

SHUSWAP COMMUNITY FOUNDATION
FINANCIAL STATEMENTS
JUNE 30, 2016
(Unaudited)

SHUSWAP COMMUNITY FOUNDATION
INDEX TO FINANCIAL STATEMENTS

JUNE 30, 2016

(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, 2016 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.

DREW LEE-HAI

Salmon Arm, BC
August 30, 2016

CHARTERED PROFESSIONAL ACCOUNTANTS

SHUSWAP COMMUNITY FOUNDATION
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2016

(Unaudited)

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 118,671	\$ 113,889
Accounts receivable	889	871
Prepaid expenses	<u>788</u>	<u>808</u>
	120,348	115,568
INVESTMENTS (Note 3)	<u>8,074,835</u>	<u>7,691,630</u>
	<u><u>\$ 8,195,183</u></u>	<u><u>\$ 7,807,198</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 14,782	\$ 15,785
Unearned revenue	5,500	14,350
Funds held on behalf of third parties (Note 4)	<u>1,944</u>	<u>2,163</u>
	<u>22,226</u>	<u>32,298</u>
FUND BALANCES		
Endowment funds (Note 5)	8,136,028	7,741,996
Unrestricted net assets	<u>36,929</u>	<u>32,904</u>
	<u>8,172,957</u>	<u>7,774,900</u>
	<u><u>\$ 8,195,183</u></u>	<u><u>\$ 7,807,198</u></u>

APPROVED ON BEHALF OF THE BOARD

Directors

See notes to financial statements

DREW LEE-HAI

CHARTERED PROFESSIONAL ACCOUNTANTS • BUSINESS ADVISORS

SHUSWAP COMMUNITY FOUNDATION
STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN FUND BALANCES
JUNE 30, 2016
(Unaudited)

	Endowment Fund		Administration Fund		City of Salmon Arm Trust Fund		District of Sicamous Trust Fund		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue:										
Investment income (Note 6)	\$ 456,624	\$ 856,734	\$ -	\$ -	\$ 133	\$ 122	\$ 29	\$ -	\$ 456,786	\$ 856,856
Administration fee - capital	-	-	71,869	63,334	-	-	-	-	71,869	63,334
Administration fee - other	-	-	13,945	12,562	-	-	-	-	13,945	12,562
Donations	368,568	298,740	14,950	36,950	57,500	57,500	40,000	-	481,018	393,190
	825,192	1,155,474	100,764	112,846	57,633	57,622	40,029	-	1,023,618	1,325,942
Operational Expenses:										
Administration (Schedule 1)	-	-	93,111	85,626	-	-	-	-	93,111	85,626
Administration fee	71,869	63,334	-	-	-	-	-	-	71,869	63,334
Administration fee: Memorial walkways	-	-	3,628	5,751	-	-	-	-	3,628	5,751
Vital signs	-	-	-	12,335	-	-	-	-	-	12,335
Investment management fees	37,491	36,227	-	-	-	-	-	-	37,491	36,227
	109,360	99,561	96,739	103,712	-	-	-	-	206,099	203,273
Excess (deficiency) of revenue over operational expenses	715,832	1,055,913	4,025	9,134	57,633	57,622	40,029	-	817,519	1,122,669
Life insurance costs	3,100	2,500	-	-	-	-	-	-	3,100	2,500
Grants	318,700	252,187	-	-	58,881	58,833	39,000	-	416,581	311,020
	321,800	254,687	-	-	58,881	58,833	39,000	-	419,681	313,520
Excess (deficiency) of revenue over expenses for the year	394,032	801,226	4,025	9,134	(1,248)	(1,211)	1,029	-	397,838	809,149
Fund balances beginning of year	7,741,996	6,940,770	32,904	23,770	2,163	3,374	-	-	7,777,063	6,967,914
Fund balances end of year	\$ 8,136,028	\$ 7,741,996	\$ 36,929	\$ 32,904	\$ 915	\$ 2,163	\$ 1,029	\$ -	\$ 8,174,901	\$ 7,777,063

See notes to financial statements

SHUSWAP COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(Unaudited)

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

2. SIGNIFICANT ACCOUNTING POLICIES

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:

a) 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****JUNE 30, 2016****(Unaudited)**

3. 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.

iv) District of Sicamous Trust Fund:

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

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.

SHUSWAP COMMUNITY FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016****(Unaudited)**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

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.

SHUSWAP COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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	2016	2015
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Investments consist of the following:

Life insurance policies	\$ 54,922	\$ 56,142
Mutual fund investments	<u>8,019,913</u>	<u>7,635,488</u>
 Total investments	 <u>\$ 8,074,835</u>	 <u>\$ 7,691,630</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, 2016

(Unaudited)

4. FUNDS HELD ON BEHALF OF THIRD PARTIES	2016	2015
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The Funds Held on Behalf of Third Parties consists of the following amounts available for distribution:

City of Salmon Arm	\$ 915	\$ 2,163
District of Sicamous	<u>1,029</u>	<u>-</u>
	<u>\$ 1,944</u>	<u>\$ 2,163</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.

5. ENDOWMENT FUNDS	2016	2015
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The Endowment Fund consists of the following amounts available for distribution:

Discretionary	\$ 3,157,675	\$ 2,778,005
Non-discretionary	4,913,710	4,567,180
Cash surrender value of life insurance	54,922	56,142
Grant funds to be transferred	<u>9,721</u>	<u>340,669</u>
	<u>\$ 8,136,028</u>	<u>\$ 7,741,996</u>

SHUSWAP COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(Unaudited)

6. INVESTMENT INCOME	2016	2015
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Investment income – Endowment Fund:

Interest and dividends	\$ 271,327	\$ 144,192
Realized gains	58,037	55,254
Unrealized gains - investments	128,480	655,766
Life Insurance	<u>(1,220)</u>	<u>1,522</u>
	<u>\$ 456,624</u>	<u>\$ 856,734</u>

Investment income – City of Salmon Arm Trust Fund:

Interest	<u>\$ 133</u>	<u>\$ 122</u>
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Investment income – District of Sicamous Trust Fund:

Interest	<u>\$ 29</u>	<u>\$ -</u>
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7. COMMITMENT

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

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

YEAR ENDED JUNE 30, 2016

(Unaudited)

	2016	2015
Advertising and annual report - annual report	\$ 2,337	\$ 3,587
- advertising	9,183	1,673
- marketing	-	1,410
Employee wages	50,775	43,849
Insurance	2,336	2,624
Memberships	3,030	1,829
Office rent	9,935	9,910
Office supplies	5,770	6,812
Professional fees	3,850	3,875
Promotion and meetings	4,146	-
Seminar and conference costs	512	9,054
Telephone	1,237	1,003
	<u>\$ 93,111</u>	<u>\$ 85,626</u>