



**PARKSVILLE-QUALICUM COMMUNITY FOUNDATION**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2005**

# **PARKSVILLE-QUALICUM COMMUNITY FOUNDATION**

## **FINANCIAL STATEMENTS**

**DECEMBER 31, 2005**

<b>CONTENTS</b>	<b>PAGE</b>
Auditor's Report	
Statement of Operations and Changes in Fund Balances	1
Statement of Financial Position	2 & 3
Notes to Financial Statements	4 - 6
Schedule of Expenses	7

## **AUDITOR'S REPORT**

To the members of: **Parksville-Qualicum Community Foundation**

I have audited the statement of financial position of Parksville-Qualicum Community Foundation, as at December 31, 2005 and the statement of operations and changes in fund balances for the year then ended. These financial statements are the responsibility of the Directors. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 Foundation derives revenue from cash and other donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Foundation and I was not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and fund balances.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2005 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

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**Jim Scott B.A., C.G.A.**  
**Certified General Accountant**

Parksville, British Columbia  
August 12, 2006

## PARKSVILLE-QUALICUM COMMUNITY FOUNDATION

### STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2005

	Operating Fund	Capital Fund	Endowment Fund	Total 2005	Total 2004
<b>REVENUE</b>					
Contributions	\$ 6,560	\$ -	\$ 131,582	\$ 138,142	\$ 35,878
Grants	766	-	-	766	612
Grant - Vancouver Foundation	-	-	-	-	5,000
Membership fees	580	-	-	580	100
Fundraising	5,719	-	-	5,719	7,789
Interest income	98	-	92	190	78
Other income	96	-	-	96	-
Grants	3,620	-	10,158	13,778	11,904
Unrealized gains and losses	-	-	14,071	14,071	7,227
Contributions from operations	<u>-</u>	<u>2,176</u>	<u>-</u>	<u>2,176</u>	<u>-</u>
	<b>17,439</b>	<b>2,176</b>	<b>155,903</b>	<b>175,518</b>	<b>68,588</b>
<b>EXPENSES - Page 7</b>	<u>18,241</u>	<u>908</u>	<u>9,825</u>	<u>28,974</u>	<u>29,390</u>
Excess Revenue over Expenses	<b>(802)</b>	<b>1,268</b>	<b>146,078</b>	<b>146,544</b>	<b>39,198</b>
<b>Fund Balance</b>					
Beginning balance	<u>12,465</u>	<u>919</u>	<u>312,422</u>	<u>325,806</u>	<u>286,608</u>
Ending balance - Page 3	<b><u>\$ 11,663</u></b>	<b><u>\$ 2,187</u></b>	<b><u>\$ 458,500</u></b>	<b><u>\$ 472,350</u></b>	<b><u>\$ 325,806</u></b>

**The auditor's report and notes are an integral part of the financial statements.**

# PARKSVILLE-QUALICUM COMMUNITY FOUNDATION

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2005

### ASSETS

	Operating Fund	Capital Fund	Endowment Fund	Total 2005	Total 2004
<b>CURRENT</b>					
Cash	\$ 11,004	\$ -	\$ -	\$ 11,004	\$ 11,403
Goods and Service Tax refund	225	-	-	225	274
Prepaid expenses	<u>434</u>	<u>-</u>	<u>-</u>	<u>434</u>	<u>788</u>
	<b>11,663</b>	<b>-</b>	<b>-</b>	<b>11,663</b>	<b>12,465</b>
<b>SPECIAL PURPOSE INVESTMENTS (Note 3)</b>	<b>-</b>	<b>-</b>	<b>458,500</b>	<b>458,500</b>	<b>312,422</b>
<b>TANGIBLE (Notes 2 and 4)</b>	<u>-</u>	<u>2,187</u>	<u>-</u>	<u>2,187</u>	<u>919</u>
	<b><u>\$ 11,663</u></b>	<b><u>\$ 2,187</u></b>	<b><u>\$ 458,500</u></b>	<b><u>\$ 472,350</u></b>	<b><u>\$ 325,806</u></b>

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# PARKSVILLE-QUALICUM COMMUNITY FOUNDATION

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2005

### LIABILITIES

	Operating Fund	Capital Fund	Endowment Fund	Total 2005	Total 2004
<b>CURRENT</b>					
	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

### FUND BALANCES

Invested in tangible and intangible assets	-	2,187	-	2,187	919
Externally restricted net assets (Note 7)	4,150	-	287,633	291,783	155,372
Internally restricted net assets (Note 8)	-	-	160,389	160,389	143,924
Unrestricted (discretionary) net assets (Note 6)	<u>7,513</u>	<u>-</u>	<u>10,478</u>	<u>17,991</u>	<u>25,591</u>
Ending balance - Page 1	<u><b>11,663</b></u>	<u><b>2,187</b></u>	<u><b>458,500</b></u>	<u><b>472,350</b></u>	<u><b>325,806</b></u>
	<u><b>\$ 11,663</b></u>	<u><b>\$ 2,187</b></u>	<u><b>\$ 458,500</b></u>	<u><b>\$ 472,350</b></u>	<u><b>\$ 325,806</b></u>

APPROVED BY THE DIRECTORS

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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# PARKSVILLE-QUALICUM COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

### 1. PURPOSE OF THE ORGANIZATION

The Parksville-Qualicum Community Foundation's purpose is to improve the quality of life in our communities through grants for charitable purposes from earnings of funds gifted in perpetuity. The Parksville-Qualicum Community Foundation was formed under the Canada Corporations Act on October 19, 1998 and commenced operations January 1, 1999.

The Foundation is a registered charity within the definition of the Income Tax Act and therefore, as long as it complies with the rules and regulations of the Income Tax Act, is exempt from income taxes and may issue receipts to donors.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Foundation are in accordance with Canadian generally accepted accounting principles applied on a consistent basis. Outlined below are those policies considered particularly significant:

#### FUND ACCOUNTING

Parksville-Qualicum Community Foundation follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the Foundation's program delivery and administrative activities.

The Capital Fund accounts for the Foundation's tangible and intangible assets.

The Endowment Fund reports resources contributed for endowment and the related investment income.

**Tangible assets** purchased are recorded at cost. Contributed tangible assets are recorded at fair value at the date of contribution.

**Amortization** of tangible assets is recorded at the following rates:

Equipment	20 % declining balance
Computer hardware	30 % declining balance

**Intangible assets** purchased are recorded at cost. Contributed intangible assets are recorded at fair value at the date of contribution.

**Amortization** of intangible assets is recorded at the following rates:

Computer software - cost	100 % declining balance
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# PARKSVILLE-QUALICUM COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### REVENUE RECOGNITION

**Restricted contributions** related to endowments are recognized as revenue of the Endowment Fund in the year in which they are received.

**Unrestricted contributions** are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**Investment income** earned on Endowment Fund resources is recognized as revenue of the Endowment Fund. Other investment income is recognized as revenue of the Operating Fund when earned.

#### INVESTMENT RECOGNITION

Investments are recorded at **market value**.

#### STATEMENT OF CHANGES IN CASH FLOW

A statement of changes in cash flow has not been presented as the Directors do not consider it meaningful in the circumstances.

### 3. SPECIAL PURPOSE INVESTMENTS/ ENDOWMENT FUND

Cash endowed for specific purposes and are invested as follows:

	<b>2005</b>	<b>2004</b>
Funds invested in the Vancouver Foundation	\$ 451,617	\$ 302,357
Coastal Community Credit Union	<u>6,883</u>	<u>10,065</u>
Ending balance	<u><b>\$ 458,500</b></u>	<u><b>\$ 312,422</b></u>

The endowment fund is comprised of funds held in perpetuity for donor specified purposes, with the investment income distributed according to the terms of the original contribution.

### 4. TANGIBLE ASSETS

	<b>2005</b>			<b>2004</b>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	\$ 398	\$ 242	\$ 156	\$ 195
Computer hardware	<u>4,982</u>	<u>2,951</u>	<u>2,031</u>	<u>724</u>
	<u><b>\$ 5,380</b></u>	<u><b>\$ 3,193</b></u>	<u><b>\$ 2,187</b></u>	<u><b>\$ 919</b></u>

**The auditor's report and notes are an integral part of the financial statements.**

# PARKSVILLE-QUALICUM COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

**5. INTANGIBLE ASSETS**

	<b>2005</b>			<b>2004</b>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer software - cost	\$ <b>331</b>	\$ <b>331</b>	\$ -	\$ -

**6. UNRESTRICTED (DISCRETIONARY) NET ASSETS** consist of funds held for operations and programs.

**7. EXTERNALLY RESTRICTED NET ASSETS** (Organization and Scholarship funds) consist of endowments (funds held in perpetuity), the income from which is specifically designated to a registered charity.

**8. INTERNALLY RESTRICTED NET ASSETS** (Community Fund) consist of endowments (funds held in perpetuity), the income from which is provided in the way of grants to registered charities as decided by the Directors.

**The auditor's report and notes are an integral part of the financial statements.**

# PARKSVILLE-QUALICUM COMMUNITY FOUNDATION

## SCHEDULE OF EXPENSES

DECEMBER 31, 2005

EXPENSES	Operating Fund	Capital Fund	Endowment Fund	Total 2005	Total 2004
Advertising and promotions	\$ 1,134	\$ -	\$ -	\$ 1,134	\$ 2,282
Amortization	-	908	-	908	359
Computer equipment	2,176	-	-	2,176	-
Grants	5,000	-	9,808	14,808	21,809
Insurance	994	-	-	994	940
Legal	90	-	-	90	87
Licences, dues and memberships	556	-	-	556	298
Scholarships	4,500	-	-	4,500	-
Office	1,299	-	17	1,316	1,586
Postage	207	-	-	207	203
Rent	513	-	-	513	811
Repairs and maintenance	58	-	-	58	-
Utilities	377	-	-	377	-
Telephone	1,337	-	-	1,337	905
Travel	-	-	-	-	110
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110</u>
Total - Page 1	<u>\$ 18,241</u>	<u>\$ 908</u>	<u>\$ 9,825</u>	<u>\$ 28,974</u>	<u>\$ 29,390</u>

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