

**SHUSWAP COMMUNITY FOUNDATION**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2014**  
**(Unaudited)**

**SHUSWAP COMMUNITY FOUNDATION**  
**INDEX TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**  
**(Unaudited)**

	<u>Page</u>
Review Engagement Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Revenue and Expenses and Changes in Fund Balances	3
Notes to Financial Statements	4 – 9
Administrative Expenses (Schedule 1)	10

**REVIEW ENGAGEMENT REPORT**

To the Directors:

We have reviewed the statement of financial position of **SHUSWAP COMMUNITY FOUNDATION** as at June 30, 2014 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  
September 12, 2014

*DREW LEE-HAI & ASSOCIATES*  
**CHARTERED ACCOUNTANTS**

**SHUSWAP COMMUNITY FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2014**  
**(Unaudited)**

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 122,073	\$ 91,931
Accounts receivable	1,851	3,283
Prepaid expenses	<u>944</u>	<u>1,500</u>
	124,868	96,714
<b>INVESTMENTS (Note 4)</b>	<u>6,891,881</u>	<u>5,663,638</u>
	<u>\$ 7,016,749</u>	<u>\$ 5,760,352</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 13,885	\$ 15,294
Unearned revenue	34,950	16,650
Funds held on behalf of third parties (Note 5)	<u>3,374</u>	<u>2,598</u>
	<u>52,209</u>	<u>34,542</u>
<b>FUND BALANCES</b>		
Endowment funds (Note 6)	6,940,770	5,701,132
Unrestricted net assets	<u>23,770</u>	<u>24,678</u>
	<u>6,964,540</u>	<u>5,725,810</u>
	<u>\$ 7,016,749</u>	<u>\$ 5,760,352</u>

**APPROVED ON BEHALF OF THE BOARD**

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 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, 2014**  
**(Unaudited)**

	Endowment Fund		Administration Fund		City of Salmon Arm Trust Fund		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Revenue:								
Investment Income (Note 6)	\$ 1,174,184	\$ 755,562	\$ -	\$ -	\$ 176	\$ 120	\$ 1,174,360	\$ 755,682
Administration fee - capital	-	-	56,410	45,180	-	-	56,410	45,180
Administration fee - other	-	-	11,695	8,745	-	-	11,695	8,745
Less: Vital signs allocation	-	-	-	-5,000	-	-	-	-5,000
Donations	342,831	300,990	21,150	16,800	53,000	52,500	416,981	370,290
	<u>1,517,015</u>	<u>1,056,552</u>	<u>89,255</u>	<u>65,725</u>	<u>53,176</u>	<u>52,620</u>	<u>1,659,446</u>	<u>1,174,897</u>
Operational Expenses:								
Administration (Schedule 1)	-	-	73,822	74,225	-	-	73,822	74,225
Administration fee	56,410	45,180	-	-	-	-	56,410	45,180
Administration fee: Memorial walkways	-	4,000	3,750	-	-	-	3,750	6,052
Vital signs expenses	-	-	12,591	2,052	-	-	12,591	-
Investment management fees	33,767	33,657	-	-	-	-	33,767	33,657
	<u>90,177</u>	<u>82,837</u>	<u>90,163</u>	<u>76,277</u>	<u>-</u>	<u>-</u>	<u>180,340</u>	<u>159,114</u>
Excess (Deficiency) of revenue over operational expenses	1,426,838	973,715	-908	-10,552	53,176	52,620	1,479,106	1,015,783
Life Insurance costs	2,500	2,500	-	-	-	-	2,500	2,500
Grants	184,700	155,004	-	-	52,400	52,383	237,100	207,387
	<u>187,200</u>	<u>157,504</u>	<u>-</u>	<u>-</u>	<u>52,400</u>	<u>52,383</u>	<u>239,600</u>	<u>209,887</u>
Excess (Deficiency) of revenue over expenses for the year	1,239,638	816,211	-908	-10,552	776	237	1,239,506	805,896
Fund balances beginning of year	5,701,132	4,884,921	24,678	35,230	2,598	2,361	5,728,408	4,922,512
Fund balances end of year	<u>\$ 6,940,770</u>	<u>\$ 5,701,132</u>	<u>\$ 23,770</u>	<u>\$ 24,678</u>	<u>\$ 3,374</u>	<u>\$ 2,598</u>	<u>\$ 6,967,914</u>	<u>\$ 5,728,408</u>

See notes to financial statements

**SHUSWAP COMMUNITY FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**(Unaudited)**

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**1. COMPARATIVE FIGURES**

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Some of the comparative figures have been reclassified to conform to the current year's presentation.

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**2. 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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**3. 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:

**SHUSWAP COMMUNITY FOUNDATION****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2014****(Unaudited)****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****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.

**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.

**SHUSWAP COMMUNITY FOUNDATION****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2014****(Unaudited)**

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

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## 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.

## 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, 2014

(Unaudited)

## 3. 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.

4. INVESTMENTS	2014	2013
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Investments consist of the following:

Life insurance policies	\$ 54,620	\$ 49,373
Mutual fund investments	<u>6,837,261</u>	<u>5,614,265</u>
 Total investments	 <u>\$ 6,891,881</u>	 <u>\$ 5,663,638</u>

## SHUSWAP COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(Unaudited)

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**4. INVESTMENTS (CONT'D)**


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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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**5. FUNDS HELD ON BEHALF OF THIRD PARTIES**


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The Foundation administers the City of Salmon Arm annual grants-in-aid and accordingly holds funds on behalf on the City of Salmon Arm.

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**6. ENDOWMENT FUNDS**

	2014	2013
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The Endowment Fund consists of the following amounts available for distribution:

Discretionary	\$ 4,051,405	\$ 2,123,760
Non-discretionary	2,553,050	3,527,994
Cash surrender value of life insurance	54,620	49,373
Grant funds to be transferred	<u>281,695</u>	<u>5</u>
	<u>\$ 6,940,770</u>	<u>\$ 5,701,132</u>

## SHUSWAP COMMUNITY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(Unaudited)

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7. INVESTMENT INCOME	2014	2013
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## Investment income – Endowment Fund:

Interest and dividends	\$ 130,552	\$ 111,630
Realized gains	27,837	7,875
Unrealized gains - investments	1,010,549	633,513
Life Insurance	5,246	2,544
	\$ 1,174,184	\$ 755,562

## Investment income – City of Salmon Arm Trust Fund:

Interest	\$ 176	\$ 120
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## 8. COMMITMENT

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

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## 9. 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, 2014

(Unaudited)

	2014	2013
Advertising and annual report - annual report	\$ 4,246	\$ 2,962
- advertising	853	366
- marketing	2,295	-
Employee wages	34,310	39,447
Insurance	2,586	2,140
Memberships	1,686	1,395
Office rent	9,973	9,635
Office supplies	6,474	7,570
Professional fees	3,790	6,301
Promotion and meetings	1,771	666
Seminar and conference costs	4,654	2,036
Telephone	433	576
Web site and Internet	751	1,161
	<u>\$ 73,822</u>	<u>\$ 74,225</u>