

SYMPHONY NOVA SCOTIA FOUNDATION

Balance Sheet

December 31, 2008, with comparative figures for 2007

	2008	2007
Assets		
Cash	\$ 79,114	\$ 343,980
Investments (note 2):		
Carrying value	2,772,719	2,199,968
Unamortized bond premiums	23,867	32,935
	<u>2,796,586</u>	<u>2,232,903</u>
Accrued interest	8,733	17,359
	<u>\$ 2,884,433</u>	<u>\$ 2,594,242</u>

Liabilities and Net Assets

Current liabilities:		
Due to Symphony Nova Scotia	\$ 7,611	\$ -
Net assets (note 3):		
Endowments:		
Specific sponsorships and concerts	1,215,185	1,215,185
Canadian Heritage	949,536	887,141
Sustainability campaign	68,700	-
General concerts	642,416	491,916
	<u>2,875,837</u>	<u>2,594,242</u>
Unrestricted net assets	985	-
	<u>2,876,822</u>	<u>2,594,242</u>
Contingent liability (note 5)		
	<u>\$ 2,884,433</u>	<u>\$ 2,594,242</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:

_____ Director

_____ Director

SYMPHONY NOVA SCOTIA FOUNDATION

Statement of Operations

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Revenue:		
Investment income (note 4)	\$ 114,985	\$ 110,000
Expenses:		
Grant to Symphony Nova Scotia	114,000	110,000
Excess of revenue over expenses	\$ 985	\$ -

See accompanying notes to financial statements.

SYMPHONY NOVA SCOTIA FOUNDATION

Statement of Changes in Net Assets

Year ended December 31, 2008, with comparative figures for 2007

	Endowments for specific sponsorships and concerts	Canadian Heritage Endowment	Sustainability Campaign	Endowments for general concerts	Unrestricted	2008 total	2007 total
Balance, beginning of year	\$1,215,185	\$887,141	\$ -	\$491,916	\$ -	\$2,594,242	\$2,311,359
Capitalized investment income	-	-	-	-	-	-	8,801
Excess of revenue over expenses	-	-	-	-	985	985	-
Endowment contributions	-	62,395	68,700	150,500	-	281,595	274,082
Balance, end of year	\$1,215,185	\$949,536	\$68,700	\$642,416	\$ 985	\$2,876,822	\$2,594,242

See accompanying notes to financial statements.

SYMPHONY NOVA SCOTIA FOUNDATION

Notes to Financial Statements

Year ended December 31, 2008

The Foundation is incorporated as a public foundation. The Foundation provides financial support for Symphony Nova Scotia to assist with the funding of concerts from income earned on investments. It is a registered charity under the Income Tax Act.

1. Significant accounting policies:

(a) General:

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

(b) Revenue recognition:

The Foundation follows the deferral method of accounting for contributions, which primarily is investment income.

All donations and bequests received to date have been recognized as direct increases in endowments.

Investment income earned on endowments is recognized as revenue in the year in which the related sponsorships to Symphony Nova Scotia are recognized.

(c) Contributed services:

A number of volunteers contribute amounts of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(d) Investments:

Bonds are recorded at cost except for those acquired, because of market conditions, in excess of par value. Bonds acquired in excess of par value are recorded at par value, which is the value to be received upon maturity, with the cost in excess of par value being deferred as unamortized bond premiums to be amortized against income received over the months to maturity. Equities are recorded at cost. Gains or losses on sales of investments are recognized as investment income in the year of disposal.

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Notes to Financial Statements, page 2

Year ended December 31, 2008

2. Investments:

	Carrying value	Bond premiums	Total	Market value
Bonds	\$1,364,542	\$23,867	\$1,388,409	\$1,366,880
Canadian equities	1,203,646	–	1,203,646	1,145,397
Investment Trusts	204,531	–	204,531	120,568
	<u>\$2,772,719</u>	<u>\$23,867</u>	<u>\$2,796,586</u>	<u>\$2,632,845</u>

3. Net assets:

The endowment principal consists mostly of restricted donations by the donor and Canadian Heritage, the original investment of which is required to be maintained in perpetuity. Endowment gifts for general purposes are designated by the donor to be maintained for at least ten years.

Each year the Foundation, based on the private donations received, applies to the Department of Canadian Heritage under its Endowment Incentives Program. The amount of grant received in 2008 was \$62,395 (2007 - \$152,398). Conditions related to the grant require that it be capitalized in perpetuity in the assets of the Foundation and that only the annual income be used to support the Nova Scotia Symphony Orchestra.

The investment income generated from endowments are used in accordance with the purposes established by the donor but specifically for sponsorship of concerts conducted by Symphony Nova Scotia.

The Foundation has an income protection policy reflecting that benefactors as well as Foundation policy stipulate that, over time, the economic value of the endowment must be protected by limiting the amount of income that may be expended. Application of this policy increases the endowment principal annually over time by CPI through the capitalization and reinvestment of investment income.

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Notes to Financial Statements, page 3

Year ended December 31, 2008

4. Investment income:

Investment income earned, recorded in the statement of operations, is calculated as follows:

	2008	2007
Interest received	\$ 65,386	\$ 78,634
Less amortization of premium paid for bonds in excess of par value	9,068	11,782
Interest earned	56,318	66,852
Income from trusts	10,843	—
Dividends	49,071	40,576
Gain (loss) on disposal of investments	(1,247)	9,891
	114,985	117,319
Less amounts capitalized	—	(8,801)
	114,985	108,518
Add amounts transferred from deferred contributions	—	1,482
	\$ 114,985	\$ 110,000

5. Contingent liability:

The Foundation has provided a restricted guarantee and pledge of investments to a bank to support borrowings by Symphony Nova Scotia in connection with working capital requirements of the orchestra. In the event of a default by Symphony Nova Scotia, the Foundation would meet the obligation by using resources not restricted by endowment covenants.