

MISSION FOUNDATION

Annual Report 2001

P.O. Box 3427
Mission, BC V2V 4J5
Telephone/Fax (604) 826-5322
Email: mfound@telus.net
Web site: www3telus.net/missionfoundation

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MISSION STATEMENT

The Mission Foundation
is a non – profit charitable organization
which collects funds from the community
and manages these funds, using the income
for the benefit of the citizens of the Mission area,
in the fields of education, recreation, culture and
humanities.

*** * * * ***

FOUNDERS

Norman Cook
G. W. Harris
Albert McMahon
Gordon Ruley
G. W. Walker
John Weisgerber

ABOUT THE FOUNDATION

Mr. G.W. (Bill) Harris, a long time Mission resident and former Mayor, saw the need for a facility whereby Mission residents would be able to leave funds, in perpetuity, for the long term benefit of the community and its citizens.

Such a facility was available through a charitable Foundation. He, together with others of similar vision approached the then Dewdney Constituency M.L.A.'s for their backing. Austin Pelton and Norm Jacobsen sponsored Bill Pr404 and the Mission Foundation was born. Financial assistance during its formative stages was provided by the Mission Rotary and Kinsmen Clubs, McKnight Johnson and Partners and by the Founders.

The Foundation is managed by a Board of eleven individuals who occupy key positions in the community. There are six appointed members with the balance consisting of the Mayor, School Board Chairman and representatives from the Mission Regional Chamber of Commerce, Mission Memorial Hospital Board and Dewdney-Alouette Regional District. Subsequently, retiring members are appointed by the then current Board, and the five designated organizations are represented by their Chairperson or a nominated alternate.

The first funds entrusted to the Mission Foundation came through the Estate of the late Margaret Erskine, in the amount of \$228,000. Subsequently the Foundation benefited from the "...friends of Bill..." until now, in addition to the General Fund, there are 37 other funds with a total of \$1,170,000 under administration. In addition to designated Funds, the Foundation also receives donations "In Memoriam", and responds to ongoing inquiries as to opportunities that might be administered by the Foundation.

An Investment Committee acts with the Trustee, RBC Dominion Securities Inc., in using expert financial advice for the administration of the funds entrusted to the Foundation.

The Mission Foundation will receive funds in any amount, and issues receipts for Income Tax purposes to all donors. It requires, however, that a specified perpetual fund have a minimum opening balance of \$10,000.

LEGAL STATUS

The Foundation was established by an Act of the B.C. Legislature on June 19, 1987.

INCOME TAX STATUS

The Foundation is registered with the Department of National Revenue as a Public Foundation under rules applicable to Registered Charities. Donations qualify for individual tax relief pursuant to Charitable Registration No. 119042810R0001

BOARD OF DIRECTORS FOR 2001

Gordon Taylor	Chairman
Carole Steger	Vice-Chairperson
Robert Marshall	Secretary
Don Calnek	Treasurer
Eleanor Lobb	Director
Abe Neufeld	Director
Jerry Faulkner	Director
Nancy Wells	Director
Doreen McKimmon	Director
Terry Gidda	Director

COMMITTEE MEMBERS FOR 2001

Executive:	Gordon Taylor © Robert Marshall	Don Calnek Carole Steger
Asset Development:	Eric Grant Vic Hollister	Doreen McKimmon Nancy Wells
Distribution:	Eleanor Lobb© Linda Kaser Lloyd Rash	Dennis Derrough Abe Neufeld
Investment:	Gordon Taylor© Don Calnek Robert Marshall	Doug Adair Mark Johnson Lonny Andrews
Public Relations:	Carole Steger © Jerry Faulkner Rosemary Nemanishen	Glen Kask Pam Mehra
Scholarship:	Eleanor Lobb© Abe Neufeld Vic Hollister Terry Gidda	Cynthia Butcher Lloyd Rash Shelley Clarkson

THE CHAIRMAN'S REPORT

The year 2001 was another milestone year for Mission Foundation. Due to hard work by our Public Relations Committee and other Board efforts, including the 2001 Gala, we have enjoyed increased interest in the Foundation, resulting in the establishment of several new funds, and more awareness within our community of the worthwhile work performed by the Foundation.

We were pleased to welcome new board members Terry Gidda, Sheila Skibinski, Doreen McKimmon, Jerry Faulkner and Ian Waters during the year. I trust that your experience on the Foundation Board will be as memorable as mine (over the last 8 years). I have met many people through my association with the Foundation who I am now pleased to count as my good friends.

We have much to be proud of in our town, and we should not be bashful about praising the benefits of living and working here. Similarly, we should be grateful that a small group of people in 1987, the founders of Mission Foundation, had the foresight to see that our organization would be needed and supported by our community.

I would like to thank the Board members and staff of Mission Foundation over the years for making my terms of office enjoyable and personally rewarding. I am sure you will give your new chairperson, Carole Steger, the same support you afforded to me during my term as Board Chair.

Gordon Taylor
Chairman

Public Relations Committee Report 2001.

Another year has quickly slipped by, and it's time again to assess our past year's performance. Personally, this was my second and last year on the PR committee, as I move to the MF Chairmanship position for 2002.

The PR committee started the year successfully hosting the Gala 2001 in February. The monies raised by this Dinner & Dance with Silent Auction was added to the Community Fund. Donors and buyers were generous, and a good time was had by all.

We carried on with the "Get To Know Your MF" ads weekly in the local newspaper through till spring, and got some good coverage for the Scholarship Awards. The new Daniel Yum Science fund was well covered by the Record, with several other MF items making the news throughout the year. We finished the year with a couple of large ads, basically aimed at the person over 50 looking for "the right place for them" to direct their charitable gifts.

Another major project accomplished was the production of our own MF website. It can presently be found at www3.telus.net/missionfoundation (Take a look!)

The creation of the website was donated by Tam Sze Yeow, a MF scholarship recipient.

And you can now e-mail to the MF office – the address is: mfound@telus.net

In early November, MF hosted a Financial Advisors' breakfast meeting, to get our message out to those people who advise others regarding how & when to donate lump sums to charities. We have already seen direct beneficial results from this effort.

It has been a pleasure working with the MF executive, directors & supporters, a fine group of people, and I am looking forward to an exciting 2002.

Respectfully submitted,

Carole Steger
Chairman – PR

DISTRIBUTION COMMITTEE REPORT

Using the twice-yearly granting dates established in the updated Guidelines for Granting, the committee has not met on a monthly basis as in the past. The number of requests has increased, as the work of the Foundation becomes better known in the community.

A number of "legacy funds" are part of the assets and the proceeds from these funds were distributed to Mission Hospice Society, Lifetime Learning, Mission Memorial Hospital, Community Services Youth Centre and Mission Library.

After careful review, grants were awarded to: Mission Youth Unlimited to assist in a retail store training program; Cherry Hill School Thunderstompers for equipment; Mission Community Services to produce "theme boxes" for educational purposes; Lifetime Learning to assist some of its members in attending and presenting their program ideas at an international conference on aging; Mission Hospice Society to purchase copies of "Final Gifts" for families of terminally ill patients; Mission Archives to assist schools in assembling materials for submission to the archives; Mission District Parent Advisory Council to assist individual school PAC's in developing organizational skills and Albert McMahon School to assist in a leadership program. Assistance was granted to three young people to attend national ballet and orchestra youth camps. Many of these grants have been recognized in publicity reports by the respective organizations. This and a report of the project and results are part of the conditions of the grants. Limited funding sources for such community projects continue to limit the number and amounts of grants, which can be given.

The Scholarship Committee is a sub-committee and operates independently from January to May each year. More than 60 Mission resident Grade 12 students applied and were interviewed over a period of 2 ½ days. We are appreciative of the space provided at Mission Central School for the interviews and plan to use this area again in April for the 2002 program. The list of winners appears elsewhere in this program. My personal appreciation is extended to the committee members for their dedication to this heartwarming experience.

Eleanor Lobb
Committee Chair

SCHOLARSHIP AWARDS 2001

Margaret Erskine Fund:

Kathleen Campbell.....Heritage Park Secondary
Amy Goulding.....Hatzic Secondary
Heather Vernon.....Heritage Park Secondary
Britanny Faulkner.....Hatzic Secondary
Nicole Dery.....Abbotsford Christian Secondary
Mia Suneby Jagers.....Heritage Park Secondary
Jennifer Bekkers.....St. John Brebeuf
Kathy Grant.....Hatzic Secondary
Ian Thompson.....Heritage Park Secondary
Troy Talkkari.....Heritage Park Secondary

Finch Funds:

Arts-

Kathleen Harris.....Mission Secondary

Medicine-

Troy Talkkari.....Heritage Park Secondary

Hollister Funds:

Science-

Trevor Barry.....Mission Secondary

Engineering-

David Ross.....Abbotsford Christian Secondary

UCFV Entry Level-

Lisa-Marie Tew.....Mission Secondary

UCFV Entry Level-

Jessica Bowsfield.....Heritage Park Secondary

UCFV Health Science-

Amanda Mckitterick....Heritage Park Secondary

TWU General-

James Kampman.....Heritage Park Secondary

TWU Health-

Lesley Demchuk.....Mission Secondary

TWU Post Secondary-

Justin Pankratz.....Hatzic Secondary

Jordan Roste.....Hatzic Secondary

Lobb Fund:

Michael Gibson.....Hatzic Secondary

McMahon/Rotary Fund:

Brooke Stenerson.....Mission Secondary

Perinatal:

Katherine Dafoe.....Mission Secondary

Jim Slusarchuk Fund:

Ian Thompson.....Heritage Park Secondary

Boswyk Fund:

Brett Taylor.....Heritage Park Secondary

Willy Kim.....Mission Secondary

Sarwanjot Kahlon.....Mission Secondary

Adair Fund:

Tam Swe Yeow.....Heritage Park Secondary

Susan Taylor.....Mission Secondary

Rotary Bursary Fund:

Sandra Storoschuk.....Mission Secondary

Patty Brown.....Hatzic Secondary

Sherry Walchuk.....Heritage Park Secondary

Mission Hills Stompers Running Club:

Kathleen Harris....Mission Secondary

Mission Health Care Auxiliary Fund:

Candy Striper -

Kristina Maria Fladager....Hatzic Secondary

Cindy Verhulst Memorial-

Maria Silva.....Mission Secondary

GEORGE WILLOUGHBY COOKE AWARDS

Bill and Shirley Walker established this award in 1995. This encouragement award is to recognize students in grade seven and grade eight in Mathematics and Science. Although this fund is intended to honor individual achievement, it is apparent that friendship and kindness are also significant factors in our contribution to others during our lifetime. Each recipient is presented with a medallion and the inscription is paid for from the interest accrued from this fund.

Recipients for 2001

Grade 7 Mathematics

Neal Anderson
Catherine Traschenko
Andy Rai
Katie Barnetson
Chris Dutour
Harwinder Khangura
Derek Hogan
Jamie Olson
Jason Dumas
Nicole Beintema
Scott Robertson
Marina Parapini
Jeremy Tubbs
Jaclyn Roste
Gurpreet Sidhu
Joyti Sharma
Josh Whatley
Kalie McCrystal
Mitchell Lock
Chelsey Tyler
Jake Tauriainen
Hanna McIntyre
Joshua Cytrynbaum
Jessica Jeffery
Kevin McLoughlin
Elyssa Smith
Tony Haer
Sara Brown
Tim Coker
Carlee-Ann Clingwall

Grade 8 Mathematics

Derek Von Hardenberg
Brittany Jenewein
John Yum
Samantha Stroman
Kevin Carlson
Bethany Gill

Grade 7 Science

Spencer Muir
Stephanie Moore
Raven Yong
Tiffany Coward
Nick Meerstra
Kaitlin Jagers
Katrina Pinvidic
Logan Cassia
Heather Gilbraith
Evan French
Naomi Hashimoto
Nathaniel Egan-Pimblett
Cierra Cheater
Parker Emberson
Michelle Ferguson
Justin Farquhar
Alex Abercrombie
Robert Kraakman
Mandy Bienge
Isaac Isobe
Stephanie Otterbein
Chelsea Thornton
Sean Scudder
Sienna Levae
Nick Renkema
Elaira Dent
Billy Bueger
Karla Ginjaume
Nathan Fier
Natasha Koski

Grade 8 Science

Adam Hobson
Nimrat Gill
Bryan Kertesz
Kelsey Bussiere
Ryan Klinger
Darby Standrick

DONORS 2001

We are grateful to the following donors.

Up to \$499

D. Adair A. Browne* R. Carlson* G. Connolly* G.W. Harris* M. Harris*
R. Hawes V. Hundert* J. Irwin* L. Irwin-Wright* J. Kask* M. Knight* J. Krieger*
Lavender Lane *E. Lobb* R. Marshall* A. Neufeld* I. Norris* C.M. Oberg*
K. W. Park Phillips Glass* *J. Priestly* A. Renkers* C. Rivers-Smith* S.T. Soon*
R.W. Steger S. Thomas* J. Vosberg

\$500 to \$999

*Dr. & Mrs. C.M. Blackwood *Dr. & Mrs. M. Swangard

*Dr. & Mrs. C. Finch

\$1,000 to \$4,999

*Ms. C. Butcher	*Ms. C. Edmonds	*Mrs. & Mrs. V. Hollister
*Mrs. A. McMahon	*Mr. B. Patience	*Mrs. & Mrs. G.W. Walker

*First Heritage Delta Credit Union
*Mission Friends of the Library
*Rotary Club of Mission

\$5,000 and over

*Mr. & Mrs. D.W. Adair	*Mrs. S. Cannon
*Mr. & Mrs. D. Derrough	*Mr. & Mrs. R. Ellis

BOARD OF DIRECTORS FOR 2002

Carole Steger	Chairperson
Ian Waters	Vice-Chairperson
Robert Marshall	Secretary
Don Calnek	Treasurer
Eleanor Lobb	Director
Graham Black	Director
Sheila Skibinski	Director
Terry Gidda	Director
Doreen McKimmon	Director
David Nick	Director
Glen Kask	Director
Gail MacDonald	Director
Doug Parkinson	Director

COMMITTEE MEMBERS FOR 2002

Executive:	Carole Steger © Don Calnek	Ian Waters Robert Marshall
Asset Development:	Ian Waters © Doug Parkinson	David Nick Keith Wong
Distribution:	Eleanor Lobb © Lloyd Rash	Dennis Derrough Graham Black
Investment:	Carole Steger © Don Calnek Robert Marshall	Lonny Andrews Doug Adair Mark Johnson
Public Relations:	Glen Kask © Sheila Skibinski	Gail MacDonald
Scholarship:	Eleanor Lobb © Terry Gidda Shelley Clarkson	Vic Hollister Lloyd Rash Cynthia Butcher

The above positions are all volunteer positions.

Many hours are being given for the benefit of the Foundation and the community

Administrative Secretary: Rita Dyer

2002 Director Profiles:

Graham Black will represent School District #75. He is the principal of West Heights Elementary School.

Don Calnek has served on the MF Board as treasurer since 1994. He is the principal owner/operator of TSC Software Inc., a Mission based software development company. Don enjoys camping, bike riding and fishing.

Terry Gidda has been a Mission resident since 1968, and has been a local realtor since 1972. He serves on several community boards and this is his second year on the MF board.

Glen Kask moved to Mission in 1976 and was senior reporter for the Record for 15 years. Over those years, he has been active with many community groups, particularly the Historical Society and Community Services. Glen has been married to Jean for more than 30 years, they have a 20-year-old son, Grant.

Eleanor Lobb has been working on MF's behalf in one capacity or another since it's inception. She has been a Mission resident since 1948 and in that time, has an extensive record of both business and community involvement. She has been honoured as Citizen of the Year, with the Lifetime Achievement Award and Freeman of the City in 1999. Last year, she received her 40-year service pin from the Mission Healthcare Auxiliary.

Robert Marshall served this community for 35 years as a Medical General Practitioner and is now retired. He has been on the MF board as secretary since 1997. Dr. Bob's hobbies include woodcrafting, being an active member of the BC Wood Turners Guild. He and his wife, Geraldine, have 5 children and 11 grands.

Gail MacDonald has worked in Mission as a notary public for many years. She and her husband, Rod, have 2 sons and spend as much time as possible on the water, sailing.

Doreen McKimmon has lived in Mission all her life. She and her husband, Lloyd, have 2 grown sons, both teachers. Doreen is very active in the community, presently on the boards of Hospice Society and M.A.S.H. Her hobbies include quilting and gardening.

David Nick moved to Mission in 1991. He is married with 2 teenaged sons. David is the President & CEO of Fraser Valley Building Supplies.

Doug Parkinson This former bank manager is presently a Mission Councillor who has, over the years, been very active with the Chamber of Commerce, MF, UCFV, many and various municipal committees and advisory boards, and his favourite, the Mission Golf & Country Club.

Sheila Skibinski has been a Mission resident for 20 years. She is the director representing Community Services this year, and has worked in the Special Education field for 28 years.

Carole Steger came to Mission in 1982 with husband Bob and their 2 daughters. After attaining a Bach. of Business Admin. from SFU, she was involved in a series of local business ventures. Now she keeps track of business from the "home" office. Hobbies include gardening and painting.

Ian Waters has been very active in the MF since 1997 and now serves as the District representative on our board. As well as being an elected Municipal Councillor, he is involved with seniors' housing societies and other advisory committees. Ian and his wife, Marie, enjoy their 6 grandchildren, all of whom live close-by.

2001 TREASURER'S REPORT

To properly describe this last year I need to begin by reminding us all of the fundamentals of our Foundation's goals.

The fundamental function of the Mission Foundation is to manage funds entrusted to it, protecting the capital and producing the best possible return on capital to issue grants and awards according to the terms of each funds trust deed. From our beginning until 1998 our investments were primarily fixed interest instruments. The Board recognized that there was a need to grow capital to keep pace with inflation. Bonds and fixed income instruments don't accomplish this very well. We decided to diversify our portfolio to include some equity investments. History has shown that over a long period of time this type of investment instrument produces a better rate of return than can be accomplished with fixed income investments.

In the fall of 1998 the Foundation began the diversification, purchasing its first equities. Our Act of Incorporation limited us to investments acceptable under the Trustees Act. This restriction proved very limiting because the rules precluded the use of any mutual fund and many other fairly attractive investments.

Our Act of Incorporation required changes because some of the constituent organizations didn't exist anymore. While making these changes we also requested that the investment rules be modified to meet the newer prudent investor guidelines. This was accomplished in 2000.

Equities present some unique problems for income generation. Their income is a combination of dividends and growth in value. To realize the growth as part of the income requires routine sales to realize the gains. We are examining our current practices and will be developing new guidelines which will produce the discipline needed to manage these investments to meet the needs of the Foundation.

Equities are not always consistent over the short-term. We need a constant and fairly consistent income stream to fund the grants and awards, so our accounting practices must also change. We have been discussing this problem internally and with other foundations. We expect to focus on developing the required discipline and accounting practices during the current year.

Entering the broader equity market occurred at a time of instability, so our equities have not done all they can to provide the growth required to fill our vision for them. In 2001 we sold a number of the investments purchased under the Trustees Act rules. The sale produced a substantial gain and allowed us to begin some of the accounting changes required for the future. A number of foundations use a set of rules to distribute the gains on

2001 TREASURER'S REPORT

equities. These rules include distributing the gain, partially to capital and partially to income. Some use an account they call the stabilization fund. All income (interest, dividends and growth) are funneled into this account. The level of income is set that will sustain the grant and award process with consistency and an amount is established to be allocated to the capital to offset inflation. In effect this fund is used as a buffer to stabilize the income level for grants and awards.

This year we established the Capital Stabilization Fund. A portion of the gain on the investments sold was allocated to income to provide an average allocation of 4.5 percent. The remainder of the gain has been maintained in the stabilization fund.

I believe that the Foundation needs to increase the percentage of its investments allocated to equities. Currently we allocate 70 percent to fixed income instruments and 30 percent to equities. I intend to discuss this with a number of foundations this year. The result of my discussions will provide information for a Board discussion which will help us determine the appropriate level of allocation for each of these investments.

I hope when we meet next year there will be positive results to support the direction we choose for our future.

A handwritten signature in black ink, appearing to be "Don Cole", written in a cursive style.

Treasurer

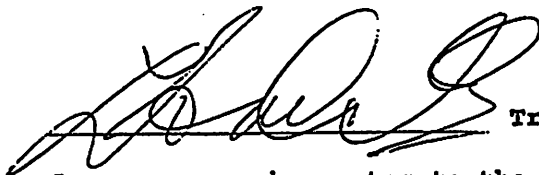
MISSION FOUNDATION

STATEMENT OF FINANCIAL POSITION

December 31, 2001, with comparative figures for 2000

	2001	2000
ASSETS		
Cash	\$10,825	\$53,786
Prepaid Expenses		300
GST Recoverable	2,262	1,650
Office Equipment	2,964	2,964
Investments (Note 2)	1,245,604	1,112,369
	<u>1,261,655</u>	<u>1,171,069</u>
LIABILITIES AND CAPITAL		
Accounts Payable	2,982	1,606
Capital Stabalization Fund	11,068	
Net Assets:		
Unrestricted	12,841	11,759
Restricted distributable	67,433	56,686
Restricted endowment	1,167,331	1,101,018
	<u>1,247,605</u>	<u>1,169,463</u>
	<u>1,261,655</u>	<u>1,171,069</u>

Presented by:



Treasurer

See accompanying notes to the financial statements.

Mission Foundation

Statement of Operations and Changes in Net Assets

Year Ended December 31, 2001, with comparative figures for 2000

	General Fund	Restricted Distributable Fund Schedule 1	Restricted Endowment Fund Schedule 1	2001 Total	2000 Total
Revenue:					
Interest and dividends	735	63,583		64,318	46,698
Donations and bequests	7,350		57,717	65,067	253,908
Recoveries	860			860	275
Capital gain on investment sales	0		0	0	0
Special Events	11,620			11,620	22,157
	20,565	63,583	57,717	141,865	323,038
Expenses:					
Audit (Estimated)	1,500			1,500	3,500
Automotive	420			420	323
Office supplies	680			680	399
Office rent	0			0	0
Meetings	318			318	595
Miscellaneous	3,657			3,657	3,764
Secretarial - honorarium	8,619			8,619	4,575
Special events	5,091			5,091	6,700
Allocation to restricted distributable funds	(12,572)	12,572		0	0
	7,713	12,572		20,285	19,856
Less donated services	0			0	(3,500)
	7,713	12,572	0	20,285	16,356
Excess of revenue over expenses	12,852	51,011	57,717	121,580	306,682
Net assets, beginning of year	11,759	56,686	1,101,018	1,169,463	907,003
				0	
Awards and grants distributed	(5,241)	(38,197)	0	(43,438)	(44,223)
Interfund transfers	(6,529)	(2,067)	8,596	0	0
Net assets, end of year	12,841	67,433	1,167,331	1,247,605	1,169,462

Mission Foundation

Schedule I

Schedule of Restricted Distributable and Restricted Endowments Net Assets

Year Ended December 31, 2001

	Bursary Schedule 2	Scholarship Schedule 3	Designated Schedule 4	Discretionary Schedule 5	Total
Restricted Distributable					
Revenue	17,783	21,195	4,403	20,202	63,583
Expenses	3,305	3,768	1,802	3,697	12,572
Excess of Revenue Over Expenses	14,478	17,427	2,601	16,505	51,011
Net Assets, available for distribution, beginning of year	18,317	20,343	1,929	16,097	56,686
Awards and grants distributed	(11,950)	(12,906)	(1,514)	(11,827)	(38,197)
Transfer to restricted endowment net assets	(309)	(1,588)	0	(170)	(2,067)
Interfund transfer		0			0
Net assets, available for distribution, end of year	20,536	23,276	3,016	20,605	67,433
Restricted Endowment					
Net assets, restricted for endowment, beginning of year	312,217	356,827	78,254	353,720	1,101,018
Donations	25,700	26,267	2,000	3,750	57,717
Capital gain on investment sales	0	0	0	0	0
Transfer from restricted distributable net assets	309	1,588	0	6,699	8,596
Net assets, restricted for endowment, end of year	338,226	384,682	80,254	364,169	1,167,331

Schedule 2

Mission Foundation

Bursary Funds

Schedule of Restricted Distributable and Restricted Endowments Net Assets

Year Ended December 31, 2001

	Margaret Erskine	Gerry Potter Memorial (Pending)	Adair Family Fund	Mission Loggers Sports Ass. Fund	Harris Veterinarian &/or Horticulture	Elizabeth O. Stevens Memorial Fund	Derrough Fund	Pending Fund 3 Butcher	Total
Restricted Distributable									
Revenue	12,896	380	2,831	555	556	565			17,783
Expenses	2,399	71	527	103	103	102			3,305
Excess of Revenue Over Expenses	10,497	309	2,304	452	453	463			14,478
Net Assets, available for distribution, beginning of year	14,972	0	2,477	336	352	180			18,317
Awards and grants distributed	(9,950)		(2,000)	0	0	0			(11,950)
Transfer to restricted endowment net assets	0	-(309)	0	0	0	0			(309)
Interfund transfer									
Net assets, available for distribution, end of year	15,519	0	2,781	788	805	643			20,536
Restricted Endowment									
Net assets, restricted for endowment, beginning of year	224,956	7,064	50,197	10,000	10,000	10,000			312,217
Donations		0	10,000	0	2,500	1,200	10,000	2,000	25,700
Capital gain on investment sale	0	0	0	0	0	0			0
Transfer from restricted distributable net assets	0	309				0			309
Net assets, restricted for endowment, end of year	224,956	7,373	60,197	10,000	12,500	11,200			338,226

Mission Foundation

Schedule 3

Scholarship Funds

Schedule of Restricted Distributable and Restricted Endowments Net Assets

Year Ended December 31, 2001

	Holster Prize Funds			Jonson	Lobb	James	Holster	UCFV	Science	Cindy	Holster	Trinity W.	Holster	Holster	Ellis	Finch	Yum	Cannon	Total
	Earth	Basic	Engineering	Bequest	Shake &	Stusarchuk	Hatzic	Mission		Verhulst	Trinity	Health	Trinity	Hospice	Fund	Fund	Fund	Fund	
	Sciences	Sciences		Funds	Shingle					(Pending)	Western	Sciences	Post Sec	Fund					
Restricted Distributable																			
Revenue	1,118	2,548	1,834	1,438	1,103	871	1,268	1,243	555	1,739	1,714	2,055	613	1,022	1,094	538	446	21,195	
Expenses	208	474	341	287	205	160	235	231	103	323	319	382	114	103	203	100	0	3,768	
Excess of Revenue Over Expenses	910	2,074	1,493	1,169	898	711	1,031	1,012	452	1,416	1,395	1,673	499	919	891	438	446	17,427	
Net Assets, available for distribution, beginning of year	1,113	2,957	2,267	1,583	1,455	943	1,608	1,613	334	2,167	1,983	1,235	406	319	380	0	0	20,343	
Awards and grants distributed	0	(2,000)	(2,000)	(1,500)	(1,200)	(800)	(1,000)	1,000	0	(2,000)	(1,000)	(1,000)	(406)	0	(1,000)	0	0	(12,906)	
Transfer to restricted endowment net assets	(395)	0	0	0	0	0	0	(1,833)	0	0	0	0	0	0	640	0	0	(1,588)	
Interfund transfer	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net assets, available for distribution, end of year	1,628	3,031	1,760	1,252	1,153	854	1,639	1,792	786	1,583	2,378	1,908	409	1,238	891	438	446	23,276	
Restricted Endowment																			
Net assets, restricted for endowment, beginning of year	19,694	44,438	31,854	25,132	19,076	15,085	21,954	21,514	9,989	30,193	29,902	36,998	11,000	10,000	20,000	10,000	0	356,827	
Donations	0	0	0	0	0	627	0	0	0	0	0	0	0	10,000	640	0	15,000	26,267	
Capital gain on investment sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Transfer from restricted distributable net assets	395	0	0	0	0	0	0	1,833	0	0	0	0	0	0	(640)	0	0	1,588	
Net assets, restricted for endowment, end of year	20,089	44,438	31,854	25,132	19,076	15,712	21,954	23,347	9,989	30,193	29,902	36,998	11,000	20,000	20,000	10,000	15,000	384,682	

Schedule 4

Mission Foundation

Designated Funds

Schedule of Restricted Distributable and Restricted Endowments Net Assets

Year Ended December 31, 2001

	Library Fund	Youth Centre Fund	Mission Memorial Hospital Study Fund	Enabling Fund	Mission Life Time Learning Association	Total
Restricted Distributable						
Revenue	761	662	1,166	1,229	585	4,403
Expenses	124	123	217	1,229	109	1,802
Excess of Revenue Over Expenses	637	539	949	0	476	2,601
Net Assets, available for distribution, beginning of year	419	415	730	0	365	1,929
Awards and grants distributed	(419)	0	(730)	0	(365)	(1,514)
Transfer to restricted endowment net assets		0	0			0
Interfund transfer						0
Net assets, available for distribution, end of year	637	954	949	0	476	3,016
Restricted Endowment						
Net assets, restricted for endowment, beginning of year	12,008	11,894	20,965	22,868	10,519	78,254
Donations	2,000	0	0	0	0	2,000
Capital gain on investment sales	0	0	0	0	0	0
Transfer from restricted distributable net assets	0	0	0	0	0	0
Net assets, restricted for endowment, end of year	14,008	11,894	20,965	22,868	10,519	80,254

Schedule 5

Mission Foundation

Discretionary Funds

Schedule of Restricted Distributable and Restricted Endowments Net Assets

Year Ended December 31, 2001

	Albert McMahon Mission City Rotary	George Willoughby Cooke	Beaton Patience Drug & Alcohol Abuse	Glen Kask Theatrical Legacy	Dirk Boswyk	G.W.'Bill' Harris	Community	Negrin Community Fund	Total
Restricted Distributable									
Revenue	1,641	759	996	627	3,952	1,178	2,767	8,282	20,202
Expenses	302	141	185	116	735	219	458	1,541	3,697
Excess of Revenue Over Expenses	1,339	618	811	511	3,217	959	2,309	6,741	16,505
Net Assets, available for distribution, beginning of year	1,595	1,643	692	739	3,211	1,517	2,299	4,401	16,097
Awards and grants distributed	(1,200)	(1,916)	0	(100)	(3,000)	(984)	0	(4,627)	(11,827)
Transfer to restricted endowment net assets	0	1,448	(602)	(239)	0	0	(777)	0	(170)
Interfund transfer	0								0
Net assets, available for distribution, end of year	1,734	1,793	901	911	3,428	1,492	3,831	6,515	20,605

Restricted Endowment

Net assets, restricted for endowment, beginning of year	28,599	12,479	17,847	10,933	70,304	20,394	43,493	149,671	353,720
Donations	1,200	1,500	1,000	0	0	50	0	0	3,750
Capital gain on investment sales	0	0	0	0	0	0	0	0	0
Transfer from restricted distributable net assets	0	(1,448)	602	239	0	0	7,306	0	6,699
Net assets, restricted for endowment, end of year	29,799	12,531	19,449	11,172	70,304	20,444	50,799	149,671	364,169

MISSION FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2001

Mission Foundation

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December 31, 2001**

Auditor's Report

Statement of Financial Position

Statement of Operations and Changes in Net Assets

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**Schedules 1 - 5
Restricted Distributable and Restricted Endowment Net Assets**

AUDITOR'S REPORT

To the Directors:
Mission Foundation

I have audited the statement of financial position of the *Mission Foundation* as at December 31, 2001 and the related statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, 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 receipts from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these receipts 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 donation revenues, excess (deficiency) of revenues over expenses, assets and net assets.

In my opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves with respect to the donations referred to above, these financial statements present fairly the financial position of Mission Foundation as at December 31, 2001 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

A. H. Senae Inc.

A.H. Senae Inc.
Certified General Accountant

Mission BC
December 6, 2002



Member, Certified General Accountants Association of British Columbia

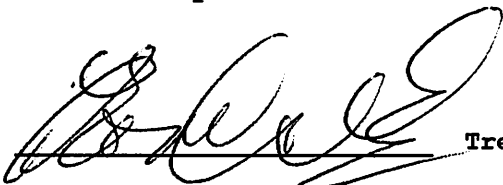
MISSION FOUNDATION

STATEMENT OF FINANCIAL POSITION

December 31, 2001, with comparative figures for 2000

	2001	2000
ASSETS		
Cash	\$ 10,825	\$ 53,786
Prepaid Expenses	-	300
GST Recoverable	2,262	1,650
Office Equipment	2,964	2,964
Investments (Note 3)	1,245,604	1,112,369
	<u>\$1,261,655</u>	<u>\$1,171,069</u>
LIABILITIES AND CAPITAL		
Accounts Payable	\$ 2,982	\$ 1,606
Capital Stabalization Fund (Note 1h)	11,068	-
Net Assets:		
Unrestricted	12,841	11,759
Restricted distributable	67,433	56,686
Restricted endowment	1,167,331	1,101,018
	<u>1,247,605</u>	<u>1,169,463</u>
	<u>\$1,261,655</u>	<u>\$1,171,069</u>

Presented by:

 Treasurer

See accompanying notes to the financial statements.

Mission Foundation

Statement of Operations and Changes in Net Assets

Year Ended December 31, 2001, with comparative figures for 2000

	General Fund	Restricted Distributable Fund Schedule 1	Restricted Endowment Fund Schedule 1	2001 Total	2000 Total
Revenue:					
Interest and dividends	735	63,583	-	64,318	46,698
Donations and bequests	7,350	-	57,717	65,067	253,908
Recoveries	860	-	-	860	275
Capital gain on investment sales	-	-	-	-	-
Special Events	11,620	-	-	11,620	22,157
	20,565	63,583	57,717	141,865	323,038
Expenses:					
Audit	1,500	-	-	1,500	3,500
Automotive	420	-	-	420	323
Office supplies	680	-	-	680	399
Meetings	318	-	-	318	595
Miscellaneous	3,657	-	-	3,657	3,764
Secretarial - honorarium	8,619	-	-	8,619	4,575
Special events	5,091	-	-	5,091	6,700
Allocation to restricted distributable funds	-12,572	12,572	-	-	-
	7,713	12,572	-	20,285	19,856
Less donated services	-	-	-	-	-3,500
	7,713	12,572	-	20,285	16,356
Excess of revenue over expenses	12,852	51,011	57,717	121,580	306,682
Net assets, beginning of year	11,759	56,686	1,101,018	1,169,463	907,003
Awards and grants distributed	-5,241	-38,197	-	-43,438	-44,223
Interfund transfers	-6,529	-2,067	8,596	-	-
Net assets, end of year	12,841	67,433	1,167,331	1,247,605	1,169,462

Schedule of Restricted Distributable and Restricted Endowments Net Assets

Year Ended December 31, 2001

	Bursary Schedule 2	Scholarship Schedule 3	Designated Schedule 4	Discretionary Schedule 5	Total
Restricted Distributable					
Revenue	17,783	21,195	4,403	20,202	63,583
Expenses	3,305	3,768	1,802	3,697	12,572
Excess of Revenue Over Expenses	14,478	17,427	2,601	16,505	51,011
Net Assets, available for distribution, beginning of year	18,317	20,343	1,929	16,097	56,686
Awards and grants distributed	-11,950	-12,906	-1,514	-11,827	-38,197
Transfer to restricted endowment net assets	-309	-1,588	-	-170	-2,067
Net assets, available for distribution, end of year	20,536	23,276	3,016	20,605	67,433
Restricted Endowment					
Net assets, restricted for endowment, beginning of year	312,217	356,827	78,254	353,720	1,101,018
Donations	25,700	26,267	2,000	3,750	57,717
Capital gain on investment sales	-	-	-	-	-
Transfer from restricted distributable net assets	309	1,588	-	6,699	8,596
Net assets, restricted for endowment, end of year	338,226	384,682	80,254	364,169	1,167,331

Bursary Funds

Schedule of Restricted Distributable and Restricted Endowments Net Assets

Year Ended December 31, 2001

	✓ Margaret Erskine	✓ Gerry Potter Memorial (Pending)	✓ Adair Family Fund	✓ Mission Loggers Sports Ass. Fund	✓ Harris Veterinarian &/or Horticulture	✓ Elizabeth O. Stevens Memorial Fund	✓ Derrough Fund	✓ Pending Fund 3 Butcher	Total
Restricted Distributable									
Revenue	12,896	380	2,831	555	556	565	-	-	17,783
Expenses	2,399	71	527	103	103	102	-	-	3,305
Excess of Revenue Over Expenses	10,497	309	2,304	452	453	463	-	-	14,478
Net Assets, available for distribution, beginning of year	14,972	-	2,477	336	352	180	-	-	18,317
Awards and grants distributed	-9,950	-	-2,000	-	-	-	-	-	-11,950
Transfer to restricted endowment net assets	-	-309	-	-	-	-	-	-	-309
Interfund transfer									
Net assets, available for distribution, end of year	15,519	-	2,781	788	805	643	-	-	20,536
Restricted Endowment									
Net assets, restricted for endowment, beginning of year	224,956	7,064	50,197	10,000	10,000	10,000	-	-	312,217
Donations	-	-	10,000	-	2,500	1,200	10,000	2,000	25,700
Capital gain on investment sale	-	-	-	-	-	-	-	-	-
Transfer from restricted distributable net assets	-	309	-	-	-	-	-	-	309
Net assets, restricted for endowment, end of year	224,956	7,373	60,197	10,000	12,500	11,200	10,000	2,000	338,226

Mission Foundation

Schedule 3

Scholarship Funds

Schedule of Restricted Distributable and Restricted Endowments Net Assets

Year Ended December 31, 2001

	✓ Holister Prize Funds			✓ Jonson	✓ Lobb	✓ James	✓ Holister	✓ UCFV	✓ Science	✓ Cindy	✓ Holister	✓ Trinity W.	✓ Holister	✓ MISSION Holister	✓ Ellis	✓ Finch	✓ Yum	✓ Cannon	
	✓ Earth	✓ Basic	✓ Engineering	Bequest	Shake & Shingle	Stusarchuk	Hatzic	Mission	(Pending)	Trinity Western	Health Sciences	Trinity Post Sec	Hospice Fund	Fund	Fund	Fund	Fund	Fund	Total
Restricted Distributable																			
Revenue	1,118	2,548	1,834	1,436	1,103	871	1,266	1,243	555	1,739	1,714	2,055	613	1,022	1,094	538	446	21,195	
Expenses	208	474	341	267	205	160	235	231	103	323	319	382	114	103	203	100	-	3,768	
Excess of Revenue Over Expenses	910	2,074	1,493	1,169	898	711	1,031	1,012	452	1,416	1,395	1,673	499	919	891	438	446	17,427	
Net Assets, available for distribution, beginning of year	1,113	2,957	2,267	1,583	1,455	943	1,608	1,613	334	2,167	1,983	1,235	406	319	360	-	-	20,343	
Awards and grants distributed	-	-2,000	-2,000	-1,500	-1,200	-800	-1,000	1,000	-	-2,000	-1,000	-1,000	-406	-	-1,000	-	-	-12,906	
Transfer to restricted endowment net assets	-395	-	-	-	-	-	-	-1,833	-	-	-	-	-	-	640	-	-	-1,588	
Interfund transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net assets, available for distribution, end of year	1,628	3,031	1,760	1,252	1,153	854	1,639	1,792	786	1,583	2,378	1,908	499	1,238	891	438	446	23,276	
Restricted Endowment																			
Net assets, restricted for endowment, beginning of year	19,694	44,438	31,854	25,132	19,076	15,085	21,954	21,514	9,989	30,193	29,902	36,996	11,000	10,000	20,000	10,000	-	356,827	
Donations	-	-	-	-	-	627	-	-	-	-	-	-	-	10,000	640	-	15,000	26,267	
Capital gain on investment sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer from restricted distributable net assets	395	-	-	-	-	-	-	1,833	-	-	-	-	-	-	-640	-	-	1,588	
Net assets, restricted for endowment, end of year	20,089	44,438	31,854	25,132	19,076	15,712	21,954	23,347	9,989	30,193	29,902	36,996	11,000	20,000	20,000	10,000	15,000	384,682	

Designated Funds

Schedule of Restricted Distributable and Restricted Endowments Net Assets

Year Ended December 31, 2001

	✓ Library Fund	✓ Youth Centre Fund	✓ Mission Memorial Hospital Study Fund	✓ Enabling Fund	✓ Mission Life Time Learning Association	Total
Restricted Distributable						
Revenue	761	662	1,166	1,229	585	4,403
Expenses	124	123	217	1,229	109	1,802
Excess of Revenue Over Expenses	637	539	949	-	476	2,601
Net Assets, available for distribution, beginning of year	419	415	730	-	365	1,929
Awards and grants distributed	-419	-	-730	-	-365	-1,514
Transfer to restricted endowment net assets	-	-	-	-	-	-
Interfund transfer						
Net assets, available for distribution, end of year	637	954	949	-	476	3,016
Restricted Endowment						
Net assets, restricted for endowment, beginning of year	12,008	11,894	20,965	22,868	10,519	78,254
Donations	2,000	-	-	-	-	2,000
Capital gain on investment sales	-	-	-	-	-	-
Transfer from restricted distributable net assets	-	-	-	-	-	-
Net assets, restricted for endowment, end of year	14,008	11,894	20,965	22,868	10,519	80,254

Discretionary Funds

Schedule of Restricted Distributable and Restricted Endowments Net Assets

Year Ended December 31, 2001

	✓ Albert McMahon Mission City Rotary	✓ George Willoughby Cooke	✓ Beaton Patience Drug & Alcohol Abuse	✓ Glen Kask Theatrical Legacy	✓ Dirk Boswyk	✓ G.W.'Bill' Harris	✓ Community	✓ Negrin Community Fund	Total
Restricted Distributable									
Revenue	1,641	759	996	627	3,952	1,178	2,767	8,282	20,202
Expenses	302	141	185	116	735	219	458	1,541	3,697
Excess of Revenue Over Expenses	1,339	618	811	511	3,217	959	2,309	6,741	16,505
Net Assets, available for distribution, beginning of year	1,595	1,643	692	739	3,211	1,517	2,299	4,401	16,097
Awards and grants distributed	-1,200	-1,916	-	-100	-3,000	-984	-	-4,627	-11,827
Transfer to restricted endowment net assets	-	1,448	-602	-239	-	-	-777	-	-170
Interfund transfer	-	-	-	-	-	-	-	-	-
Net assets, available for distribution, end of year	1,734	1,793	901	911	3,428	1,492	3,831	6,515	20,605
Restricted Endowment									
Net assets, restricted for endowment, beginning of year	28,599	12,479	17,847	10,933	70,304	20,394	43,493	149,671	353,720
Donations	1,200	1,500	1,000	-	-	50	-	-	3,750
Capital gain on investment sales	-	-	-	-	-	-	-	-	-
Transfer from restricted distributable net assets	-	-1,448	602	239	-	-	7,306	-	6,699
Net assets, restricted for endowment, end of year	29,799	12,531	19,449	11,172	70,304	20,444	50,799	149,671	364,169

Mission Foundation

**NOTES TO FINANCIAL STATEMENTS
December 31, 2001**

Nature of operations

Mission Foundation is a non-profit society incorporated under the Mission Foundation Act. Its purpose is to collect funds from the community and manage these funds, using the income for the benefit of the citizens of the Mission area, in the fields of education, recreation, culture and humanities.

The Foundation is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

1. Significant accounting policies

(a) General

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

(b) Capital assets

Capital assets are recorded at cost. The Foundation does not record amortization. The inventory of capital assets is reviewed annually and written down when it is determined there is an impairment in value.

(c) Basis of presentation

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

The general fund accounts for all revenue, expenses and net assets of the Foundation which are not subject to terms and restriction by donors.

The restricted distributable fund reports those resources that are subject to restrictions as to use by the donors.

The restricted endowment fund reports those resources contributed for perpetual management by the Foundation. Investment income on the resources in the endowment fund is reported in the general fund or in the appropriate restricted distributable fund, depending on the nature of any restrictions imposed by contributors of funds for endowment.

The restricted distributable fund and the restricted endowment fund are comprised of funds, each of which was contributed by a donor with specific restriction as to how the net assets (or the income earned on them) can be distributed. A summary of these funds are as follows:

Bursary Funds

The Margaret Erskine Bursary Fund is a permanent fund established to provide bursaries to students who have shown outstanding abilities in their particular field of endeavor, either in school or in an outside avocation in the fields of athletics, education, music or the arts and sciences.

Mission Foundation

**NOTES TO FINANCIAL STATEMENTS
December 31, 2001**

1. Significant accounting policies (continued)

(c) Basis of presentation (continued)

Bursary Funds (continued)

The Gerry Potter Memorial Bursary Fund is a permanent fund established to provide financial assistance to students pursuing post-secondary education in the area of fine arts.

The Adair Family Trust is a permanent fund established to provide a bursary in any discipline of the Arts, Finance or Accounting to enable students to further their education or training.

Mission Loggers Sports Association Fund is a permanent fund established to provide a bursary for students pursuing a career in Forestry or allied fields of interest.

The Harris Fund is a permanent fund to provide financial assistance to students pursuing post-secondary education in horticulture or veterinary sciences.

The Elizabeth O. Stevens Fund is a permanent fund to provide financial assistance to students pursuing post-secondary education in health sciences, nursing, or medicine.

Scholarship Funds

The Hollister Prize for Earth Sciences Fund is a permanent fund established to provide financial assistance to one student annually who will be pursuing advanced study in earth sciences.

The Hollister Scholarship for Basic Sciences Fund is a permanent fund established to provide financial assistance to one student annually who will be pursuing advanced study in chemistry, physics or mathematics.

The Hollister Scholarship for Engineering Fund is a permanent fund established to provide financial assistance to two students annually who will be pursuing advanced study in civil, mechanical or electrical engineering.

The Jonson Bequest Fund is a permanent fund established to provide assistance for drug and alcohol abuse, and to provide assistance for students studying gymnastics or dance.

The Lobb Shake and Shingle Fund is a permanent fund established in memory of Clinton Lobb to provide financial assistance to students pursuing a career in aviation or forestry.

The James Slusarchuk Fund is a permanent fund established to provide scholarships.

The Hollister Entry Level Science Fund (Hatzic) is a permanent fund established to provide financial assistance to one graduating student of Hatzic Secondary School pursuing post-secondary education in the field of science at UCFV.

The Hollister Entry Level Science Fund (Mission) is a permanent fund established to provide financial assistance to one graduating student of Mission Secondary School pursuing post-secondary education in the field of science at UCFV.

Mission Foundation

**NOTES TO FINANCIAL STATEMENTS
December 31, 2001**

1. Significant accounting policies (continued)

(c) Basis of presentation (continued)

Scholarship Funds (continued)

The Cindy Verhulst Fund is a permanent fund established to provide financial assistance to students in the area of music.

The Hollister-Trinity Western University Scholarship Fund is a permanent fund established to provide scholarships to encourage Mission High School graduates to study at Trinity Western University.

The Hollister Health Science Scholarship for Trinity Western University is a permanent fund established to provide a scholarship for a first year student enrolled in the Health Science course of study at Trinity Western University. If no grade twelve student applies then it may be awarded to a Mission student already studying in the Health Science field at Trinity Western University.

Designated Funds

The Hollister Post Secondary Scholarship for Trinity Western University is a permanent fund established to provide a scholarship for a first year student enrolled in any course of study at Trinity Western University. If no grade twelve student applies then it may be awarded to a Mission student already studying in the Health Science field at Trinity Western University.

The Ellis Fund is a permanent fund established to provide financial assistance to students pursuing a career business, economics, or computers.

The Finch Fund is a permanent memorial fund established to provide financial assistance to two students each year, one pursuing a career in science and the other a career in arts.

The Yum Fund is a permanent fund to provide financial assistance to students pursuing post-secondary education in science or math.

The Library Fund is a permanent fund established to maintain furnishings, collections, and equipment in the Mission Library.

The Youth Centre is a permanent fund established to provide financial assistance for the Mission Youth Centre.

The Mission Memorial Hospital Study Fund is a permanent fund established to assist in the upgrading and modernization of skills of health care workers employed by or associated with the Mission Memorial Hospital.

The Enabling Fund is a permanent fund established to assist the Mission Foundation in covering operating and administrative costs.

Mission Foundation

**NOTES TO FINANCIAL STATEMENTS
December 31, 2001**

1. Significant accounting policies (continued)

(c) Basis of presentation (continued)

Designated funds (continued)

The Mission Life Time Learning Association Fund is a permanent fund established to provide financial assistance to the Life Time Learning Association.

Discretionary Funds

The Albert McMahon Mission City Rotary Club Fund is a permanent fund established to provide financial assistance to students in special circumstances and in need of help.

The George Willoughby Cooke Fund is a permanent fund established to provide academic awards in math and science to two grade seven and eight students in each of the Mission District schools.

The Beaton Patience Drug and Alcohol Abuse Fund is a permanent fund established to provide financial assistance in the area of drug and alcohol abuse, prevention, care and treatment.

The Glen Kask Theatrical Legacy Fund is a permanent fund established to assist in the promotion of the performing arts.

Mission Hospice Society Fund is a permanent fund established for purposes of pursuing the Society's objectives.

The Dirk Boswyk Fund is a permanent fund established to provide financial assistance to students in the area of computer science.

The G.W. "Bill" Harris Fund is a permanent fund established to provide discretionary funds to the Mission foundation.

The Community Fund is a permanent fund established to provide discretionary funds to the Mission Foundation. The Millenium Fund was a permanent fund established to provide discretionary funds to the Mission Foundation.

The Negrin Community Fund is a permanent fund established to memorialize the Negrin family. Awards from this fund are available for use in pursuing objectives of the Foundation.

(d) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the general fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted distributable fund.

Mission Foundation

**NOTES TO FINANCIAL STATEMENTS
December 31, 2001**

1. Significant accounting policies (continued)

(d) Revenue recognition (continued)

Contributions for endowment are recognized as revenue in the restricted endowment fund. Investment income earned on the net assets of the restricted endowment fund is recognized as revenue in the general fund or in the related restricted distributable fund to which it is related.

(e) Interfund transfers

The Foundation distributes awards and grants according to the terms of the donor. The amount of the award or grant is limited to the income earned by the restricted endowment portion of the fund in the second preceding year, or in some cases in the preceding year. That portion of the income earned and not distributed less an allocation for administration expenses is transferred from the restricted distributable net assets to the restricted endowment net assets.

(f) Net assets

The net assets of the Foundation are segregated as follows:

Restricted endowment net assets comprise contributions and transfers from restricted distributable net assets which are to be maintained in perpetuity.

Restricted distributable net assets comprise the cumulative undistributed income of each restricted fund less transfers, if any, to restricted endowment net assets and can be distributed by the Foundation in accordance with the terms and restrictions specified by the donor.

Unrestricted net assets are distributable at the discretion of the Foundation.

(g) Pending funds

The Foundation requires a minimum of \$10,000 in restricted endowment net assets before it distributes any award or grant from that fund. Funds that have not attained the required level of net assets are classed as pending.

(h) Capital stabilization fund

Gain on investments sold in excess of an average allocation of 4.5% is maintained in the capital stabilization fund. The fund is used as a buffer to stabilize the income level for grants and awards.

(i) Investments

Portfolio investments are recorded at cost, or at cost less amounts written off to reflect a decline in value which is other than temporary. Premiums or discounts on the purchase of fixed term securities are amortized over the period of maturity.

The Foundation has entered into a pooled investment arrangement whereby investment income is allocated to each fund based on its average net assets balance during the year.

Mission Foundation

**NOTES TO FINANCIAL STATEMENTS
December 31, 2001**

1. Significant accounting policies (continued)

(j) Donated services

The value of donated services is recorded as donation revenue with an offsetting administrative expenditure in the general fund.

(k) Statement of cash flows

The financial statements do not contain a statement of cash flows because it would not provide any meaningful information.

(l) Use of estimates

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles which require management estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. December 31, 2000 financial statements

The December 31, 2000 comparative financial statements were audited by KPMG, Chartered Accountants.

MISSION FOUNDATION

Notes to Financial Statements

Date: December 31, 2001

3. Investments

			Market Value	Cost
Fixed Income				
Bombardier Inc.	8.300%	July 2003	37,522	33,199
BC Gas Series F Debenture	8.500%	August 2002	34,436	31,728
Farm Credit Corp	4.250%	February 2004	98,135	95,219
Canada Mortgage & Housing	5.100%	June 2003	100,591	96,446
Government of Canada Bond	5.500%	September 2002	102,002	97,970
Government of Canada Bond	6.000%	September 2005	138,106	128,692
Canada Mortgage & Housing	5.000%	June 2004	43,517	41,630
Government of Canada T-Bill	5.750%	September 2006	137,522	131,462
Province of Ontario	6.125%	September 2007	85,522	82,246
Accrued interest on bonds			12,629	12,629
First Heritage Term	2.200%	October 2002	11,137	11,137
Cash in broker's account			54,025	54,025
Common Shares				
Noranda Inc			12,000	11,985
Quebecor Inc.			5,805	11,460
Sears Canada			5,655	10,302
Nortel Inc.			5,462	27,755
Manulife Financial Corp			10,400	9,750
Mutual Funds				
Sovereign Emerging Markets			35,195	37,531
Sovereign Canadian Equity			65,617	73,128
Sovereign US Equity			114,219	121,980
Sovereign Overseas Equity			105,307	125,216
Total			1,214,804	1,245,490