Sunshine Coast Community Foundation

Financial Statements

(Unaudited)

December 31, 2017

Sunshine Coast Community Foundation
Table of Contents

(Unaudited)

December 31, 2017

	Page
Review Engagement Report	2
Statement of Operations	3
Statement of Fund Balances	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 15

TCG Chartered Professional Accountants LLP
PO Box 1610 Sechelt BC V0N 3A0
604-885-2254 Fax 604-885-3779
www.thecoastgroup.ca

Robert E. Flux, CPA, CA, CPA (Illinois), CFP*
Richard K. Wilson, BBA, CPA, CA*
Lisa L. Kennedy, CPA, CGA*
Chris Reid, CPA, CA, TEP*
* Incorporated Partner

Review Engagement Report

To the Members of Sunshine Coast Community Foundation

We have reviewed the accompanying financial statements of Sunshine Coast Community Foundation , which comprise the statement of financial position as at December 31, 2017, and the statement of operations, statement of fund balances and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation 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 others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion
Based on our review 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 Sunshine Coast Community Foundation as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted standards.

Other Matter
The financial statements of Sunshine Coast Community Foundation for the year ended December 31, 2016 were reviewed by another practitioner who expressed an unqualified conclusion on those financial statements on May 28, 2017.

TCG LLP

Sechelt, British Columbia
May 28, 2018

Chartered Professional Accountants

Sunshine Coast Community Foundation
Statement of Operations

(Unaudited)

For the year ended December 31	Operating Fund	Endowment Fund	2017	2016
Revenue				
Donations	$ 20,389	$ 438,172	$ 458,561	$ 275,143
Grant writing workshop	-	-	-	3,069
Administrative fees	2,983	-	2,983	-
Interest and other income	3,092	206,946	210,038	159,841
Grants	36,462	-	36,462	4,477
	62,926	645,118	**708,044**	442,530
Expenses				
Advertising and promotion	3,860	-	3,860	3,418
Amortization	257	-	257	2,967
Administration fees	-	17,365	17,365	12,945
Conferences	4,038	-	4,038	2,777
Consulting fees	6,396	-	6,396	1,500
Grant ceremony	1,797	-	1,797	2,212
Insurance	1,413	-	1,413	1,539
Interest and bank charges	15	-	15	3
Grants	-	280,431	280,431	136,443
Meetings	3,058	-	3,058	3,358
Memberships	2,793	-	2,793	3,442
Office	4,155	-	4,155	5,311
Professional fees	7,823	-	7,823	7,911
Rent	375	-	375	1,200
Vital signs	10,153	-	10,153	2,620
Volunteer development and recognition	729	-	729	898
Telephone	1,479	-	1,479	1,194
Travel	6,721	-	6,721	2,309
Wages and benefits	51,422	-	51,422	33,034
Workshop expenses	1,643	-	1,643	2,336
	108,127	297,796	**405,923**	227,417
	(45,201)	347,322	**302,121**	215,113
Other income				
Gain on disposition of assets	2,160	-	2,160	-
Gain on sale of investments	-	45,138	45,138	11,958
Fair market value adjustment	-	64,213	64,213	11,874
	2,160	109,351	**111,511**	23,832
Excess (deficiency) of revenue over expenses	$ (43,041)	$ 456,673	**$ 413,632**	$ 238,945

Sunshine Coast Community Foundation
Statement of Fund Balances

(Unaudited)

For the year ended December 31	Operating Fund	Endowment Fund	2017	2016
Fund Balances, beginning of year	$ 173,300	$ 4,129,111	**$ 4,302,411**	$ 4,063,466
Excess (deficiency) of revenues over expenses	(43,041)	456,673	**413,632**	238,945
Interfund transfers (Note 9)	219,231	(219,231)	-	-
Balance, ending of year	$ 349,490	$ 4,366,553	**$ 4,716,043**	$ 4,302,411

Sunshine Coast Community Foundation
Statement of Financial Position

(Unaudited)

	Operating Fund	Endowment Fund	2017	2016
Assets				
Current				
Cash	$ 168,141	$ -	$ 168,141	$ 138,918
Accounts receivable	6,621	5,510	12,131	-
Prepaid expenses	2,834	-	2,834	2,670
Goods and services tax receivable	940	582	1,522	968
	178,536	6,092	**184,628**	142,556
Restricted cash (Note 3)	137,015	177,614	**314,629**	325,979
Investments (Note 4)	50,000	4,206,192	**4,256,192**	3,861,506
Tangible capital assets (Note 5)	1,564	-	**1,564**	1,966
	$ 367,115	$ 4,389,898	**$ 4,757,013**	$ 4,332,007
Liabilities				
Current				
Accounts payable and accrued liabilities	$ 14,078	$ -	$ 14,078	$ 4,126
Payroll remittances	2,823	-	2,823	644
Grants payable	-	14,429	14,429	-
Deferred contributions (Note 6)	724	-	724	15,909
Unallocated grants	-	8,916	8,916	8,917
	17,625	23,345	**40,970**	29,596
Fund balances				
Unrestricted	89,358	582	**89,940**	30,067
Internally restricted (Notes 7 & 8)	258,568	1,116,232	**1,374,800**	1,498,301
Externally restricted (Note 8)	-	3,249,739	**3,249,739**	2,772,077
Invested in tangible capital assets	1,564	-	**1,564**	1,966
	349,490	4,366,553	**4,716,043**	4,302,411
	$ 367,115	$ 4,389,898	**$ 4,757,013**	$ 4,332,007

Approved on behalf of the board

Director _____ Director _____

Sunshine Coast Community Foundation
Statement of Cash Flows

(Unaudited)

For the year ended December 31	**2017**	2016
Operating activities		
Excess of income over expenses	**$ 413,632**	$ 238,946
Adjustments for		
Amortization	257	2,967
Change in fair value of investments	(64,213)	(11,874)
Realized gains on investments	(45,138)	(11,958)
Gain on insurance proceeds	(2,160)	-
	302,378	218,081
Change in non-cash working capital items		
Accounts receivable	(12,131)	76
Prepaid expenses	(164)	(1,151)
Accounts payable and accrued liabilities	8,505	(113,681)
Payroll remittances	2,179	41
Unallocated grants	-	2,926
Interest receivable	-	2,395
Deferred contribution	(15,185)	14,066
Vacation payable	1,448	(5,037)
Goods and services tax receivable	(555)	-
Grants payable	14,429	-
	300,904	117,716
Investing activities		
Acquisition of tangible capital assets	(1,821)	(1,962)
Insurance proceeds	4,126	-
	2,305	(1,962)
Financing activities		
Variation in restricted cash	11,350	(168,510)
Net variation in investments	(285,336)	(78,837)
	(273,986)	(247,347)
Increase (decrease) in cash	**29,223**	(131,593)
Cash, beginning of year	**138,918**	270,511
Cash, end of year	**$ 168,141**	$ 138,918

1. Nature of operations

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 and administrative programs. The Endowment Fund accounts for the externally restricted contributed principal, retained returns from the related investments, and granting programs. These investments are held as permanent endowments in separate funds.

(b) Financial instruments

(i) Measurement of financial instuments

The Foundation initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Foundation subsequently measures its financial assets and financial liabilities at amortized cost, except for derivates 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 measured at amortized cost include cash, restricted cash, accounts receivable and accounts payable and accrued liabilities.

Financial liabilities 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 occured 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:

2. Significant accounting policies, continued

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets;
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occuring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

(c) Investments

The equity method is used to account for the Foundation's investment in associated corporations, namely net assets. This method of accounting brings into consolidated earnings the Foundation's share in earnings of the associated corporation, which is also added to the carrying value of the investment. The excess of cost over the underlying share of equity in the investment since the date of acquisition is being amortized against the Foundation's share of earnings of the associated corporation.

(d) Tangible capital assets

Tangible capital assets are recorded at cost. The Foundation provides for amortization using the following methods at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Equipment	Declining balance	20%
Furniture and fixtures	Declining balance	20%
Computer equipment	Declining balance	55%
Computer software	Declining balance	100%

(e) Impairment of long-lived assets

Long-lived assets, which comprise tangible capital assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

2. Significant accounting policies, continued

(f) Revenue recognition

Revenue consists of donations, grants, investment income and both unrealized and realized gains and losses 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. 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 is recognized using the accrual method.

(g) Contributed services

Volunteers contributed time to assist the Society in carrying out its music program. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(h) 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 amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

3. Restricted Cash

	2017	2016
Restricted Cash	$ 314,629	$ 325,979

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

4. Investments

Operating Fund:
Carried at cost:

	2017	2016
50,000 Class A Common Voting Shares - 987152 BC Ltd.	$ 50,000	$ 50,000
Sunshine Coast Credit Union Class B and C Shares	-	30
	$ 50,000	$ 50,030

Endowment Fund:
Carried at market value:

	2017	2016
Phillips, Hager & North funds	$ 2,106,924	$ 1,826,405
Jarislowsy Fraser funds	2,099,268	1,971,345
QTrade investment account	-	13,756
	$ 4,206,192	$ 3,811,506

5. Tangible capital assets

	Cost	Accumulated amortization	2017 Net Book Value	2016 Net Book Value
Equipment	$ 1,395	$ 140	$ 1,255	$ 430
Furniture and fixtures	-	-	-	238
Computer equipment	426	117	309	397
Computer software	-	-	-	901
	$ 1,821	$ 257	**$ 1,564**	$ 1,966

6. Deferred contributions

	2017	2016
Balance, beginning of year	$ 15,909	$ 1,843
Recognized as revenue during the year	(15,909)	(2,684)
Amount received related to the following year	724	16,750
Balance, end of year	**$ 724**	$ 15,909

7. Internally restricted funds

The Internally restricted funds of the Foundation represent operating funds that have been designated for specific purposes.

	2017	2016
Smart and Caring Account	$ 121,553	$ 141,267
Barron Operating Savings Account	73,428	-
Barron Matching Savings Account	63,587	-
	$ 258,568	$ 141,267

8. 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 have designated to fund specific projects. The externally restircted funds of the Foundation represent the permanent endowments and retained returns of those endowments.

	Contributed capital	Retained returns	2017	2016
Internally restricted funds				
Vera Elizabeth Barron cash	$ -	$ -	$ -	$ 80,951
Grant holdbacks	-	-	(14,429)	-
Unallocated grants	-	-	(8,917)	-
Vera Elizabeth Barron Memorial Endowment	1,131,031	8,547	1,139,578	1,276,083
Total Internally restricted funds	1,131,031	8,547	**1,116,232**	1,357,034
Externally restricted funds				
Community Funds				

8. Restricted funds, continued

	Contributed capital	Retained returns	2017	2016
Community Legacy Fund	89,535	24,034	113,569	108,885
Sunshine Coast Credit Union	122,613	40,480	163,093	156,673
Kay & Ken Fiedler	19,508	6,313	25,821	24,804
Barrie & Francis Stewart Family	59,817	15,275	75,092	69,004
Bill & Trudene Longman	57,476	18,994	76,470	73,460
McBride Family	16,796	3,449	20,245	19,432
R.Clayton	35,000	2,988	37,988	35,039
Price Family	12,500	700	13,200	10,188
John & Maria Manley Memorial	132,259	10,591	142,850	134,450
Fields of Interest Funds				
Youth Legacy	33,843	11,056	44,899	43,132
Environmental Legacy	128,115	37,569	165,684	159,161
Sunshine Coast Endowment for Visual Arts	15,800	4,841	20,641	19,824
Blane & Henny Hagedorn	25,818	6,833	32,651	31,282
Robertson/McDonald Family	17,500	5,574	23,074	22,164
Gibsons Landing Fibre Arts Festival	54,793	19,620	74,413	69,216
Donor Advised/Designated Funds				
Jean & Arthur Clarke	41,177	13,406	54,583	52,434
Rotary Club of Gibsons	7,037	1,234	8,271	7,484
John Vance Legacy	6,090	1,990	8,080	7,762
HSPP Employee	37,376	9,116	46,492	37,773
Janet & Robert Johnston	18,262	1,407	19,669	7,206
Robert Johnston Family	15,000	4,938	19,938	19,153
Endowment in support of St.Mary's Hospital	145,091	54,587	199,678	196,556
Crosby/Esson Family	78,286	24,846	103,132	95,928
John & Janey Talbot	5,980	1,852	7,832	7,523
Jack & Sheila Carlson	20,950	8,211	29,161	22,017
Lynn Pakulak	102,661	12,512	115,173	105,296
Barrie Willibee	18,142	4,007	22,149	15,196
Bate Foley End Homelessness	11,215	1,053	12,268	10,095
McFarland Family	10,500	949	11,449	10,000
Youth in Sports	149,950	7,523	157,473	-
Marine Education	10,000	922	10,922	10,000
Endowment for Vulnerable Communities	50,000	(310)	49,690	-
Agency Funds				
Joop & Jessie Burgerjon	15,600	1,214	16,814	15,387
Marie Steele Memorial	77,286	23,792	101,078	97,346
Cunliffe Heritage	8,245	2,718	10,963	10,531
Sunshine Coast Botanical Garden Society	138,412	20,673	159,085	127,618

8. Restricted funds, continued

	Contributed capital	Retained returns	2017	2016
Iris Lowen Endowment for Sechelt Public Library	24,046	4,306	28,352	27,276
Daniel Kingsbury Music for Youth Endowment	37,637	6,320	43,957	41,119
Doris Crowsten	25,609	7,458	33,067	31,846
Tomorrow Project	5,976	1,802	7,778	7,491
Youth in Sports	61,430	8,265	69,695	66,622
Hospice Society	73,727	14,442	88,169	60,163
Pender Harbour and District Health Centre Society	262,955	65,036	327,991	324,663
Endowment for Hungry Children on The Sunshine Coast	13,140	3,168	16,308	14,612
Sunshine Coast Festival of the Written Arts Literature for a Lifetime	78,469	11,254	89,723	52,878
First Responders	14,552	1,291	15,843	14,487
Ken Moore Marine Rescue	20,000	1,995	21,995	20,999
SCCF Operating	200,336	14,169	214,505	221,224
Sunshine Coast Arts Council Music Award - Louise Baril	7,930	747	8,677	8,300
Sunshine Coast Arts Council - Gillian Lowndes	30,207	2,975	33,182	31,918
Sunshine Coast Arts Council - Anne & Phillip Klein	6,308	595	6,903	6,601
SCCSS Agency	8,043	2,209	10,252	9,859
Gibsons Public Art Gallery	15,000	(93)	14,907	-
Coast Recital Society	25,000	(155)	24,845	-
Total Externally restricted funds	$ 2,698,998	$ 550,741	**$ 3,249,739**	$ 2,772,077

9. Interfund transfers

	2017	2016
Operating expenses	$ -	$ 3,145
Cost recovery levy	55,467	36,455
Operating and matching account reallocation	163,764	-
	$ 219,231	$ 39,600

10. Related party transactions

During the year the Foundation received donations from certain directors totalling $5,033 (2016 - $11,021) related to conferences and travel expenses incurred by the Foundation during the year.

Additionally, the Foundation paid bank charges and interest expense of $15 (2016 - $3) to and received interest revenue of $5,074 (2016 - $5,753) from the Sunshine Coast Credit Union where a member of the Foundation's board of directors is also a board member for the Sunshine Coast Credit Union.

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, 2017, the market value of the fund was $140,982 (2016 - $135,103) and there were distributable earnings of $5,853 (2016 - $4,712) which can be accessed in 2018 at the discretion of the Foundation. During the year, the Foundation received a grant of $4,712 (2016 - $4,477) from the distributable earnings that were available at the time.

12. Financial instruments

The Foundation is exposed to various financial risks through transactions in financial instruments. The following provides helpful information in assessing the extent of the Company's exposure to these risks.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation's main credit risk relates to its accounts receivable and investments. The Foundation reduces this risk by holding investments with more than one reputable investment broker. In the opinion of management the overall credit risk is low and not material.

(b) Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its grants payable, accounts payable and accrued liabilities of $31,334 (2016 - $4,770). The Foundation maintains sufficient cash on hand in the operating accounts to meet its obligations and in the opinion of management the liquidity risk exposure to the foundation is low and not material.

(c) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The financial instruments that expose the Foundation to market risks are cash and investments. The foundation limits the exposure to these risks by investing in a balanced portfolio, the make up of which is reviewed annuallyl by the Foundation.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk through its investments.

13. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.