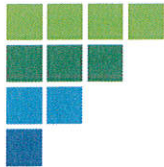


SASKATOON COMMUNITY FOUNDATION

Financial Statements

December 31, 2014



SASKATOON COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

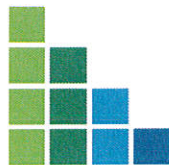
As at December 31, 2014

	2014	2013
ASSETS		
Current Assets:		
Cash and cash equivalents (Note 3)	\$ 7,894,132	\$ 5,480,847
Accounts receivable	11,008	10,434
Prepaid expenses	11,797	19,060
	7,916,937	5,510,341
Long Term Assets:		
Investments, at fair value (Note 4), (Note 6)	56,176,777	48,108,346
Cash surrender value of life insurance (Note 5)	203,052	192,700
	\$ 64,296,766	\$ 53,811,387
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 192,747	\$ 229,230
Deferred revenue	100,000	205,250
Managed funds (Note 6)	19,634,952	15,227,009
	19,927,699	15,661,489
Net Assets:		
Flow through funds	6,505,828	4,048,737
Operations fund	353,117	120,927
Endowment:		
Cumulative contributions	31,188,563	28,955,295
Cumulative excess of Revenues over Expenditures	6,321,559	5,024,939
	44,369,067	38,149,898
	\$ 64,296,766	\$ 53,811,387

Approved by the Board of Directors

Director

Director



SASKATOON COMMUNITY FOUNDATION

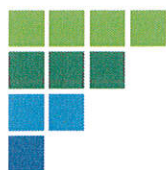
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended December 31, 2014

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	2014				2013			
	ENDOWMENT		Cumulative Excess of Revenues over Expenditures		ENDOWMENT		Cumulative Excess of Revenues over Expenditures	
	Cumulative Contributions	Operations Fund	Flow Through Funds	Total	Cumulative Contributions	Operations Fund	Flow Through Funds	Total
Revenues and Donations:								
Donations endowed including bequests	\$ 1,930,844	\$ -	\$ -	\$ 1,930,844	\$ 1,987,433	\$ -	\$ -	\$ 1,987,433
Donations received and directed to other charities and student awards	-	-	6,415,026	6,415,026	-	-	1,094,944	1,094,944
Donations specified for administration and capacity building	-	33,599	-	33,599	-	2,310	-	2,310
Donations received for life insurance premiums	-	52,796	-	52,796	-	80,138	-	80,138
Anonymous Donor challenge	-	-	-	-	-	-	-	-
Investment income (Note 7)	-	2,813,431	140,990	2,954,421	-	3,076,107	131,089	3,207,196
Fees earned from management services	-	117,906	-	117,906	-	97,922	-	97,922
Sponsorship of annual report and other	-	5,500	-	5,500	-	10,250	-	10,250
	1,930,844	2,813,431	6,556,016	11,510,092	1,987,433	3,076,107	1,226,033	6,480,193
Grants and Expenditures:								
Grants from the Endowment and from Funds directed to other charities and student awards	-	21,423	(4,036,887)	(5,051,298)	-	19,708	(1,090,401)	(2,001,779)
Administration charges to endowed & other funds	-	609,147	(148,857)	-	-	528,023	(125,926)	-
Operating expenses	-	(676,035)	-	(676,035)	-	(622,080)	-	(622,080)
Life insurance premiums paid	-	(61,629)	-	(61,629)	-	(84,956)	-	(84,956)
Increase in cash surrender value of life insurance policies owned	10,351	-	-	10,351	7,756	-	-	7,756
	10,351	(107,094)	(4,185,744)	(5,778,611)	7,756	(159,305)	(1,216,327)	(2,701,059)
Fundraising:								
Revenues	-	749,472	-	749,472	-	614,279	-	614,279
Expenditures	-	(261,784)	-	(261,784)	-	(252,260)	-	(252,260)
	-	487,688	-	487,688	-	362,019	-	362,019
EXCESS OF REVENUES AND DONATIONS over GRANTS and EXPENDITURES	1,941,195	1,317,307	2,370,272	6,219,169	1,995,189	1,742,924	9,706	4,141,153
Fund Transfers (Note 8)	292,073	(20,687)	86,819	-	365,450	(915)	(2,140)	-
Balance, beginning of year	28,955,295	5,024,939	4,048,737	38,149,898	26,594,656	3,282,930	4,041,171	34,008,745
Balance, end of year	\$ 31,188,563	\$ 6,321,559	\$ 6,505,828	\$ 44,369,067	\$ 28,955,295	\$ 5,024,939	\$ 4,048,737	\$ 38,149,898

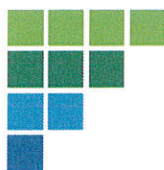


SASKATOON COMMUNITY FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended *December 31, 2014*

	2014	2013
Cash and Cash Equivalents <i>provided by (used in):</i>		
<i>Operating activities:</i>		
Excess of revenues over expenditures	\$ 6,219,169	\$ 4,141,153
Items not involving cash:		
Changes in fair value of investments (Note 7)	457,306	(2,726,699)
Less: Investment Income allocated to Managed Funds (Note 7)	1,454,107	1,292,000
	8,130,582	2,706,454
Increase in cash surrender value of life insurance policies	(10,351)	(7,756)
	8,120,231	2,698,698
<i>Changes in non-cash working capital:</i>		
Accounts receivable	(574)	197,046
Prepaid expenses	7,263	(14,637)
Accounts payable and accrued liabilities	(36,483)	(201,552)
Deferred revenue	(105,250)	205,250
	7,985,187	2,884,805
Purchase of investments	(12,678,136)	(7,914,791)
Proceeds from sale of investments	4,152,398	4,842,820
<i>Fund Management activities:</i>		
Contributions to Managed Fund accounts	3,366,591	1,869,375
Withdrawals from Managed Fund accounts	(299,849)	(497,400)
Administrative fees charged on Managed Funds	(112,906)	(88,367)
Net increase (decrease) in Cash and Cash Equivalents	2,413,285	1,096,442
Cash and Cash Equivalents, beginning of year	5,480,847	4,384,405
Cash and Cash Equivalents, end of year (Note 3)	\$ 7,894,132	\$ 5,480,847



SASKATOON COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

1. Purpose of the Foundation

The Foundation was established as the Saskatoon Foundation by an Act of the Saskatchewan Legislature in 1970 to benefit the citizens of Saskatoon by supporting registered charitable organizations which contribute to the quality of life in Saskatoon. The legislation was updated in 1994. In 2005, by an act of the Legislature, the name was changed to the Saskatoon Community Foundation.

The Foundation is a registered charity and is classified as a public foundation for the purposes of the Income Tax Act (Canada).

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and include the following significant accounting policies:

Fund Accounting and Revenue Recognition

The Foundation follows the Restricted Fund method of accounting for both restricted and unrestricted contributions. Contributions, both restricted and unrestricted, are recognized as revenue in the year received or receivable when the amount is known or can be reasonably estimated and collectability is reasonably assured. Contributions received relating to fundraising events are recognized as income on completion of the fundraising event. The Foundation ensures, as part of its fiduciary responsibilities, all contributions received with a restricted purpose are expended for that purpose and, any contributions received without a specific purpose identified, are added to the Cumulative Contributions portion of the Endowment. For financial reporting purposes the accounts have been classified into the following funds:

Endowment

The *Cumulative Contributions* portion of the endowment reports resources that are required to be maintained by the Foundation on a permanent basis. The Act under which the Foundation was created allows, with the approval of the Board of Directors, up to 5% of the contributed capital of the property of the Foundation to be withdrawn and disbursed for any purpose consistent with the purposes or objects of or within the scope of the Foundation.

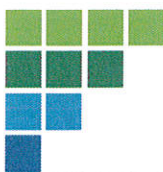
The *Cumulative excess of Revenues over Expenditures Fund* reports the income earned (loss incurred) on the entire endowment, in excess of grants made and administrations fees charged to the endowment.

Income from the investment of endowed funds is dispersed in accordance with the Foundation's policy for long-term preservation of capital and in accordance with Canada Revenue Agency regulations. In 2014 the percentage of the funds distributed as grants was 3.5% (2013 – 3.5%).

A number of funds specified for administration are included in the endowment. These funds are part of the funds earning restricted income. An annual allocation of a portion of the earnings on these funds is used to fund administrative costs associated with operating the Foundation. In 2014 the percentage of the fund balances used for this allocation was 3.5% (2013 – 3.5%).

Operations Fund

The Operations Fund reports resources available for the Foundation's general operating and administration. Each quarter, endowed funds are charged a fee to be used for administration. In 2014 the percentage charged for this administration fee was 1.5% (2013 – 1.5%) of the fund balance. The Board of Directors, from time to time, may allocate a portion of net proceeds from fundraising events and special events of the Operations Fund, to the Endowment.



SASKATOON COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

Flow Through Funds

Flow Through Funds represent resources available for granting by the Foundation where, at the time the donation is accepted by the Foundation, the specific purpose or recipient qualified donee may or may not have been determined by the donor with certainty. The disbursement of these funds is directed by the donor, and must be made to a qualified donee as defined in the Income Tax Act (Canada). Fees charged to the Flow Through Funds are used to support the administration and operating activities of the Foundation.

Cash Surrender Value of Donated Life Insurance Policies

Life insurance policies are recorded at their realizable value less applicable surrender charges.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit and guaranteed investment certificates. Cash and cash equivalents exclude cash held in investments.

Financial Instruments

The Foundation recognizes and measures its financial instruments as follows:

Cash, accounts receivable, investments at fair value, cash surrender value of life insurance, accounts payable and managed funds are initially recorded at their fair value;

Cash, accounts receivable, cash surrender value of life insurance, and accounts payable are subsequently measured at amortized cost; and,

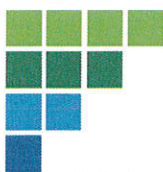
Investments at fair value and managed funds are subsequently measured at fair value.

Changes in the fair value of financial instruments are presented in the Statement of Operations and Changes in Net Assets as part of investment income. Financial assets are tested for impairment at the end of each reporting period when there are indications that an asset may be impaired.

3. Cash and Cash Equivalents

	<u>2014</u>	<u>2013</u>
	\$	\$
Operating Account	2,895,923	2,354,219
Savings Account	2,899,877	526,628
Guaranteed Investment Certificates	<u>2,098,332</u>	<u>2,600,000</u>
Cash and Cash Equivalents, end of year	<u>7,894,132</u>	<u>5,480,847</u>

The balance of Cash and Cash Equivalents at the end of the year includes \$6,505,828 (2013 - \$4,048,737) representing the investment of Flow Through Funds held by the Foundation. Donations received for Flow Through are subject to uncertainty with respect to the timing of the direction of their distribution to charities or other qualified donees. These Flow Through funds are invested in savings and Guaranteed Investment Certificates so that the funds are liquid and easily accessed.



SASKATOON COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

4. Investments

The Foundation's objective for investments under its management is to generate a total return that achieves the granting objectives of the Foundation as set each year by the Board, recovers the cost of administering the funds, protects the purchasing power of the capital, and establishes a reserve for future market declines. Approximately 90% of the endowed assets held by the Saskatoon Community Foundation, and all of the Managed Funds assets are professionally managed by Greystone Managed Investments. These investments are managed under a balanced Pooled Investment Policy approved by the Board and monitored on a quarterly basis by the Investment Committee.

	<u>2014</u>	<u>2013</u>
	\$	\$
Cash and cash equivalents	2,422,192	2,325,328
Bonds and debentures	21,913,000	18,225,834
Equities		
Canadian	19,287,200	16,087,578
United States	5,128,100	3,888,860
International	4,755,900	4,987,888
Other	-	213,933
Pooled Investments, end of year	<u>53,506,392</u>	<u>45,729,421</u>

Some endowed funds are held outside of the Pooled Funds. They are governed under separate policies under a specific program based on agreements with the donors.

Cash and cash equivalents	46,087	117,694
Bonds and debentures	804,742	883,470
Equities		
Canadian	1,309,058	1,100,304
United States	268,589	72,830
International	241,213	135,302
Other	696	69,325
Non-Pooled Investments, end of year	<u>2,670,385</u>	<u>2,378,925</u>
Total Investments, end of year	<u>56,176,777</u>	<u>48,108,346</u>

5. Life Insurance Policies

The Foundation is the owner of life insurance policies with an insured value of \$3,824,279 (2013 - \$4,074,279). Life insurance premiums paid by donors on policies owned by the Foundation are shown as both donations and operating expenses on the Statement of Operations and Changes in Net Assets.



SASKATOON COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

6. Investments and Managed Funds

Investments include funds which are managed by the Foundation for outside agencies. Under agreements, the Foundation allocates investment returns to those managed funds at the average annual rate of return of the Pooled investment portfolio of the Foundation, net of a fee for service.

	2014	2013
	\$	\$
Managed Funds, beginning of year	15,227,009	12,651,401
Funds received, in trust	3,366,591	1,869,375
Income allocated to Managed Funds	1,454,107	1,292,000
Withdrawals	(299,849)	(497,400)
Administration fees charged	(112,906)	(88,367)
Managed Funds, end of year	19,634,952	15,227,009

7. Investment Income

	2014	2013
	\$	\$
Changes in fair value of investments	(457,306)	2,726,699
Interest income	119,444	42,670
Reinvestment of distributed income	4,998,881	1,939,190
Oil lease revenue	1,454	1,024
	4,662,473	4,709,583
Less: Fees paid to investment managers	(253,945)	(210,387)
	4,408,528	4,499,196
Less: Income allocated to Managed Funds	(1,454,107)	(1,292,000)
Investment income	2,954,421	3,207,196

8. Fund Transfers

All Fund transfers were approved by the Board of Directors.

9. Commitments

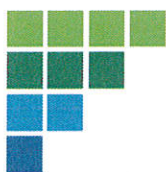
Lease Commitments

The Foundation leases premises under a six-year and four-month lease expiring November 30, 2020. The fixed minimum annual lease payments in each of the next five years are as follows:

2015	\$ 40,300
2016	\$ 45,826
2017	\$ 46,078
2018	\$ 48,850
2019	\$ 48,850

Commitment to Grant

The Board of Directors of the Foundation has approved the distribution of 3.5% of the endowment as grants for the fiscal year 2015. This percentage of funds distributed as grants is consistent with prior years.



SASKATOON COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

10. Financial Instruments

The Foundation's financial assets and liabilities consist of cash, accounts receivable, investments at fair value, cash surrender value of life insurance, accounts payable and managed funds.

The Foundation has exposure to other price risk, credit risk, currency risk and interest rate risk on its investments at fair value and managed funds as the fair value or future cash flows may fluctuate because of changes in market prices, exchange rates, currency rates and interest rates, whether these changes are caused by factors specific to the investments or factors affecting all similar financial instruments traded in the market.