

**SHUSWAP COMMUNITY FOUNDATION
FINANCIAL STATEMENTS
JUNE 30, 2015
(Unaudited)**

SHUSWAP COMMUNITY FOUNDATION
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JUNE 30, 2015
(Unaudited)

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REVIEW ENGAGEMENT REPORT

To the Directors:

We have reviewed the statement of financial position of **SHUSWAP COMMUNITY FOUNDATION** as at June 30, 2015 and the statements of changes in net assets, revenue and expenses and changes in fund balances for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Foundation.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

In common with similar charitable organizations, the Foundation derives a portion of its income from the general public in the form of donations over which there are limited controls for the entry of these donations in the accounting records of the Foundation.

Accordingly, our review of these donations was limited to amounts recorded in the accounting records of the Foundation. Had we been able to complete our review, we might have determined adjustments to be necessary to cash, revenue, excess of revenue over expenditures and net assets.

Except for the adjustments, if any, which we might have determined necessary had we been able to complete our review of donations, as described in the preceding paragraph, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Salmon Arm, BC
August 14, 2015

DREW LEE-HAI & ASSOCIATES

CHARTERED ACCOUNTANTS

SHUSWAP COMMUNITY FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015
(Unaudited)

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 113,889	\$ 122,073
Accounts receivable	871	1,851
Prepaid expenses	<u>808</u>	<u>944</u>
	115,568	124,868
INVESTMENTS (Note 3)	<u>7,691,630</u>	<u>6,891,881</u>
	<u>\$ 7,807,198</u>	<u>\$ 7,016,749</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 15,785	\$ 13,885
Unearned revenue	14,350	34,950
Funds held on behalf of third parties (Note 4)	<u>2,163</u>	<u>3,374</u>
	<u>32,298</u>	<u>52,209</u>
FUND BALANCES		
Endowment funds (Note 5)	7,741,996	6,940,770
Unrestricted net assets	<u>32,904</u>	<u>23,770</u>
	<u>7,774,900</u>	<u>6,964,540</u>
	<u>\$ 7,807,198</u>	<u>\$ 7,016,749</u>

APPROVED ON BEHALF OF THE BOARD

 Directors

See notes to financial statements

DREW LEE-HAI
 & ASSOCIATES

CHARTERED ACCOUNTANTS • BUSINESS ADVISORS

SHUSWAP COMMUNITY FOUNDATION
STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN FUND BALANCES

JUNE 30, 2015
(Unaudited)

	Endowment Fund		Administration Fund		City of Salmon Arm Trust Fund		Total	
	2015	2014	2015	2014	2015	2014		
Revenue:								
Investment Income (Note 6)	\$ 856,734	\$ 1,174,184	\$ -	\$ -	\$ 122	\$ 176	\$ 856,856	\$ 1,174,360
Administration fee - capital	-	-	63,334	56,410	-	-	63,334	56,410
Administration fee - other	-	-	12,562	11,695	-	-	12,562	11,695
Donations	298,740	342,831	36,950	21,150	57,500	53,000	393,190	416,981
	1,155,474	1,517,015	112,846	89,255	57,622	53,176	1,325,942	1,659,446
Operational Expenses:								
Administration (Schedule 1)	-	-	85,626	73,822	-	-	85,626	73,822
Administration fee	63,334	56,410	-	-	-	-	63,334	56,410
Administration fee- Memorial walkways	-	-	5,751	3,750	-	-	5,751	3,750
Vital signs expenses	-	-	12,335	12,591	-	-	12,335	12,591
Investment management fees	36,227	33,767	-	-	-	-	36,227	33,767
	99,561	90,177	103,712	90,163	-	-	203,273	180,340
Excess (Deficiency) of revenue over operational expenses	1,055,913	1,426,838	9,134	-908	57,622	53,176	1,122,669	1,479,106
Life Insurance costs	2,500	2,500	-	-	-	-	2,500	2,500
Grants	252,187	184,700	-	-	58,833	52,400	311,020	237,100
	254,687	187,200	-	-	58,833	52,400	313,520	239,600
Excess (Deficiency) of revenue over expenses for the year	801,226	1,239,638	9,134	-908	-1,211	776	809,149	1,239,506
Fund balances beginning of year	6,940,770	5,701,132	23,770	24,678	3,374	2,598	6,967,914	5,728,408
Fund balances end of year	\$ 7,741,996	\$ 6,940,770	\$ 32,904	\$ 23,770	\$ 2,163	\$ 3,374	\$ 7,777,063	\$ 6,967,914

See notes to financial statements

SHUSWAP COMMUNITY FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015****(Unaudited)**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Fund accounting:

The foundation follows the Restricted Fund method for accounting for contributions. The Foundation ensures, as part of its fiduciary responsibilities, all funds received with a restricted purpose are expended for that purpose.

For financial reporting purposes, the accounts have been classified into the following funds:

i) Endowment Fund:

The Endowment Fund reports resources that are required to be maintained by the Foundation on a permanent basis.

ii) Administration Fund:

The Administration Fund reports resources available for the Foundation's general operating activities. These activities include asset development and grant making. The general costs of supporting these activities are reported as expenses in the Administration Fund.

iii) City of Salmon Arm Trust Fund:

The City of Salmon Arm Trust Fund reports resources and grant making on behalf of the City of Salmon Arm.

c) Revenue recognition:

All general contributions are recognized as revenue when received. If there are fundraisers held to cover a specific expense, such as the Annual Report production, or a special project, those revenues are deferred until the specific expenditure is made.

d) Investments and investment income:

The investments of the Foundation that are held for resale are recorded at year-end market values. Investments that are held to maturity are recorded at amortized cost. Investment income includes dividends, interest, realized gains (losses) and the net change in unrealized gains (losses) for the year.

SHUSWAP COMMUNITY FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015****(Unaudited)**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investment income is allocated as follows:

i) Endowment fund:

- Income equal to the amount required to meet the granting requirements as determined by the Foundation's Board.
- Income earned on funds in which the donor has stipulated the income be added to the principal for the purpose of growing the principal to an agreed value.
- Income surplus to the above held to meet future granting requirements.
- The Board charges an administration fee of up to 1% on the Endowment Fund book value.

ii) Administration Fund:

- Income earned on funds which the donor has stipulated the income be used for operations.

iii) City of Salmon Arm Trust Fund:

- Interest earned on the assets held in the City of Salmon Arm Trust Fund.

e) Contributed goods and services:

Volunteers contribute a substantial number of hours each year to assist the Foundation in carrying out its activities. Because of the difficulty of determining the fair value, contributions of such services are not recognized in the financial statements.

f) Capital assets:

The Foundation capitalizes single expenditures in excess of \$5,000 in the year incurred. These expenditures will be stated at cost less accumulated amortization, calculated at rates that reflect the life of each asset.

SHUSWAP COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. INVESTMENTS	2015	2014
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Investments consist of the following:

Life insurance policies	\$ 56,142	\$ 54,620
Mutual fund investments	<u>7,635,488</u>	<u>6,837,261</u>
 Total investments	 <u>\$ 7,691,630</u>	 <u>\$ 6,891,881</u>

Investments are held in a variety of different portfolios. Investments in each portfolio are made in accordance with the Foundation's investment policy as approved by the Board. The goal of the policy is to ensure that funds are maintained and grow while achieving maximum returns consistent with prudent investment.

SHUSWAP COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(Unaudited)

4. FUNDS HELD ON BEHALF OF THIRD PARTIES

Investments are held in a variety of different portfolios. Investments in each portfolio are made in accordance with the Foundation's investment policy as approved by the Board. The goal of the policy is to ensure that funds are maintained and grow while achieving maximum returns consistent with prudent investment.

5. ENDOWMENT FUNDS

2015

2014

The Endowment Fund consists of the following amounts available for distribution:

Discretionary	\$ 2,778,005	\$ 2,553,050
Non-discretionary	4,567,180	4,051,405
Cash surrender value of life insurance	56,142	54,620
Grant funds to be transferred	<u>340,669</u>	<u>281,695</u>
	<u>\$ 7,741,996</u>	<u>\$ 6,940,770</u>

6. INVESTMENT INCOME

2015

2014

Investment income – Endowment Fund:

Interest and dividends	\$ 144,192	\$ 130,552
Realized gains	55,254	27,837
Unrealized gains - investments	655,766	1,010,549
Life Insurance	<u>1,522</u>	<u>5,246</u>
	<u>\$ 856,734</u>	<u>\$ 1,174,184</u>

SHUSWAP COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

(Unaudited)

6. INVESTMENT INCOME (CONT'D)	2015	2014
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Investment income – City of Salmon Arm Trust Fund:

Interest	<u>\$ 122</u>	<u>\$ 176</u>
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7. COMMITMENTS

a) The Foundation has entered into a premises lease with monthly payments of \$750 ending June 30, 2017.

b) The Society has committed to give Haney House Museum \$17,000 for each of the next 3 years from retained earnings of the Community Fund, Lloyd and Dorothy Askew Fund, the museum fund and the Peterson Family fund. The total of \$51,000 at the end of the 3 years will be the Foundation's contribution to the Montebello project and the Museum's 2017 Canada project.

8. STATEMENTS OF CASH FLOW

A separate statement of cash flows has not been presented since cash flows from operating, investing and financial activities are readily apparent from the other financial statements.

SHUSWAP COMMUNITY FOUNDATION

ADMINISTRATIVE EXPENSES

YEAR ENDED JUNE 30, 2015

(Unaudited)

	2015	2014
Advertising and annual report - annual report	\$ 3,587	\$ 4,246
- advertising	1,673	853
- marketing	1,410	2,295
Employee wages	43,849	34,310
Insurance	2,624	2,586
Memberships	1,829	1,686
Office rent	9,910	9,973
Office supplies	6,812	6,474
Professional fees	3,875	3,790
Promotion and meetings	-	1,771
Seminar and conference costs	9,054	4,654
Telephone	1,003	433
Web site and Internet	-	751
	<u>\$ 85,626</u>	<u>\$ 73,822</u>