

SHUSWAP COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2009

(Unaudited)

SHUSWAP COMMUNITY FOUNDATION
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JUNE 30, 2009
(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, 2009 and the statements of changes in net assets, revenue and expenses and changes in fund balances operations for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, 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.

Based on our review, 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 generally accepted accounting principles.

Salmon Arm, BC
August 31, 2009

Jorgensen Drew Lee-Hai
CHARTERED ACCOUNTANTS

SHUSWAP COMMUNITY FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009
(Unaudited)

	2009	2008 (note 8)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 322,394	\$ 380,696
Accounts receivable	<u>24,525</u>	<u>24,096</u>
	346,919	407,792
INVESTMENTS (note 3)	<u>3,286,633</u>	<u>2,819,382</u>
	<u>\$ 3,633,552</u>	<u>\$ 3,224,174</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Grants and accounts payable	\$ 2,228	\$ 1,774
Unearned revenue	10,400	6,400
Funds held on behalf of third parties (note 4)	<u>5,954</u>	<u>4,944</u>
	<u>18,582</u>	<u>13,118</u>
FUND BALANCES		
Endowment funds (note 5)	3,606,298	3,203,268
Unrestricted assets	<u>8,672</u>	<u>7,788</u>
	<u>3,614,970</u>	<u>3,211,056</u>
	<u>\$ 3,633,552</u>	<u>\$ 3,224,174</u>

APPROVED ON BEHALF OF THE BOARD



Directors

SHUSWAP COMMUNITY FOUNDATION

STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN FUND BALANCES

JUNE 30, 2009
(Unaudited)

	Endowment Fund		Administration Fund		City of Salmon Arm Trust Fund		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Revenue:								
Investment Income (note 6)	\$ 77,014	\$ 60,785	\$ -	\$ -	\$ 123	\$ 290	\$ 77,137	\$ 61,075
Donations	441,825	1,377,196	18,886	16,893	45,000	39,000	505,711	1,433,089
	518,839	1,437,981	18,886	16,893	45,123	39,290	582,848	1,494,164
Operational Expenses:								
Administration (Schedule 1)	-	-	18,002	16,141	-	-	18,002	16,141
	-	-	18,002	16,141	-	-	18,002	16,141
Excess of revenue over expenses	518,839	1,437,981	884	752	45,123	39,290	564,846	1,478,023
Life Insurance costs	1,500	5,000	-	-	44,113	41,652	1,500	5,000
Grants	114,309	82,553	-	-	44,113	41,652	158,422	124,205
	115,809	87,553	-	-	44,113	41,652	159,922	129,205
Excess of revenue over expenses (expenses over revenues) for the year	403,030	1,350,428	884	752	1,010	-2,362	404,924	1,348,818
Fund balances beginning of year	3,203,268	1,852,840	7,788	7,036	4,944	7,306	3,216,000	1,867,182
Fund balances end of year	\$ 3,606,298	\$ 3,203,268	\$ 8,672	\$ 7,788	\$ 5,954	\$ 4,944	\$ 3,620,924	\$ 3,216,000

SHUSWAP COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

(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 representation:

The financial statements of the Foundation have been prepared in accordance with Canadian generally accepted accounting principles. The following summary of significant accounting policies is set forth to facilitate the understanding of these financial statements:

a) 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.

SHUSWAP COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

b) Revenue recognition:

All contributions are recognized as revenue when received.

c) Investments and investment income:

The investments of the Foundation are recorded at year-end market values. Investment income includes dividends, interest, realized gains (losses) and the net change in unrealized gain (losses) for the year.

SHUSWAP COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

d) 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, 2009****(Unaudited)**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year. Actual results could differ from those estimates.

f) Financial instruments:

Effective July 1, 2007, the Foundation adopted the new standards of the Canadian Institute of Chartered Accountants (CICA) entitled "Financial Instruments – Recognition and Measurement" (Section 3855). The main requirements of these standards are set out below.

The Foundation utilizes various forms of financial instruments. Unless otherwise noted, the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments and the carrying amounts approximate their fair values.

The Foundation classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The Foundation's accounting policy for each category is as follows:

Held-for-Trading

This category is comprised of cash, term deposits, trust units, common and preferred shares. They are carried on the balance sheet at fair value with changes in fair value recognized in the statement of Revenue and Expenses and changes in Fund Balance. Transaction costs related to instruments classified as held-for-trading are expensed as incurred.

Loans and Receivables

This category is comprised of accounts receivable. These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are recognized at fair value. Transactions cost, related to loans and receivables, are expensed as incurred.

SHUSWAP COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Held-to-Maturity

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities the Foundation's management has the positive intention and ability to hold to maturity and comprises certain investments in debt securities. These assets are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provision for impairment. Transaction costs related to held-to-maturity investments are expensed as incurred.

Other Financial Liabilities

Other liabilities include all financial liabilities comprised of accounts payable, unearned revenue and funds held for third party. These liabilities are recognized at fair value.

3. INVESTMENTS **2009** **2008**

Investment consists of the following:

Guaranteed investment certificates and money market	\$ 670,987	\$ 711,437
Bonds	1,481,028	1,208,735
Equities - preferred shares	573,008	481,735
Equities - common shares and trust units	510,904	348,587
Life insurance policies	50,706	68,888
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Total investments	\$ 3,286,633	\$ 2,819,382

SHUSWAP COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

(Unaudited)

3. INVESTMENTS (CONT'D.)

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.

4. FUND HELD ON BEHALF OF THIRD PARTIES

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

5. ENDOWMENT FUNDS **2009** **2008**

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

Discretionary	\$ 1,210,826	\$ 1,116,858
Non-discretionary	<u>2,395,472</u>	<u>2,086,410</u>
	<u>\$ 3,606,298</u>	<u>\$ 3,203,268</u>

SHUSWAP COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

(Unaudited)

6. INVESTMENT INCOME	2009	2008
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Investment income – Endowment Fund:

Interest and dividends	\$ 169,339	\$ 126,702
Realized gains / (losses)	16,635	(7,836)
Unrealized gains / (losses) - investments	(90,778)	(66,149)
Life Insurance	<u>(18,182)</u>	<u>8,068</u>
	<u>\$ 77,014</u>	<u>\$ 60,785</u>

Investment income – City of Salmon Arm Trust Fund:

Interest	\$ <u>123</u>	\$ <u>290</u>
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7. COMPARATIVE FIGURES

Comparative figures have been reclassified to conform to current presentation.

8. 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, 2009

(Unaudited)

	2009	2008
Advertising and annual report - annual report	\$ 6,706	\$ 4,755
- advertising	-	822
Web site and internet	764	2,625
Seminar costs	625	1,315
Memberships	847	399
Office	3,983	2,220
Promotion and meetings	810	613
Professional fees	<u>4,267</u>	<u>3,392</u>
	<u>\$ 18,002</u>	<u>\$ 16,141</u>