

SHUSWAP COMMUNITY FOUNDATION

Financial Statements

(Unaudited)

June 30, 2021

SHUSWAP COMMUNITY FOUNDATION

June 30, 2021

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Allen Finch*
CPA, CGA, ASSOCIATE
allen@acuitycpa.ca

Eric Penner*
CPA, PARTNER
eric@acuitycpa.ca

Harlan Anderson*
CPA, CA, PARTNER
harlan@acuitycpa.ca

*OF NOTE: PROFESSIONAL CORPORATION

Review Engagement Report

We have reviewed the financial statements of Shuswap Community Foundation that comprise the balance sheet as at June 30, 2021, the statement of operations and fund balances, and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with Canadian Accounting Standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and applying analytical procedures.

The procedures performed in a review are substantially less in extent and vary in nature from those performed in an audit. Accordingly, we do not express an audit opinion on these financial statements.

Basis for qualified conclusion

In common with many not-for-profit 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 the 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.

Review Engagement Report

Qualified conclusion

Based on our review, except for the effects of the matter described in the Basis for qualified opinion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Shuswap Community Foundation as at June 30, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

Acuity Advisors LLP

Chartered Professional Accountants

Salmon Arm, BC
October 5, 2021

SHUSWAP COMMUNITY FOUNDATION

Balance Sheet

(Unaudited)

As at June 30, 2021

	2021	2020
Assets		
Current		
Cash	\$ 212,816	\$ 136,176
Accounts receivable	1,372	1,987
	214,188	138,163
Long-term investments (Note 2)	12,285,620	10,625,516
	\$ 12,499,808	\$ 10,763,679
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 136,806	\$ 102,770
Due to government agencies	4,192	2,328
Funds held in trust on behalf of third parties (Note 3)	26,223	12,916
Bonus payable	1,500	-
Deferred income	-	6,375
	\$ 168,721	\$ 124,389
Fund Balances		
Endowment Funds (Note 4)	12,280,588	10,602,717
Unrestricted net assets	50,499	36,573
	\$ 12,499,808	\$ 10,763,679

On behalf of the board:


John White (Oct 13, 2021 08:23 PDT)

The accompanying notes are an integral part of these financial statements

SHUSWAP COMMUNITY FOUNDATION

Statement of Operations and Fund Balances

(Unaudited)

For the year ended June 30, 2021

	Endowment Fund		Administration Fund		City of Salmon Arm Trust Fund		District of Sicamous Trust Fund		Total
	2021	2020	2021	2020	2021	2020	2021	2020	
Revenue									
Investment income (Note 5)	\$ 1,467,434	\$ 663,086	\$ -	\$ -	\$ 127	\$ 204	\$ 67	\$ 281	\$ 1,467,628
Donations	830,681	520,607	15,331	7,337	59,350	62,500	40,000	25,000	945,362
CFC Grant	-	-	5,359	5,914	-	-	-	-	5,359
Administration fee - capital	-	-	135,321	147,821	-	-	-	-	135,321
Administration fee - other	-	-	39,770	9,601	-	-	-	-	39,770
	2,298,115	1,183,693	195,781	170,673	59,477	62,704	40,067	25,281	2,593,440
Expenses									
Administration (Schedule 1)	-	-	180,317	154,234	-	-	-	-	180,317
Administration fee	135,321	142,446	-	-	-	2,875	-	2,500	135,321
Administration fee: Memorial walkways	3,500	4,500	1,538	2,306	-	-	-	-	5,038
Investment management fees	51,906	48,958	-	-	-	-	-	-	51,906
Bank fees	-	-	-	-	-	291	-	-	-
	190,727	195,904	181,855	156,540	-	3,166	-	2,500	372,582
Excess (deficiency) of revenue over operating expenditures	2,107,388	987,789	13,926	14,133	59,477	59,538	40,067	22,781	2,220,858
Grants	429,517	311,774	-	-	46,928	55,625	39,309	31,551	515,754
Excess (deficiency) of revenue over expenses	1,677,871	676,015	13,926	14,133	12,549	3,913	758	(8,770)	1,705,104
Fund balances, beginning of year	10,602,717	9,926,702	36,573	22,440	4,663	750	8,252	17,022	10,652,205
Fund balances, end of year	\$ 12,280,588	\$ 10,602,717	\$ 50,499	\$ 36,573	\$ 17,212	\$ 4,663	\$ 9,010	\$ 8,252	\$ 12,357,309
									\$ 10,652,205

The accompanying notes are an integral part of these financial statements

SHUSWAP COMMUNITY FOUNDATION

Statement of Cash Flows

(Unaudited)

For the year ended June 30, 2021

	2021	2020
Operating		
Excess of revenues over expenditures	\$ 1,705,104	\$ 685,291
City of Salmon Arm - (excess) deficiency of revenues over expenditures	(12,549)	(3,913)
District of Sicamous - deficiency (excess) of revenues over expenditures	(758)	8,770
	1,691,797	690,148
Changes in non-cash working capital		
Accounts receivable	615	1,481
Accounts payable and accruals	34,036	34,874
Due to government agencies	1,864	820
Funds held in trust on behalf of third parties	13,307	(4,857)
Bonus payable	1,500	-
Deferred revenue	(6,375)	6,375
	1,736,744	728,841
Investing		
Increase in investments	(1,660,104)	(758,151)
(Decrease) increase in cash during the year	76,640	(29,310)
Cash, beginning of year	136,176	165,486
Cash, end of year	\$ 212,816	\$ 136,176

The accompanying notes are an integral part of these financial statements

SHUSWAP COMMUNITY FOUNDATION

Notes to Financial Statements

(Unaudited)

June 30, 2021

1. Summary of significant accounting policies

Nature of operations

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

Basis of presentation

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

Cash and cash equivalents

Cash and cash equivalents is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

Capital assets

The Foundation capitalizes expenditures of property, plant and equipment 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 useful life of each asset. As of the reporting date, there have been no such expenditures.

SHUSWAP COMMUNITY FOUNDATION

Notes to Financial Statements

(Unaudited)

June 30, 2021

1. Summary of significant accounting policies (continued)

Investments

All investments of the Foundation are held for resale, and are recorded at fair value. Investment income included dividends, interest, realized gains (losses) and the net change in unrealized gains (losses) for the year.

Investment income is allocated as follows:

- i. Endowment fund:
 - Income equal to the amount required to meet current 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 to fund the administration fee at a rate set by the Board based on the book value of the Endowment Fund.
 - Any surplus is held to meet future granting requirements.
- 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.

SHUSWAP COMMUNITY FOUNDATION

Notes to Financial Statements

(Unaudited)

June 30, 2021

1. Summary of significant accounting policies (continued)

Revenue recognition

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.

All amounts 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.

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 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 funding on behalf of the City of Salmon Arm.
- iv. District of Sicamous Trust Fund: The District of Sicamous Trust Fund reports resources and grant funding on behalf of the District of Sicamous

Donated 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.

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.

SHUSWAP COMMUNITY FOUNDATION

Notes to Financial Statements

(Unaudited)

June 30, 2021

1. Summary of significant accounting policies (continued)

Financial instruments risk

Market Risk

The Foundation's investments are held in mutual funds which are subject to market fluctuations. The market volatility could have a material impact on the foundation. To mitigate this risk the foundation invests all funds in a diversified mutual fund portfolio and reviews its performance regularly.

There are no other material financial instrument risks as the other amounts generated from the financial instruments are not material to the foundation.

Measurement uncertainty

The preparation of financial statements in conformity with the 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.

2. Investments

	<u>2021</u>	<u>2020</u>
Life insurance policies	\$ 50,206	\$ 51,322
Mutual fund investments	<u>12,235,414</u>	<u>10,574,194</u>
	<u>\$12,285,620</u>	<u>\$10,625,516</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.

3. Funds held in trust on behalf of third parties

The funds held on behalf of third parties consists of the following amounts available for distribution:

	<u>2021</u>	<u>2020</u>
City of Salmon Arm	\$ 17,212	\$ 4,663
District of Sicamous	<u>9,011</u>	<u>8,253</u>
	<u>\$ 26,223</u>	<u>\$ 12,916</u>

SHUSWAP COMMUNITY FOUNDATION

Notes to Financial Statements

(Unaudited)

June 30, 2021

4. Endowment funds

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

	<u>2021</u>	<u>2020</u>
Discretionary	\$ 5,210,052	\$ 4,312,344
Non-discretionary	7,020,330	6,239,051
Cash surrender value of life insurance	50,206	51,322
	<u>\$12,280,588</u>	<u>\$10,602,717</u>

5. Investment income

Investment income - Endowment Fund:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 198,336	\$ 231,919
Realized gains	176,254	100,603
Unrealized gains - investments	1,093,960	330,381
Increase (decrease) in surrender value of life insurance policies	(1,116)	183
	<u>\$ 1,467,434</u>	<u>\$ 663,086</u>

Investment income - City of Salmon Arm Trust Fund:

	<u>2021</u>	<u>2020</u>
Interest	\$ 127	\$ 204

Investment income - District of Sicamous Trust Fund:

	<u>2021</u>	<u>2020</u>
Interest	\$ 67	\$ 281

6. Lease commitment

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

SHUSWAP COMMUNITY FOUNDATION

Schedule to the Financial Statements

(Unaudited - See Notice to Reader)

June 30, 2021

Schedule of administrative expenditures

Schedule 1

	<u>2021</u>	<u>2020</u>
Advertising and promotion	\$ 16,240	\$ 15,793
Annual report costs	-	1,156
Donations	10,000	-
Employee wages	94,834	91,670
Insurance	2,592	2,436
Memberships	3,395	3,822
Office	27,465	9,347
Office rent	12,502	13,425
Professional fees	7,597	10,878
Promotions and meetings	76	-
Seminar and conference costs	400	348
Telephone	3,935	2,289
Website	1,281	3,070
	<u>\$ 180,317</u>	<u>\$ 154,234</u>
