



2006 Committee Reports

Treasurer's Report

An unaudited summary of the Shuswap Community Foundation's financial position at June 30, 2006 appears below. Audited statements will be approved by the Board October 19 and will be posted to our website. www.shuswapfoundation.ca > Publications.

Your Foundation's Directors continue to be frugal with operating costs. Most, if not all, administrative costs are met by earnings on the

Administration Endowment Fund, a \$5,000 grant from the Vancouver Foundation, a fee for service from the City of Salmon Arm for administering its annual Grants-in-Aid, and the support of our most generous Corporate Sponsors. This allows us to direct all the income earned on our investments to grants to our communities.



Ralph Segreto, Treasurer

Ralph Segreto

STATEMENT OF FINANCIAL POSITION JUNE 30, 2006 (Unaudited - Prepared by Management)		
	2006	2005
ASSETS		
Current Assets		
Cash and bank - restricted	\$ 25,880	\$ 122,040
Cash and bank - unrestricted	7,895	5,280
Accrued interest receivable	12,528	12,528
	46,303	139,848
Long-Term Investments	1,627,843	1,248,901
	1,674,146	1,388,749
LIABILITIES AND NET ASSETS		
Liabilities		
Funds held in trust	6,654	2,327
Net Assets		
Net assets restricted for endowment purposes	1,659,597	1,380,872
Unrestricted net assets	7,895	5,550
	\$1,674,146	\$1,388,749

Investment Committee News

Capital Gains Tax Eliminated

There was exciting news for the Shuswap Community Foundation in the 2005 federal budget. Canadians who donate publicly traded stocks, bonds or other securities to the Foundation will now pay no capital gains tax on those securities. This is fantastic news for donors who want to make a difference in their community and are looking for ways to reduce their tax bill at the same time.

With the elimination of capital gains tax on donated securities, the Foundation anticipates that more donors will consider this option when making charitable gifts.

Investment Committee Report



Cindy Derkaz

Cindy Derkaz (past president of the Shuswap Foundation) chairs the investment committee with members Ralph Segreto, Sheri Reynard, Clyde Tucker (ex officio), Margaret Chrumka, and volunteers Jim Scales and John Beevor-Potts. The committee receives valuable investment advice from Bob Papworth, Account Executive, ScotiaMcLeod.

The committee continues to invest conservatively in high quality, stable investments to meet its objective of providing a minimum of 5% per annum for distribution. The low interest rate environment and historically "flat" yield curve have been a challenge for the committee this year. However, the Foundation has benefited from the higher yields provided by income trusts that were acquired in 2005.

At the year-end (June 30, 2006), equities (including income trusts) formed 12.5% of the Foundation's investment portfolio. In the coming year, we will be increasing the equity component of the portfolio to bring it closer to the 25% maximum set by the Foundation's policy¹. The focus will be on quality "blue chip" common stocks in the financial and utilities sectors.

Thanks to the generosity of our donors, the Foundation's portfolio continues to grow. For our part, each member of the committee is committed to providing sound ethical financial management of the permanent capital fund in order that our community will benefit from a steady distribution of the income in perpetuity.

We welcome your questions and comments: info@shuswapfoundation.ca or phone Cindy Derkaz at 250 832-8652

Cindy Derkaz, Chair, Investment Committee

STATEMENT OF OPERATIONS YEAR ENDED JUNE 30, 2006 (Unaudited - Prepared by Management)		
	2006	2005
Revenues		
Administration fees	\$ 2,250	\$ 2,250
Other revenue - unrestricted	17,630	14,850
Investment income	80,056	48,676
	99,936	65,776
Expense		
Annual Report	3,847	3,778
Advertising	777	500
Computer and Internet	2,757	2,297
Seminar Costs	630	725
Memberships	850	250
Office	1,142	729
Promotion and meetings	2,202	1,351
Distribution from discretionary funds	26,401	23,575
Distribution from non-discretionary funds	24,963	24,521
	63,569	57,726
Excess of Revenues over Expense (Expense over Revenues)	\$ 36,367	\$ 8,050

(Footnotes) ¹ The Foundation's investment policy can be viewed at www.shuswapfoundation.ca under "Publications."