

SHUSWAP COMMUNITY FOUNDATION

Financial Statements

(Unaudited)

June 30, 2025

SHUSWAP COMMUNITY FOUNDATION

June 30, 2025

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Independent Practitioner's Review Engagement Report

To: The Board of Directors

We have reviewed the financial statements of Shuswap Community Foundation that comprise the balance sheet as at June 30, 2025, 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, 2025, 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.

Other matter

Comparative figures may have been restated for presentation purposes.

Acuity Advisors LLP

Chartered Professional Accountants

Salmon Arm, BC

10/8/2025

SHUSWAP COMMUNITY FOUNDATION


Statement of Financial Position

(Unaudited)

As at June 30, 2025

	2025	2024
Assets		
Current		
Cash	\$ 921,267	\$ 1,125,517
Restricted cash	17,125	22,617
Accounts receivable	1,383	1,064
Term deposits (Note 2)	154,341	-
Prepaid expenses	312	-
	1,094,428	1,149,198
Long-term investments (Note 3)	19,201,833	16,268,655
	\$ 20,296,261	\$ 17,417,853
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 29,049	\$ 13,021
Funds held in trust on behalf of third parties (Note 4)	14,416	22,409
	\$ 43,465	\$ 35,430
Fund Balances		
Endowment Funds (Note 5)	19,962,168	17,170,246
Unrestricted net assets	290,628	212,177
	\$ 20,296,261	\$ 17,417,853

On behalf of the board:

DocuSigned by:

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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, 2025

	Endowment Fund		Administration Fund		City of Salmon Arm Trust Fund		District of Sicamous Trust Fund		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenue										
Investment income (Note 6)	\$ 2,289,342	\$ 1,600,791	\$ -	\$ -	\$ 420	\$ 488	\$ 367	\$ 319	\$ 2,290,129	\$ 1,601,598
Donations	2,410,793	2,402,201	6,359	5,722	58,320	57,500	44,000	40,000	2,519,472	2,505,423
Admin endowment	-	-	6,596	6,352	-	-	-	-	6,596	6,352
Administration fee - capital (Note 7)	(298,894)	(260,277)	304,269	265,652	-	-	-	-	5,375	5,375
Administration fee - other (Note 7)	-	-	38,127	70,544	-	-	-	-	38,127	70,544
	4,401,241	3,742,715	355,351	348,270	58,740	57,988	44,367	40,319	4,859,699	4,189,292
Expenses										
Administration (Schedule 1)	-	-	258,054	247,572	-	-	-	-	258,054	247,572
Administration fee	-	-	-	-	2,875	2,875	2,500	2,500	5,375	5,375
Administration fee: Memorial walkways	-	-	18,846	8,528	-	-	-	-	18,846	8,528
Investment management fees	67,357	59,729	-	-	-	-	-	-	67,357	59,729
	67,357	59,729	276,900	256,100	2,875	2,875	2,500	2,500	349,632	321,204
Excess of revenue over operating expenditures	4,333,884	3,682,986	78,451	92,170	55,865	55,113	41,867	37,819	4,510,067	3,868,088
Grants	1,541,962	1,496,358	-	-	52,950	48,050	52,775	27,783	1,647,687	1,572,191
Excess (deficiency) of revenue over expenses	2,791,922	2,186,628	78,451	92,170	2,915	7,063	(10,908)	10,036	2,862,380	2,295,897
Fund balances, beginning of year	17,170,246	14,983,618	212,177	120,007	10,417	3,354	11,992	1,956	17,404,832	15,108,935
Fund balances, end of year	\$ 19,962,168	\$ 17,170,246	\$ 290,628	\$ 212,177	\$ 13,332	\$ 10,417	\$ 1,084	\$ 11,992	\$ 20,267,212	\$ 17,404,832

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, 2025

	2025	2024
Operating		
Excess of revenues over expenditures	\$ 2,862,380	\$ 2,295,897
City of Salmon Arm - excess of revenues over expenditures	(2,915)	(7,063)
District of Sicamous - excess of revenues over expenditures	10,908	(10,036)
	2,870,373	2,278,798
Changes in non-cash working capital		
Accounts receivable	(319)	431
Restricted cash	5,492	-
Prepaid expenses	(312)	-
Accounts payable and accruals	16,028	(8,896)
Funds held in trust on behalf of third parties	(7,993)	17,098
	2,883,269	2,287,431
Investing		
Increase in investments	(2,933,178)	(1,639,099)
Interest accrued on term deposits	(4,341)	-
Purchase of term deposits	(150,000)	-
	(3,087,519)	(1,639,099)
(Decrease) increase in cash during the year	(204,250)	648,332
Cash, beginning of year	1,125,517	477,185
Cash, end of year	\$ 921,267	\$ 1,125,517

The accompanying notes are an integral part of these financial statements

SHUSWAP COMMUNITY FOUNDATION

Notes to Financial Statements

(Unaudited)

June 30, 2025

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, 2025

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, 2025

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, 2025

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 balanced mutual fund portfolio consisting of seven different funds. Each fund has at minimum fifty different holdings. The Foundation 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. Current estimates include liability accruals.

2. Term deposits

	<u>2025</u>	<u>2024</u>
Term #1 earns interest at 4.1%	\$ 75,000	\$ -
Term #2 earns interest at 3.5%	75,000	-
Accrued interest	4,341	-
	<u>\$ 154,341</u>	<u>\$ -</u>

Term deposits are held with Salmon Arm Savings and Credit Union. Term #1 is non-redeemable and matures March 2026. Term #2 is redeemable and matures September 2025.

3. Long-term investments

	<u>2025</u>	<u>2024</u>
Life insurance policies	\$ 46,290	\$ 46,066
Mutual fund investments	19,135,543	16,222,589
Propolis Co-op Bond	20,000	-
	<u>\$19,201,833</u>	<u>\$16,268,655</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

(Unaudited)

June 30, 2025

4. Funds held in trust on behalf of third parties

The funds held on behalf of third parties have no assets or liabilities and consist of the following amounts available for distribution:

	<u>2025</u>	<u>2024</u>
City of Salmon Arm	\$ 13,332	\$ 10,417
District of Sicamous	<u>1,084</u>	<u>11,992</u>
	<u>\$ 14,416</u>	<u>\$ 22,409</u>

The City of Salmon Arm funds are to be used to support voluntary non-profit organizations each year by allocating a contribution to the Foundation for distribution as cash grants within the community.

The District of Sicamous funds are to be used to support not-for-profit organizations within the community that have goals in common with the District of Sicamous Council. The Foundation administers these funds on behalf of the District of Sicamous.

5. Endowment funds

Discretionary endowment funds are controlled directly by the Foundation and distributed based on board discretion, donor preference, and donor limitations. Non-discretionary endowment funds are donor directed and managed by the Foundation to ensure the grants align with the Foundation's charitable goals while honouring the donor's wishes. The Endowment Fund consists of the following amounts, of which \$14,451,596 must be held indefinitely:

	<u>2025</u>	<u>2024</u>
Discretionary	\$ 8,120,379	\$ 6,771,048
Non-discretionary	<u>11,795,499</u>	<u>10,353,132</u>
Cash surrender value of life insurance	<u>46,290</u>	<u>46,066</u>
	<u>\$19,962,168</u>	<u>\$17,170,246</u>

SHUSWAP COMMUNITY FOUNDATION

Notes to Financial Statements

(Unaudited)

June 30, 2025

6. Investment income

Investment income - Endowment Fund:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 582,865	\$ 700,059
Realized gains	65,406	155,033
Unrealized gains - investments	1,643,948	747,675
(Decrease) increase in surrender value of life insurance policies	<u>(2,877)</u>	<u>(1,976)</u>
	<u>\$ 2,289,342</u>	<u>\$ 1,600,791</u>

Investment income - City of Salmon Arm Trust Fund:

	<u>2025</u>	<u>2024</u>
Interest	<u>\$ 420</u>	<u>\$ 488</u>

Investment income - District of Sicamous Trust Fund:

	<u>2025</u>	<u>2024</u>
Interest	<u>\$ 367</u>	<u>\$ 319</u>

7. Administrative fees

Administrative fees are incurred for the various funds administered by the Foundation and paid to the administrative fund on a monthly basis. Administrative fees for capital relate to the endowment fund investments as well as the City of Salmon Arm and District of Sicamous trust funds. Other administrative fees relate to community projects, including the Memorial Walkway and Rail Trail projects.

Capital administrative fees are determined by the board of directors and recorded as a decrease in revenues of the endowment fund and an increase in revenue of the administration fund. Other administrative fees are based on contracted amounts with third-parties to administer these funds.

8. Lease commitment

The Foundation has entered into a premises lease agreement with monthly payments of \$964 ending June 30, 2027. Annual minimum lease payments due within the next two years are as follows:

Year ending June 30, 2026	\$ 11,562
June 30, 2027	11,562

SHUSWAP COMMUNITY FOUNDATION

Notes to Financial Statements

(Unaudited)

June 30, 2025

9. Salaries, Honoraria and Benefits

The Society Act of British Columbia requires certain information to be reported with regards to remuneration to employees, contractors and directors. Included in salaries and benefits is one employee with remuneration over \$75,000.

No honoraria were paid to members of the Board of Directors for the 2025 year-end.

SHUSWAP COMMUNITY FOUNDATION

Schedule to the Financial Statements

(Unaudited)

June 30, 2025

Schedule of administrative expenditures

Schedule 1

	<u>2025</u>	<u>2024</u>
Advertising and promotion	\$ 18,537	\$ 32,802
Annual report costs	5,357	1,269
Employee wages	144,191	130,698
Insurance	2,611	2,722
Memberships	25,928	21,567
Mileage	1,003	2,898
Office	13,081	9,777
Office rent	15,156	14,564
Professional development	3,050	3,000
Professional fees	8,922	5,871
Seminar and conference costs	12,399	13,956
Telephone	1,991	2,416
Website	5,828	6,032
	<u>\$ 258,054</u>	<u>247,572</u>
