,928</u>

Liabilities

Accounts payable	\$ 225	\$ -
Scholarships committed	<u>6,017</u>	<u>-</u>
	<u>6,242</u>	<u>-</u>

Net Assets

Funds under administration (Schedule 1)	4,141,042	2,910,903
Funds for distribution	<u>134,767</u>	<u>157,025</u>
	<u>4,275,809</u>	<u>3,067,928</u>
	<u>\$ 4,282,051</u>	<u>\$ 3,067,928</u>

On behalf of the Board:

Directors

VERNON AND DISTRICT FOUNDATION
Statement of Changes in Net Assets

For the year ended September 30, 2000

	Funds under Administration	Distributable Funds	2000	1999
Balance, beginning of year	\$ 2,910,903	\$ 157,025	\$ 3,067,928	\$ 2,607,988
Excess of revenue over expenditures	-	192,287	192,287	202,453
Allocation to funds under administration	10,123	(10,123)	-	-
Contributions	1,079,487	-	1,079,487	407,778
Capital gains (loss)	140,529	-	140,529	(7,363)
Funds distributed (Schedule 2)	-	(204,676)	(204,676)	(148,278)
Return of prior year distribution	-	254	254	5,350
Balance, end of year	\$ 4,141,042	\$ 134,767	\$ 4,275,809	\$ 3,067,928

VERNON AND DISTRICT FOUNDATION
Statement of Revenue and Expenditures

For the year ended September 30,	2000	1999
Revenue		
Donations for administration	\$ 12,031	\$ 1,000
Investment income	208,859	208,492
Donations for life insurance premiums	<u>20,189</u>	<u>17,258</u>
	<u>241,079</u>	<u>226,750</u>
Expenditures		
Professional fees	1,855	3,714
Sundry administration	5,556	3,325
Office	6,996	-
Wages and benefits	14,196	-
Life insurance premiums	<u>20,189</u>	<u>17,258</u>
	<u>48,792</u>	<u>24,297</u>
Excess of revenue over expenditures	\$ 192,287	\$ 202,453

VERNON AND DISTRICT FOUNDATION Schedule 1

For the year ended September 30, 2000

FUNDS UNDER ADMINISTRATION

	Balance September 30, 1999	Transfer from Distributable Funds	Contributions	Capital Gains	Balance September 30, 2000
A.A. and I. Gray Scholarship Fund	\$ 13,918	\$ 49	\$ -	\$ 633	\$ 14,600
Administration Endowment Fund	14,408	51	-	655	15,114
Archibald McKellar MacMechan Fund	10,934	39	-	497	11,470
Armanious Family Endowment	-	-	25,000	189	25,189
Armstrong Spallumcheen Museum & Arts	89,251	317	500	4,057	94,125
Arvo M. Sestrap	-	-	63,755	1,685	65,440
Aubrey Creed St. John Fund	68,686	244	-	3,123	72,053
Beatrice I. Perry Endowment	-	-	25,000	189	25,189
Bob Winter Endowment Fund	18,524	73	16,277	930	35,804
Boys and Girls Club of Vernon	13,918	49	-	633	14,600
Bryson-Whyte Fund	5,872	21	-	267	6,160
Caroline Galbraith Cancer Fund	-	-	25,000	189	25,189
Caroline Galbraith Endowment Fund	62,575	226	2,150	2,914	67,865
Community Health Endowment Fund	229,090	812	-	10,414	240,316
D.S. MacKay Scholarship Fund	10,919	39	-	497	11,455
Festival of the Arts Fund	6,336	22	-	288	6,646
G.V. Rogers Memorial Fund	1,074	4	-	49	1,127
General Funds	212,939	756	800	9,707	224,202
Herbert & Frieda Drauzburg Endowment	-	-	90,000	680	90,680
Jo Ellen Foster Memorial Fund	2,014	7	-	92	2,113

VERNON AND DISTRICT FOUNDATION Schedule 1

For the year ended September 30, 2000

FUNDS UNDER ADMINISTRATION, continued

	Balance September 30, 1999	Transfer from Distributable Funds	Contributions	Capital Gains	Balance September 30, 2000
John Howard Society	18,492	66	-	841	19,399
Justice Peter D. Seaton Memorial Fund	13,178	47	506	605	14,336
Kalamalka Award Program Endowment Fund	19,302	68	-	878	20,248
Lumby Women's Institute	-	-	6,000	136	6,136
Lyle/Darlene Lewis/Cancer Clinic Endowment	10,008	36	-	455	10,499
Lyle/Darlene Lewis/Cardiac Care Endowment	10,008	36	-	455	10,499
Lyle/Darlene Lewis/VJH Ultrasound Endowment	10,008	36	-	455	10,499
Mary Warder Merryfield Fund	29,992	106	-	1,364	31,462
Michael Ludwig Memorial Fund	16,092	57	-	732	16,881
Millicent M. Foster Fund	36,348	129	-	1,653	38,130
Murray & Elva Gee Fund	56,625	201	-	2,575	59,401
Norman Gillis Endowment Fund	-	-	33,500	-	33,500
Norman Simon Fund	84,967	302	-	3,864	89,133
North Okanagan United Way	12,483	44	-	568	13,095
North Okanagan Waste Stewardship	8,340	30	-	379	8,749
Okanagan College Endowment Fund	54,608	194	-	2,483	57,285
Patrick F. Mackie Endowment Fund	-	-	51,119	579	51,698
Peter George Legg Endowment Fund	107,280	381	-	4,878	112,539
Peter Leahy Memorial Fund	55,347	196	-	2,517	58,060
Petra Emmi Heaton Memorial Fund	227,440	806	-	10,341	238,587
R.D. McLean Diabetic Daycare Fund	-	-	25,000	189	25,189

VERNON AND DISTRICT FOUNDATION Schedule 1

For the year ended September 30, 2000

FUNDS UNDER ADMINISTRATION, continued

	Balance September 30, 1999	Transfer from Distributable Funds	Contributions	Capital Gains	Balance September 30, 2000
Richard J. Farmer Memorial fund	57,998	206	-	2,637	60,841
Robert D. McLean Fund	550,229	1,951	-	25,021	577,201
School District #22 Fund	160,806	571	13,304	7,586	182,267
Sharon Billie Memorial Fund	3,181	11	-	145	3,337
Sid Dalzell Memorial Schol. Endow. Fund	83,365	296	-	3,791	87,452
Silver Star Rotary Education Fund	36,709	130	-	1,669	38,508
SPCA	-	-	43,886	1,160	45,046
St. John Ambulance Fund	27,968	99	-	1,272	29,339
St. Vincent Home Endowment Fund	-	-	8,000	181	8,181
Sveva Caetani Memorial Fund	223,289	792	-	10,154	234,235
Thomas Mellish Fund	10,893	39	-	495	11,427
Vancouver Foundation	61,129	-	-	-	61,129
Vernon & District Museum Fund	5,872	21	-	267	6,160
Vernon And District Hospice Society	-	-	1,200	8	1,208
Vernon Community Music School	85,874	305	-	3,905	90,084
Vernon Jubilee Hospital Foundation Endowment	-	-	458,554	3,463	462,017
Vernon Motor Dealer's Assoc. Fund	13,096	46	-	596	13,738
Vernon Performing Arts Ctr Endowment	21,303	76	174,436	2,548	198,363
Vernon Public Art Gallery	22,722	81	7,500	1,231	31,534
William A. Irwin Fund	15,493	55	-	705	16,253
Xel & Cora Monsees Endowment	-	-	8,000	60	8,060
Totals	\$ 2,910,903	\$ 10,123	\$ 1,079,487	\$ 140,529	\$ 4,141,042

VERNON AND DISTRICT FOUNDATION Schedule 2

For the year ended September 30, 2000

FUNDS DISTRIBUTED

21 ST Century Creative Arts theatre Society	\$ 1,000
A.L. Fortune Secondary School – Scholarships	1,577
Allan Brooks Nature Centre Society	3,000
Armstrong Spallumcheen Museum & Archives	6,579
Baptist Missionary Society of Latin America	7,897
Boys & Girls Club of Vernon	13,396
British Columbia SPCA – Vernon Branch	4,109
Canadian Cancer Society	1,000
Canadian Red Cross	2,000
Capilano College – Scholarship/Hagerty	1,000
Cherryville Seniors Society (Boys & Girls Club)	4,000
Family Resource Centre Society for the N. O.	4,000
Greater Vernon Museum and Archives	421
John Howard Society	1,327
Kasnik Scholarship – 1998	1,000
LaLeche League of Vernon	85
Lumby & District Senior Citizens Housing Soc.	3,000
North Okanagan Disabled Skiers Association	4,000
North Okanagan Neurological Assoc.	823
North Okanagan RCAF Wing Air Force Assoc. of Canada	200
North Okanagan Therapeutic Riding Assoc.	4,000
North Okanagan United Way	1,214
North Okanagan United Way – Scholarships	940
North Okanagan Waste Stewardship Society	599
North Okanagan Waste Stewardship Society – 1998	471
North Okanagan/Shuswap Head Injury Society	1,000
Okanagan & Area Eating Disorders Assoc.	500
Okanagan Landing Community Association	3,000
Okanagan University College – Scholarship/Kuhn	1,000
Okanagan University College – Scholarships	14,303
Okeefe Ranch & Interior Heritage Society	750
People N Need Crisis Line	1,000
People Place Society	3,000
Reaching Out Multiple Sclerosis Society	1,500
Rotary International District 5060	1,345
Salvation Army	9,329
School District #22 – Scholarships	11,684
School District No. 83 (North Okanagan-Shuswap)	577
Seniors' Outreach Okanagan North	1,000
Seniors' Outreach Society	421

VERNON AND DISTRICT FOUNDATION Schedule 2

For the year ended September 30, 2000

FUNDS DISTRIBUTED, continued

Silver Star Rotary Scholarships	2,634
St. John Ambulance	6,936
Start Where You're At Society	1,500
University of Alberta – Scholarship/Admiraal	551
University of BC	300
Vernon & District Assoc Mentally Handicapped	1,500
Vernon & District Foundation – Administration	1,050
Vernon & District Hospice Society	2,800
Vernon Branch of Okanagan Symphony Soc.	2,500
Vernon Chapter HeCSC, Heplife Support Group	1,500
Vernon Community Music School	10,836
Vernon Jubilee Hospital – Cardiac Care	1,317
Vernon Jubilee Hospital – T. McMurtry/P. Baerg Cancer Centre	1,317
Vernon Jubilee Hospital – Ultrasound & Diagnostic Services	1,317
Vernon Jubilee Hospital Foundation	2,500
Vernon Jubilee Hospital – Diabetic Clinic	7,897
Vernon Pensioner's Accomodation Society	228
Vernon Performing Arts Centre Society	2,077
Vernon Public Art Gallery	17,130
Vernon Search & Rescue Group Society	3,550
Vernon Theatrical Arts Centre Society	477
War Amps	7,897
YMCA/YWCA	<u>2,800</u>
Total distributions paid during the year	198,659
Scholarships committed but not yet paid	<u>6,017</u>
	<u>\$ 204,676</u>

VERNON AND DISTRICT FOUNDATION

Summary of Significant Accounting Policies

September 30, 2000

Nature of business

The Foundation, a non-profit Foundation registered under the Society Act of the Province of British Columbia, administers funds received through bequests or endowments and makes distributions of income to various charities in the North Okanagan Area.

Use of estimates

The preparation of financial statements in accordance with 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 expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial instruments

The company's financial instruments consist of cash, accrued interest receivable, investments, endowment fund, accounts payable and scholarships committed. 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.

Investments

Investments are carried at the lower of cost and market on a portfolio basis.

Contributions and investment income

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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 in the year they are received.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

VERNON AND DISTRICT FOUNDATION Notes to Financial Statements

September 30, 2000

1. Investments

Bonds

	Interest Rate	Due Date	Cost	Market Value
Chrysler Credit Canada	5.100	01/22/01	\$ 49,875	\$ 49,904
Farm Credit Corp.	5.150	03/03/01	11,469	12,054
Alberta Treasury Branch	5.000	03/21/01	107,655	107,750
Royal Bank of Canada	6.050	05/26/01	37,092	38,715
Merchant Private Trust	5.300	07/10/01	60,000	60,706
BC Savings Bonds	5.250	10/15/01	75,000	77,801
Laurentian Bank	5.000	01/04/02	50,000	51,842
LBC Trust	5.000	01/04/02	50,000	51,842
Province of BC	9.000	01/09/02	35,780	38,070
Bell Cda International	6.750	02/15/02	153,664	171,743
Royal Bank of Canada	10.500	03/01/02	20,000	21,352
Bank of Montreal	8.850	06/01/03	19,925	21,890
Gov't of Canada	7.250	06/01/03	159,342	164,216
Centrefund Realty	7.500	12/01/03	52,682	42,935
National Bank of Canada	7.500	12/30/03	69,300	73,667
Gov't of Canada	6.500	06/01/04	116,418	120,015
Canadian Utilities	8.730	06/01/04	40,000	44,392
Quebec Hydro	7.000	06/01/04	69,790	73,837
Prov of BC	9.000	06/21/04	17,001	15,723
AT&T Canada	7.150	09/23/04	169,942	171,188
Farm Credit Corp.	9.000	03/15/05	63,732	72,569
Prov of BC	8.000	08/23/05	8,206	7,631
Prov of NS	8.250	12/01/05	1,168	1,120
Prov of Ontario	7.500	01/19/06	30,686	32,434
BC Savings Bonds	5.250	10/15/06	15,000	15,725
Centrefund Realty	8.500	11/30/06	46,800	38,618
Gov't of Canada	7.000	12/01/06	161,214	166,941
Export Develop Corp.	Variable	12/18/06	50,000	50,525
Bell Canada	10.875	06/15/07	19,600	20,888
Farm Credit Corp.	8.700	09/15/07	19,396	22,177
Gov't of Canada	6.000	06/01/08	99,989	103,246
Royal Bank Sub Deb	5.450	09/03/08	149,484	146,658
Prov. of Manitoba	5.250	03/02/09	89,828	89,858
TransCanada Pipeline	10.625	10/20/09	73,500	91,092

VERNON AND DISTRICT FOUNDATION Notes to Financial Statements

September 30, 2000

1. Investments, continued

Bonds, continued

	Interest Rate	Due Date	Cost	Market Value
Bank of Montreal	7.400	03/14/11	54,812	52,615
Bank of Montreal	7.920	07/31/12	40,324	43,533
Westcoast Energy	8.300	12/30/13	66,413	79,969
Gov't of Canada Pkge	11.250	06/01/15	186,939	191,396
BC Gas	11.800	09/30/15	33,517	49,449
BC Gas	8.000	04/19/40	69,818	72,637
			<u>2,645,361</u>	<u>2,758,723</u>

Shares and Income Fund Trust Units

	Type	Quantity	Cost	Market Value
Pacific Northern Gas	preferred	200	\$ 4,200	\$ 3,300
Alberta Energy Co. Ltd.	common	186	12,000	11,615
Aliant Inc.	common	1,074	27,211	39,953
AT&T Corp.	common	1,500	75,968	66,402
BCE	common	600	4,032	21,030
Canada Life Financial	common	1,906	41,551	66,710
Cdn Apartment Property REIT	trust	3,100	29,811	37,045
Cdn Utilities Ltd.	common	2,000	70,300	82,000
DDJ Canadian High Yield Fund	trust	9,200	174,884	199,180
Energy East Corporation	common	2,600	74,118	88,443
Enermark Income Fund	trust	5,600	32,219	25,536
Enerplus Resources Fund	trust	1,335	23,453	29,704
Gabelli Utility Trust	trust	8,600	100,149	107,488
H & R Real Estate Investment	trust	4,500	44,902	50,625
Industrial Alliance Life	common	1,000	15,750	31,750
Novicourt Inc.	common	30,000	57,600	57,000
Pengrowth Energy Trust	trust	3,000	41,798	57,600
Residential Equities REIT	trust	4,000	47,315	46,400

VERNON AND DISTRICT FOUNDATION
Notes to Financial Statements
(Unaudited)

September 30, 2000

1. Investments, continued

Shares and Income Fund Trust Units, continued

	<u>Type</u>	<u>Quantity</u>	<u>Cost</u>	<u>Market Value</u>
Riocan REIT	trust	7,105	53,327	63,945
Superior Propane Income Fund	trust	5,000	56,706	72,500
Timken Co.	common	1,400	38,594	28,812
Westshore Terminals Income Fund	trust	7,000	52,394	29,680
World Strategic Yield fund	trust	10,387	<u>162,313</u>	<u>161,518</u>
			<u>1,240,595</u>	<u>1,378,236</u>
			<u>\$ 3,885,956</u>	<u>\$ 4,136,959</u>

2. Statement of Cash Flows

A statement of cash flows has not been presented as, in the opinion of the treasurer, it would not provide any significant additional information.
