



Financial Statements

Langley School District Foundation

June 30, 2009

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Auditors' report

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To the Members of

Langley School District Foundation

We have audited the balance sheet of Langley School District Foundation as at June 30, 2009 and the statement of operations and changes in fund balances 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 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 common with many charitable organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, and net assets.

In our opinion, except for the effects, if any, which we might have determined to be necessary had we been able to satisfy ourselves 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 Foundation as at June 30, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Vancouver, Canada

November 13, 2009

Chartered accountants

Langley School District Foundation

Statement of Operations and Changes in Fund Balances

Year Ended June 30

2009

2008

	Unrestricted Fund (Schedule 1)	Restricted Fund (Schedule 2)	Total	Total
Revenues				
Donations	\$ 320,245	\$ 104,686	\$ 424,931	\$ 339,734
Interest	<u>20,094</u>	<u>5,668</u>	<u>25,762</u>	<u>31,810</u>
	340,339	110,354	450,693	371,544
Expenses	<u>411,257</u>	<u>99,334</u>	<u>510,591</u>	<u>328,751</u>
(Deficiency) excess of revenues over expenses	(70,918)	11,020	(59,898)	42,793
Fund balance, beginning of year	<u>581,794</u>	<u>399,209</u>	<u>981,003</u>	<u>938,210</u>
Fund balance, end of year	<u>\$ 510,876</u>	<u>\$ 410,229</u>	<u>\$ 921,105</u>	<u>\$ 981,003</u>

See accompanying notes to the financial statements.

Langley School District Foundation

(Incorporated under the Society Act of British Columbia)

Balance Sheet

June 30	2009	2008
Assets		
Current		
Cash	\$ 33,583	\$ 51,993
Term deposits	535,689	-
Interest receivable	2,588	2,097
Due from School District (Note 5)	27,289	566,095
Prepaid expenses	-	718
	<u>599,149</u>	<u>620,903</u>
Fund held at the Vancouver Foundation (Note 4)	<u>321,956</u>	<u>365,000</u>
	<u>\$ 921,105</u>	<u>\$ 985,903</u>
Liabilities		
Current		
Deferred revenue	\$ -	\$ 4,900
Fund balances		
Unrestricted	510,876	581,794
Externally restricted	<u>410,229</u>	<u>399,209</u>
	<u>921,105</u>	<u>981,003</u>
	<u>\$ 921,105</u>	<u>\$ 985,903</u>

On behalf of the Board

_____ Director

_____ Director

See accompanying notes to the financial statements.

Langley School District Foundation

Notes to the Financial Statements

June 30, 2009

1. Operations of the Foundation

The Langley School District Foundation ("Foundation") is a non-profit society. The Foundation is a registered charitable public foundation under the provisions of the Income Tax Act of Canada.

The purpose of the Foundation is to act as a fundraising agency for School District No. 35 (Langley) ("School District") through community appeals for funds and by receiving legacies, donations, gifts, bequests and endowments from all sources.

The directors of the Foundation approve grants to the School District to fund specified projects and to purchase specified capital assets.

The School District currently provides all personnel and administrative services necessary to the operation of the Foundation.

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions.

The Unrestricted Fund reports unrestricted resources and accounts for the Foundation's program activities.

The Restricted Fund reports restricted resources to be used in accordance with externally imposed restrictions stipulating that the contributions be utilized for purposes of supporting specific programs in the School District.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

Revenue recognition

Restricted contributions are recognized immediately as revenue of the Restricted Fund.

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

The Foundation receives contributed materials and services that are not recognized in the financial statements due to the difficulty in determining the fair value of such contributions.

Langley School District Foundation

Notes to the Financial Statements

June 30, 2009

2. Summary of significant accounting policies (Continued)

Financial instruments

The Foundation has classified its financial instruments as follows: (i) cash, term deposits and fund held at the Vancouver Foundation as held-for-trading (measured at fair value), and (ii) interest receivable as loans and receivables (measured at amortized cost).

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from these estimates.

Statement of cash flows

A statement of cash flows has not been prepared as it would not provide any additional information.

Change in accounting policy

On July 1, 2008 the Foundation adopted The Canadian Institute of Chartered Accountants (CICA) Handbook Section 1535 *Capital Disclosures*. The standard requires the Foundation to disclose information about the objectives, policies and processes for the management of its capital. The impact of this new accounting standard on the Foundation's financial statements is disclosed in Note 7.

3. Future changes in accounting policies

Recent amendments to CICA Handbook Section 4400 *Financial Statement Presentation by Not-for-Profit Organizations* will modify the requirements with respect to various elements of financial statement presentation. These amendments include:

- reporting certain revenues and expenses gross in the statement of revenues and expenditures;
- making Section 1540 *Cash Flow Statements* applicable to not for profit organizations;
- when a not for profit organization classifies its expenses by function and allocates some of its fundraising and general support costs to another function, disclosing the policy adopted for expenses and amounts allocated from each of these two functions to other functions; and
- elimination of the requirement to treat net assets invested in capital assets as a separate component of net assets.

Langley School District Foundation

Notes to the Financial Statements

June 30, 2009

3. Future changes in accounting policies (Continued)

Section 4460 *Disclosure of Related Party Transactions by Not-for-Profit Organizations* has been amended to align the definition of related parties to Section 3840 *Related Party Transactions*. Related parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or significant influence. Two not for profit organizations are related parties if one has an economic interest in the other. Related parties also include management and immediate family members.

Section 4470 *Disclosure of Allocated Expenses by Not-for-Profit Organizations* establishes disclosure standards for a not for profit organization that classified its expenses by function and allocates its expenses to a number of functions to which the expenses relate.

These standards will be effective for the Foundation's 2010 fiscal year end. Management does not expect the adoption of these sections to have a material effect on the Foundation's financial statements.

4. Fund held at the Vancouver Foundation

This fund was established on April 18, 2008 for an initial contribution of \$365,000. This is administered by the Vancouver Foundation with the Foundation receiving the income generated therefrom. Under the terms of the agreement, the Foundation is entitled to withdraw all its contributions three years after the fund is established. The fair value of the capital in the fund amounted to \$321,956 at June 30, 2009.

5. Related balances and transactions

The School District holds funds on behalf of the Foundation in an interest bearing account, resulting in interest earned of \$9,766 (2008: \$29,713). Funds are due on demand with an effective interest rate of 1.76%.

During the year, the School District contributed donations of \$75,000 (2008: \$75,000) to the Foundation.

6. Financial instruments

Financial instruments consist of cash, term deposits, interest receivable, due from School District and funds held at the Vancouver Foundation. 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.

Langley School District Foundation

Notes to the Financial Statements

June 30, 2009

7. Capital management

The capital structure of the Foundation consists of net assets invested in externally restricted funds and unrestricted net assets. The primary objective of the Foundation's capital management is to protect the assets of the Foundation while fulfilling its mandate to act as a fundraising agency for the School District.

Externally restricted funds represent funds restricted by the terms and conditions established by external fund providers.

Unrestricted net assets are funds available for future operations and are preserved so the Foundation can have financial flexibility should opportunities arise in the future.

For the year ended June 30, 2009 the Foundation has complied with all externally imposed capital restrictions.

Langley School District Foundation

Schedule 1 – Unrestricted Fund

Year Ended June 30	2009	2008
Revenues		
Donations and grants	\$ 77,460	\$ 79,304
Donations for schools	82,943	69,468
Wine & Cheese fees and donations	32,505	45,511
Golf tournament fees and donations	52,337	38,555
Langley School District grant	75,000	75,000
Interest	20,094	18,639
	<u>340,339</u>	<u>326,477</u>
Expenses		
District projects in support of schools	242,791	210,303
School projects	82,313	70,888
Wine & Cheese event costs	8,522	11,087
Golf tournament event costs	34,587	27,140
Unrealized loss on change in market value of fund held at the Vancouver Foundation	43,044	-
	<u>411,257</u>	<u>319,418</u>
(Deficiency) excess of revenues over expenses	(70,918)	7,059
Fund balance, beginning of year	<u>581,794</u>	<u>574,735</u>
Fund balance, end of year	\$ <u>510,876</u>	\$ <u>581,794</u>

Langley School District Foundation

Schedule 2 – Restricted Fund

Year Ended June 30

2009

2008

	<u>Aboriginal Program</u>	<u>Literacy Conference</u>	<u>Restorative Action Fund</u>	<u>Music Fund</u>	<u>Cornett Fund</u>	<u>Literacy Festival</u>	<u>Best Friends</u>	<u>Nicaragua</u>	<u>Brian Masson Memorial</u>	<u>Total</u>	<u>Total</u>
Revenues											
Donations	\$ 900	\$ -	\$ -	\$ -	\$ -	\$ 5,810	\$ 48,500	\$ 43,876	\$ 5,600	\$ 104,686	\$ 31,896
Interest	-	-	-	-	5,668	-	-	-	-	5,668	13,171
	<u>900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,668</u>	<u>5,810</u>	<u>48,500</u>	<u>43,876</u>	<u>5,600</u>	<u>110,354</u>	<u>45,067</u>
Expenses											
District projects in support of schools	-	1,000	65	-	-	719	48,500	43,650	5,400	99,334	9,333
Excess (deficiency) of revenues over expenses	900	(1,000)	(65)	-	5,668	5,091	-	226	200	11,020	35,734
Fund balances, beginning of year	1,000	1,563	25,405	49,535	321,706	-	-	-	-	399,209	363,475
Fund balances, end of year	\$ <u>1,900</u>	\$ <u>563</u>	\$ <u>25,340</u>	\$ <u>49,535</u>	\$ <u>327,374</u>	\$ <u>5,091</u>	\$ <u>-</u>	\$ <u>226</u>	\$ <u>200</u>	\$ <u>410,229</u>	\$ <u>399,209</u>



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