Sunshine Coast Community Foundation

Financial Statements

December 31, 2015

ROLFE, BENSON LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Sunshine Coast Community Foundation

Financial Statements
(Unaudited)

December 31, 2015

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ROLFE, BENSON LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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REVIEW ENGAGEMENT REPORT

To the Board of Directors,
Sunshine Coast Community Foundation

We have reviewed the statement of financial position of Sunshine Coast Community Foundation as at 31 December 2015 and the statements of operations, changes in fund balances and cash flows 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 accounting standards for not-for-profit organizations.

Rolfe, Benson LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
19 May 2016

agn INTERNATIONAL

Sunshine Coast Community Foundation

Statement of Operations and Changes in Fund Balances
(Unaudited)

Year ended December 31,	Operating Fund	Endowment Funds	2015	2014
Revenues (note 2)				
Donations	$ 392,839	$ 194,225	$ 587,064	$ 301,108
Municipal grants	2,330	-	2,330	3,000
Vancouver Foundation Grant	8,315	-	8,315	-
Grant Writing Workshop	1,400	-	1,400	-
Interest and other income	2,617	215,025	217,642	224,949
Realized gains on investments	-	45,845	45,845	24,195
Unrealized gains on investments	-	18,408	18,408	82,394
	407,501	**473,503**	**881,004**	**635,646**
Expenses				
Administration fees	-	11,328	11,328	10,514
Advertising and promotion	4,134	-	4,134	2,389
Amortization	1,975	-	1,975	341
Bank charges and interest	20	-	20	-
Conferences	15	-	15	3,300
Commissions	-	-	-	517
GPMS Gala	386,175	-	386,175	-
Grants	201,614	-	201,614	126,490
Grant ceremony	730		730	
Insurance	1,849	-	1,849	2,454
Legal and accounting	3,600	-	3,600	4,206
Meals	-	-	-	623
Meetings	1,121	-	1,121	676
Memberships and dues	3,360	-	3,360	992
Office	1,759	-	1,759	1,643
Program costs	-	-	-	18,376
Rent	1,200	-	1,200	1,300
Travel	8,094	-	8,094	7,062
Telephone	1,096	-	1,096	1,217
Wages	37,699	-	37,699	30,610
Vital signs	657	-	657	-
Workshop expenses	1,771	-	1,771	-
Volunteer development and recognition	1,159	-	1,159	441
	658,028	**11,328**	**669,356**	**213,151**
Excess (Deficiency) of Revenues Over Expenses	**(250,527)**	**462,175**	**211,648**	**422,495**
Fund Balances, opening				
Opening	**277,864**	**3,573,953**	**3,851,817**	**3,429,322**
Inter-fund Transfers - Granting	**139,362**	**(139,362)**	**-**	**-**
Inter-fund Transfers - Endowment matching	**(10,000)**	**10,000**	**-**	**-**
Inter-fund Transfers - Operations	**4,591**	**(4,591)**	**-**	**-**
Inter-fund Transfers - Admin fees	**33,728**	**(33,728)**	**-**	**-**
Fund Balances, closing	**$ 195,018**	**$ 3,868,447**	**$ 4,063,465**	**$ 3,851,817**

Sunshine Coast Community Foundation

Statement of Financial Position
(Unaudited)

December 31	Operating Fund	Endowment Funds	2015	2014
Assets				
Current				
Cash	$ 270,511	$ -	$ 270,511	$ 238,470
Sales tax receivable	768	276	1,044	1,254
Interest receivable	-	2,395	2,395	2,347
Prepaid expenses	1,519	-	1,519	1,663
	272,798	**2,671**	**275,469**	**243,734**
Restricted Cash (note 3)	**-**	**157,469**	**157,469**	**129,084**
Investments (notes 2 and 4)	**50,030**	**3,708,807**	**3,758,837**	**3,491,295**
Tangible capital assets (note 5)	**2,971**	**-**	**2,971**	**929**
	$ 325,799	**$ 3,868,947**	**$ 4,194,746**	**$ 3,865,042**
Liabilities				
Unallocated grants	$ 5,991	$ -	$ 5,991	$ 10,071
Accounts payable	117,181	500	117,681	2,590
Wages payable	603	-	603	564
Vacation payable	5,163	-	5,163	-
Deferred contributions (note 7)	1,843	-	1,843	-
	130,781	500	**131,281**	**13,225**
Fund Balances				
Unrestricted	**10,977**	**-**	**10,977**	**76,163**
Internally restricted (note 6)	**181,070**	**1,390,976**	**1,572,046**	**1,547,272**
Externally restricted (notes 2 and 8)	**-**	**2,477,471**	**2,477,471**	**2,227,453**
Investment in capital	**2,971**	**-**	**2,971**	**929**
	195,018	**3,868,447**	**4,063,465**	**3,851,817**
	$ 325,799	**$ 3,868,947**	**$ 4,194,746**	**$ 3,865,042**

Approved by the Board of Directors:

Director

Director

Sunshine Coast Community Foundation

Statement of Cash Flows
(Unaudited)

Year ended December 31,	2015	2014
Operating Activities		
Excess of revenue over expenses (note 2)	$ 211,648	$ 422,495
Items not involving cash		
Amortization	1,975	341
Unrealized (gains) on investments (note 2)	(18,408)	(82,394)
Realized (gains) on investments (note 2)	(45,845)	(24,195)
Changes in non-cash working capital		
Sales tax receivable	210	21
Interest receivable	(48)	(48)
Prepaid expenses	144	(1,298)
Deferred contribution	1,843	(5,597)
Accounts payable	115,091	(1,564)
Wages payable	39	42
Vacation payable	5,163	-
Unallocated grants	(4,080)	5,071
	267,732	**312,874**
Financing and Investing Activities		
Purchase of tangible capital assets	(4,016)	-
Net Endowment Fund (contributions)	(231,675)	(238,868)
	(235,691)	**(238,868)**
Increase in cash	**32,041**	**74,006**
Cash, opening	**238,470**	**164,464**
Cash, closing	**$ 270,511**	**$ 238,470**

1. Purpose of the Foundation

The Sunshine Coast Community Foundation was incorporated under the Society Act of BC as a non-profit organization on June 23, 2003, and is a registered charity under the Income Tax Act.

The Foundation's purpose is to support charitable endeavours on the Sunshine Coast through endowment building, grant making and community leadership.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Part III of the CICA Handbook - Accounting Standards for Not-for-Profit Organizations.

a) Basis of Accounting

The Foundation follows fund accounting principles consisting of the following funds: The Operating Fund accounts for the Foundations operational, administrative and granting programs. The Endowment Fund accounts for the externally restricted contributed principal and retained returns from the related investments. These investments are held as permanent endowments in separate sub-funds.

b) Revenue Recognition

Revenue consists of donations, grants, fundraising, investment income, and both realized and unrealized gains and loss on investments. The Foundation follows the restricted fund method of accounting for contributions. Restricted contributions are either recognized as revenue of the related restricted fund or deferred until the related expenditures are made in the case that the Foundation does not have a restricted fund for a particular contribution. Upon receipt, unrestricted contributions are recognized as revenue of the operating fund. All contributions are recognized only when they are received or receivable, if the amounts receivable are reasonably estimated and the collection is reasonably assured. Investment revenue, including interest, dividends, realized and unrealized gains and losses, are recognized using the accrual method.

c) Contributed Services

The Foundation receives volunteer assistance during the year. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. Similarly, gifts-in-kind are not recorded unless a formal valuation to support the amount for tax receipt purposes has been made.

d) Income Taxes

The Foundation is exempt from income taxes under section 149 of the Income Tax Act.

2. Significant Accounting Policies - continued

e) Tangible Capital Assets

Tangible Capital assets are recorded at the original cost plus any costs of betterment less accumulated amort--ization and excludes any assets not in current use. Contributed property and equipment is recorded at fair market value at the date of contribution. Amortization is calculated using the declining balances method at the rates outlined in Note 5. In the year of acquisition the amortization rate on assets is one-half the normal rate.

f) Financial Instruments

(i) Measurement of Financial Instruments

The Foundation initally measures its financial assets and liabilities at fair value adjusted by, in the case of financial instruments that will not be subsequently measured at fair value, the amount of the transaction costs directly attributable to the financial instrument.

The Foundation subsequently measures its financial instruments at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets and liabilities measured at amortized cost include cash, restricted cash, term deposits, private company equity investments and accounts payable and accrued liabilities. Financial assets measured at fair value include investments in mutual funds.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write-down reflects the difference between the carrying amount and the higher of (i) the present value of the cash flows expected to be generated by the asset or asset group, (ii) the amount that could be realized by selling the asset or group of assets and (iii) the net realizable value of any collateral held to secure repayment of the asset or group of assets.

Any reversals of previous write-downs are recognized in net income to the extent of the previous write-down.

g) Measurement Uncertainty

The preparation of financial statements in conformity with Accounting Standard for Not for Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period including accrued liabilities and the useful lives of capital assets. Actual results could differ from those estimates.

3. Restricted Cash

Restricted cash represents uninvested endowment funds that are not available for current use.

4. Investments

	December 31, 2015	December 31, 2014
Carried at cost:		
Redeemable 3 year term deposit, bearing interest at 2.05%	$ 119,770	$ 117,363
Non-Redeemable 2 year term deposit, bearing interest at 1.80%	126,370	-
Redeemable 1 year term deposit, bearing interest at 2.05%	-	58,000
50,000 Class A Common Voting Shares - 987152 BC Ltd. (GPM)	50,000	50,000
	296,140	225,363
Carried at market value:		
Sunshine Coast Credit Union Class B and C shares	$ 29	$ 29
PH&N, Community Values Bond Fund	354,639	298,963
PH&N, Community Values Balanced Fund	1,114,545	1,015,497
PH&N, Community Values Global Equity Fund	173,274	160,642
Jarislowsy Fraser Limited - JF Bond Fund	130,655	142,304
Jarislowsy Fraser Limited - JF Dividend Growth Fund	76,211	77,813
Jarislowsy Fraser Limited - JF Global Balanced Fund	1,613,344	1,570,684
	3,462,697	3,265,932
	$ 3,758,837	$ 3,491,295

5. Capital Assets

	Rate	Cost	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
Computer	55%	$ 3,344	$ 2,462	$ 882	$ 111
Software	100%	2,868	1,434	1,434	-
Equipment	20%	605	247	358	434
Furniture and fixtures	20%	1,771	1,474	297	384
		$ 8,588	**$ 5,617**	**$ 2,971**	$ 929

6. Internally Restricted Funds

The internally restricted funds of the Foundation represent operating funds that have been designated for specific purposes:

	2015	2014
Smart and Caring Fund	**$ 181,070**	$ 200,772

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7. Deferred Contributions

	2015	2014
Balance, beginning of year	$ -	$ 5,597
Amount recognized as revenue in the year	-	(5,597)
Amount received related to the following year	1,843	-
Balance, end of year	**$ 1,843**	$ -

Deferred contributions include restricted contributions related to purposes that the Foundation does not have a specific fund for and are therefore deferred until the related expenditures are made pursuant to the Foundations revenue recognition policy.

8. Externally Restricted Funds

The Endowment Fund balances contain both internally and externally restricted amounts. The internally restricted funds of the Foundation represent unrestricted contributions which the board of directors has designated to fund specific projects and the retained returns on those amounts. The externally restricted funds of the Foundation represent the permanent endowments and retained returns of those endowments.

	Contributed Capital	Retained Returns	Total 2015	Total 2014
Internally Restricted Funds				
Vera Elizabeth Barron Memorial Endowment	$ 1,131,031	$ 259,945	$ 1,390,976	$ 1,346,500
Externally Restricted Funds				
Community Funds				
Community Legacy Fund	$ 86,806	$ 19,015	$ 105,821	$ 86,453
Sunshine Coast Credit Union Endowment Fund	$ 122,613	$ 32,887	$ 155,500	$ 152,382
Kay & Ken Fiedler Endowment	$ 19,508	$ 5,110	$ 24,618	$ 24,120
Barrie & Francis Stewart Family Endowment	$ 51,817	$ 11,473	$ 63,290	$ - $ 56,837
Bill & Trudene Longman Endowment Fund	$ 57,476	$ 15,444	$ 72,920	$ 71,441
McBride Family Endowment	$ 15,396	$ 3,626	$ 19,022	$ 17,648
R. Clayton Family Endowment	$ 25,000	$ (54)	$ 24,946	$ 10,000
Price Family Endowment	$ 5,000	$ 21	$ 5,021	$ 2,500
Fields of Interest Funds				
Youth Legacy Fund	$ 33,843	$ 8,968	$ 42,811	$ 41,952
Environmental Legacy Fund	$ 128,115	$ 29,853	$ 157,968	$ 154,801
Sunshine Coast Endowment for Visual Arts	$ 15,800	$ 3,900	$ 19,700	$ 19,099
Blane & Henny Hagedorn Family Endowment	$ 24,318	$ 5,147	$ 29,465	$ 27,372
Robertson/McDonald Family Education Endowment	$ 17,500	$ 4,495	$ 21,995	$ 21,552
Gibsons Landing Fibre Arts Festival Endowment	$ 54,793	$ 13,893	$ 68,686	$ 66,645

8. **Externally Restricted Funds - continued**

	Contributed Capital	Retained Returns	Total 2015	Total 2014
Donor Advised/Designated Funds				
Jean & Arthur Clarke Endowment	$ 41,177	$ 10,865	$ 52,042	$ 50,956
Rotary Club of Gibsons Endowment	$ 6,554	$ 873	$ 7,427	$ 7,278
John Vance Legacy Fund	$ 6,090	$ 1,614	$ 7,704	$ 7,549
HSPP Employee Endowment	$ 30,573	$ 6,876	$ 37,449	$ 33,801
Janet & Robert Johnston Family Endowment	$ 9,915	$ 2,226	$ 12,141	$ 13,715
Robert Johnston Family Endowment	$ 15,000	$ 4,043	$ 19,043	$ 18,641
Endowment in Support of St. Mary's Hospital	$ 145,091	$ 53,613	$ 198,704	$ 189,149
Crosby/Esson Family Endowment	$ 75,362	$ 19,850	$ 95,212	$ 93,200
John & Janey Talbot Family Endowment	$ 5,980	$ 1,487	$ 7,467	$ 7,317
Jack & Sheila Carlson Family Endowment	$ 15,500	$ 1,177	$ 16,677	$ 10,813
Lynn Pakulak Endowment	$ 74,173	$ 6,310	$ 80,483	$ 54,272
Joop & Jessie Burgerjon Endowment for the Sargeant Bay Society	$ 14,100	$ (4)	$ 14,096	$ -
Agency Funds				
Marie Steele Memorial Endowment (SC Festival of the Written Arts)	$ 77,286	$ 19,852	$ 97,138	$ 95,195
Cunliffe Heritage Endowment	$ 8,245	$ 2,205	$ 10,450	$ 10,182
Sunshine Coast Botanical Garden Society Endowment	$ 94,987	$ 12,362	$ 107,349	$ 95,120
Iris Lowen Endowment for Sechelt Public Library	$ 24,046	$ 3,193	$ 27,239	$ 25,942
Daniel Kinsbury Music For Youth Endowment	$ 34,691	$ 3,904	$ 38,595	$ 21,041
Doris Crowston Endowment Fund (SC Arts Council)	$ 25,609	$ 6,175	$ 31,784	$ 31,149
Tomorrow Project Endowment of the Sunshine Coast	$ 5,976	$ 1,459	$ 7,435	$ 7,286
Sunshine Coast Endowment to Support Youth in Sports	$ 46,599	$ 4,718	$ 51,317	$ 35,753
Hospice Society Endowment	$ 47,981	$ 12,055	$ 60,036	$ 58,761
Pender Harbour and District Health Centre Society Endowment	$ 261,855	$ 66,965	$ 328,820	$ 299,776
Endowment for Hungry Children on The Sunshine Coast	$ 11,446	$ 2,559	$ 14,005	$ 13,678
S.C. Festival of the Written Arts 30th Anv. Legacy Endowment	$ 43,504	$ 9,267	$ 52,771	$ 51,649
First Responders Endowment	$ 3,645	$ 5	$ 3,650	$ 1,003
Ken Moore Marine Rescue Endowment	$ 16,000	$ 625	$ 16,625	$ 8,286
SCCF Operating Endowment	$ 200,336	$ 14,596	$ 214,932	$ 223,708
SC Arts Council Music Award Endowment in honour of Louise Baril	$ 7,930	$ 170	$ 8,100	$ -
SC Arts Council Endowment in honour of Gillian Lowndes	$ 30,207	$ 632	$ 30,839	$ -
SC Arts Council Endowment in honour of Anne and Phillip Klein	$ 6,308	$ 136	$ 6,444	$ -
SCCSS Agency Endowment	$ 7,850	$ 1,884	$ 9,734	$ 9,431
Total externally restricted funds	$ 2,052,001	$ 425,470	$ 2,477,471	$ 2,227,453
Total endowment fund balances	**$ 3,183,032**	**$ 685,415**	**$ 3,868,447**	**$ 3,573,953**

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9. Financial Instruments

Financial instruments consist of recorded amounts of cash, accounts receivable and investments as well as accounts payable and accrued liabilities which will result in future cash inflows or outlays.

The Foundation is exposed to the following risks in respect of certain financial instruments held:

a) Liquidity risk

Liquidity risk is the risk that the Foundation cannot repay its obligations to creditors when they become due. The Foundation is exposed to liquidity risk with respect to accounts payable. The Foundation maintains sufficient cash on hand in the operating accounts to meet its obligations and management is of the opinion that the liquidity risk is low and not material.

b) Credit risk

Credit risk is the risk of financial loss as a result of a counterparty to a financial instrument failing to meet its obligations. Financial instruments that expose the Foundation to this risk consist of cash and investments. The Foundation limits its exposure to credit risk by placing its assets with more than one reputable investment broker, both of whom are controlled by major Canadian Financial institutions and by placing cash resources with a Credit Union in BC, the deposits of which are 100% guaranteed by the Province of BC. In the opinion of management, the overall credit risk is low and not material.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk is comprised of three types of risk: interest rate risk, foreign currency risk and fair value risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in the prevailing interest rates. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in exchange rates. Fair value risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market conditions.

The financial instruments that expose the Foundation to market risks are cash and investments. The Foundation limits the exposure to these risks in accordance with its policies and the expected holding periods for the underlying assets by matching the nature and risk of the investments to the appropriate holding period and by investing in a balanced portfolio, the make-up of which is review annually by the Foundation in consultation with the Foundation's advisors.

In the opinion of management, the Foundation's exposure to market risks is moderate but appropriate given the mandate of the Foundation.

10. Related Party Transactions

During the year the Foundation received donations from certain directors totalling $5,054 (2014 - $8,312) related to the conference and travel expenses incurred by the Foundation during the year.

Additionally, the Foundation paid bank charges and interest expense of $20 (2014 - $Nil) to and received interest revenue of $7,363 (2014 - $8,698) from the Sunshine Coast Credit Union where a member of the Foundation's board of directors is a member of senior management.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed by the related parties.

11. Agency Fund

The Foundation is the beneficiary of an agency fund endowment held by the Vancouver Foundation. As of December 31, 2015, the market value of the fund was $128,407 (2014 - $122,161) and there were distributable earnings of $4,477 (2014 - $4,236) which can be accessed in 2016 at the discretion of the Foundation. During the year, the Foundation received a grant of $4,236 (2014 - $4,079) from the distributable earnings that were available at the time. Both the 2014 and 2015 grants were granted out during 2015.