

**SHUSWAP COMMUNITY FOUNDATION  
FINANCIAL STATEMENTS  
JUNE 30, 2017  
(Unaudited)**

**SHUSWAP COMMUNITY FOUNDATION**  
**INDEX TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**  
**(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, 2017 and the statements of 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  
October 6, 2017

DREW LEE-HAI  
CHARTERED PROFESSIONAL ACCOUNTANTS

**SHUSWAP COMMUNITY FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2017**  
**(Unaudited)**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 272,301	\$ 118,671
Accounts receivable	909	889
Prepaid expenses	<u>-</u>	<u>788</u>
	273,210	120,348
<b>INVESTMENTS (Note 3)</b>	<u>8,646,190</u>	<u>8,074,835</u>
	<u>\$ 8,919,400</u>	<u>\$ 8,195,183</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 15,993	\$ 14,782
Unearned revenue	1,500	5,500
Funds held on behalf of third parties (Note 4)	<u>6,541</u>	<u>1,944</u>
	<u>24,034</u>	<u>22,226</u>
<b>FUND BALANCES</b>		
Endowment funds (Note 5)	8,852,795	8,136,028
Unrestricted net assets	<u>42,571</u>	<u>36,929</u>
	<u>8,895,366</u>	<u>8,172,957</u>
	<u>\$ 8,919,400</u>	<u>\$ 8,195,183</u>

**APPROVED ON BEHALF OF THE BOARD**

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**Directors**

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

JUNE 30, 2017

(Unaudited)

	Endowment Fund		Administration Fund		City of Salmon Arm Trust Fund		District of Sicamous Trust Fund		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue:										
Investment income (Note 6)	\$ 743,128	\$ 456,624	\$ -	\$ -	\$ -	\$ 133	\$ 43	\$ 29	\$ 743,276	\$ 456,786
CFC Grant	8,050	-	-	-	-	-	-	-	8,050	-
Administration fee - capital	-	-	78,098	71,869	-	-	-	-	78,098	71,869
Administration fee - other	-	-	12,806	13,945	-	-	-	-	12,806	13,945
Donations	447,700	368,568	8,500	14,950	57,500	57,500	41,000	40,000	554,700	481,018
	<u>1,198,878</u>	<u>825,192</u>	<u>99,404</u>	<u>100,764</u>	<u>57,605</u>	<u>57,633</u>	<u>41,043</u>	<u>40,029</u>	<u>1,396,930</u>	<u>1,023,618</u>
Operational Expenses:										
Administration (Schedule 1)	-	-	91,220	93,111	-	-	-	-	91,220	93,111
Administration fee	78,098	71,869	-	-	-	-	-	-	78,098	71,869
Administration fee: Memorial walkways	-	-	2,242	3,628	-	-	-	-	2,242	3,628
Investment management fees	38,759	37,491	-	-	-	-	-	-	38,759	37,491
	<u>116,857</u>	<u>109,360</u>	<u>93,462</u>	<u>96,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,319</u>	<u>206,099</u>
Excess (deficiency) of revenue over operational expenses	<u>1,082,021</u>	<u>715,832</u>	<u>5,942</u>	<u>4,025</u>	<u>57,605</u>	<u>57,633</u>	<u>41,043</u>	<u>40,029</u>	<u>1,186,611</u>	<u>817,519</u>
Life insurance costs	2,108	3,100	-	-	-	-	-	-	2,108	3,100
Grants	363,146	318,700	-	-	54,350	58,881	40,000	39,000	457,496	416,581
	<u>365,254</u>	<u>321,800</u>	<u>-</u>	<u>-</u>	<u>54,350</u>	<u>58,881</u>	<u>40,000</u>	<u>39,000</u>	<u>459,604</u>	<u>419,681</u>
Excess (deficiency) of revenue over expenses for the year	<u>716,767</u>	<u>394,032</u>	<u>5,942</u>	<u>4,025</u>	<u>3,255</u>	<u>-1,248</u>	<u>1,043</u>	<u>1,029</u>	<u>727,007</u>	<u>397,838</u>
Fund balances beginning of year	<u>8,136,028</u>	<u>7,741,996</u>	<u>36,929</u>	<u>32,904</u>	<u>915</u>	<u>2,163</u>	<u>1,029</u>	<u>-</u>	<u>8,174,901</u>	<u>7,777,063</u>
Fund balances end of year	<u>\$ 8,852,795</u>	<u>\$ 8,136,028</u>	<u>\$ 42,871</u>	<u>\$ 36,929</u>	<u>\$ 4,170</u>	<u>\$ 915</u>	<u>\$ 2,072</u>	<u>\$ 1,029</u>	<u>\$ 8,901,908</u>	<u>\$ 8,174,901</u>

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(Unaudited)

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**1. NATURE OF OPERATIONS**

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Shuswap Community Foundation is a regional foundation incorporated under the British Columbia Societies Act as a not-for-profit organization.

The Foundation accumulates and administers capital funds to provide funding for community projects in the Shuswap Lake region of British Columbia.

The Foundation is also a registered charity under the Income Tax Act and as such is exempt from income taxes and can issue charitable donation receipts.

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**2. SIGNIFICANT ACCOUNTING POLICIES**

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Basis of presentation

The financial statements of the Foundation have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following summary of significant accounting policies is set forth to facilitate the understanding of these financial statements:

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Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(Unaudited)

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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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.

iv) District of Sicamous Trust Fund:

The District of Sicamous Trust Fund reports resources and grant making on behalf of the District of Sicamous.

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.

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, 2017**  
**(Unaudited)**

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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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.
- iv) District of Sicamous Trust Fund:
  - Interest earned on the assets held in the District of Sicamous Trust Fund.

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.

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.



## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(Unaudited)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

2017

2016

Investments consist of the following:

Life insurance policies	\$ 53,750	\$ 54,922
Mutual fund investments	<u>8,592,440</u>	<u>8,019,913</u>
Total investments	<u>\$ 8,646,190</u>	<u>\$ 8,074,835</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.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

(Unaudited)

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<b>4. FUNDS HELD ON BEHALF OF THIRD PARTIES</b>	<b>2017</b>	<b>2016</b>
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The Funds Held on Behalf of Third Parties consists of the following amounts available for distribution:

City of Salmon Arm	\$	4,469	\$	915
District of Sicamous		<u>2,072</u>		<u>1,029</u>
	\$	<u>6,541</u>	\$	<u>1,944</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.

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<b>5. ENDOWMENT FUNDS</b>	<b>2017</b>	<b>2016</b>
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The Endowment Fund consists of the following amounts available for distribution:

Discretionary	\$	3,513,892	\$	3,157,675
Non-discretionary		5,261,323		4,913,710
Cash surrender value of life insurance		53,750		54,922
Grant funds to be transferred		<u>23,830</u>		<u>9,721</u>
	\$	<u>8,852,795</u>	\$	<u>8,136,028</u>

SHUSWAP COMMUNITY FOUNDATION  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2017  
 (Unaudited)

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<b>6. INVESTMENT INCOME</b>	<b>2017</b>	<b>2016</b>
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Investment income – Endowment Fund:

Interest and dividends	\$	171,772	\$	271,327
Realized gains		87,851		58,037
Unrealized gains - investments		484,677		128,480
Life Insurance		<u>(1,172)</u>		<u>(1,220)</u>
	\$	<u><b>743,128</b></u>	\$	<u><b>456,624</b></u>

Investment income – City of Salmon Arm Trust Fund:

Interest	\$	<u>105</u>	\$	<u>133</u>
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Investment income – District of Sicamous Trust Fund:

Interest	\$	<u>43</u>	\$	<u>29</u>
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**7. COMMITMENT**

The Foundation has entered into a premises lease with monthly payments of \$840 ending June 30, 2022.

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**8. STATEMENT 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  
JUNE 30, 2017  
(Unaudited)

	2017	2016
Advertising and annual report - annual report	\$ 1,202	\$ 2,337
- advertising	7,720	9,183
Employee wages	50,422	50,775
Insurance	2,361	2,336
Memberships	3,421	3,030
Office rent	9,993	9,935
Office supplies	6,608	5,770
Professional fees	3,925	3,850
Promotion and meetings	1,569	4,146
Seminar and conference costs	2,710	512
Telephone	1,289	1,237
	<u>\$ 91,220</u>	<u>\$ 93,111</u>