

**Sunshine Coast Community Foundation**

**Financial Statements**

**(Unaudited)**

**December 31, 2018**

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**Sunshine Coast Community Foundation**  
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**(Unaudited)**

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**December 31, 2018**

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## 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, 2018, 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, 2018, 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*

As required by the Societies Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

*Crowe MacKay LLP*

Sechelt, British Columbia  
May 22, 2019

Chartered Professional Accountants

**Sunshine Coast Community Foundation**  
**Statement of Operations**

**(Unaudited)**

	Operating Fund	Endowment Fund	2018	2017
<b>For the year ended December 31</b>				
<b>Revenue</b>				
Donations	\$ 22,457	\$ 592,798	\$ 615,255	\$ 458,561
Administrative fees	578	-	578	2,983
Interest and other income	7,583	242,247	249,830	255,176
Grants	15,343	-	15,343	36,462
	45,961	835,045	881,006	753,182
<b>Expenses</b>				
Administration fees	-	14,375	14,375	17,366
Advertising and promotion	4,659	-	4,659	3,860
Amortization	737	-	737	257
Conferences	1,889	-	1,889	4,038
Consultants and contractors	2,358	-	2,358	7,916
Donor development	811	-	811	-
Fund development	2,421	-	2,421	276
Grant ceremony	1,756	-	1,756	-
Grants	-	156,639	156,639	280,431
Insurance	1,439	-	1,439	1,413
Interest and bank charges	7	-	7	15
Meetings	1,113	-	1,113	3,058
Memberships	5,115	-	5,115	2,793
Office	16,694	-	16,694	4,155
Professional fees	12,416	-	12,416	7,823
Rent	-	-	-	375
Telephone	1,340	-	1,340	1,479
Travel	5,359	-	5,359	6,721
Vital signs	-	-	-	10,153
Volunteer development and recognition	-	-	-	729
Wages and benefits	75,694	-	75,694	51,422
Workshop expenses	9,624	-	9,624	1,643
	143,432	171,014	314,446	405,923
	(97,471)	664,031	566,560	347,259
<b>Other income</b>				
Gain on disposition of assets	-	-	-	2,160
Fair market value adjustment	-	(278,863)	(278,863)	64,213
	-	(278,863)	(278,863)	66,373
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (97,471)</b>	<b>\$ 385,168</b>	<b>\$ 287,697</b>	<b>\$ 413,632</b>

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**Sunshine Coast Community Foundation**  
**Statement of Fund Balances**

**(Unaudited)**

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	<b>Operating Fund</b>	<b>Endowment Fund</b>	<b>2018</b>	<b>2017</b>
<b>For the year ended December 31</b>				
<b>Fund Balances, beginning of year</b>	<b>\$ 349,490</b>	<b>\$ 4,366,553</b>	<b>\$ 4,716,043</b>	<b>\$ 4,302,411</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>(97,471)</b>	<b>385,168</b>	<b>287,697</b>	<b>413,632</b>
<b>Interfund transfers (Note 10)</b>	<b>110,387</b>	<b>(110,387)</b>	<b>-</b>	<b>-</b>
<b>Balance, ending of year</b>	<b>\$ 362,406</b>	<b>\$ 4,641,334</b>	<b>\$ 5,003,740</b>	<b>\$ 4,716,043</b>

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Sunshine Coast Community Foundation  
Statement of Financial Position

(Unaudited)

	Operating Fund	Endowment Fund	2018 December 31	2017 December 31
<b>Assets</b>				
<b>Current</b>				
Cash	\$ 111,743	\$ -	\$ 111,743	\$ 46,588
Accounts receivable	-	-	-	12,131
Prepaid expenses	2,420	-	2,420	2,834
Goods and services tax receivable	101	608	709	1,622
	114,264	608	114,872	63,075
Restricted cash (Note 4)	113,060	174,885	287,945	436,182
Investments (Note 5)	50,000	4,480,034	4,530,034	4,256,192
Restricted term deposit (Note 3)	101,500	-	101,500	-
Tangible capital assets (Note 6)	1,977	-	1,977	1,564
	\$ 380,801	\$ 4,655,527	\$ 5,036,328	\$ 4,757,013

**Liabilities**

**Current**

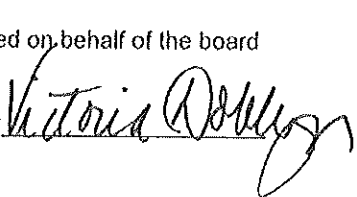
Accounts payable and accrued liabilities	\$ 10,744	\$ 7	\$ 10,751	\$ 14,078
Payroll remittances	7,651	-	7,651	2,823
Grants payable	-	14,186	14,186	14,428
Deferred contributions (Note 7)	-	-	-	724
Unallocated grants	-	-	-	8,917
	18,395	14,193	32,588	40,970

**Fund balances**

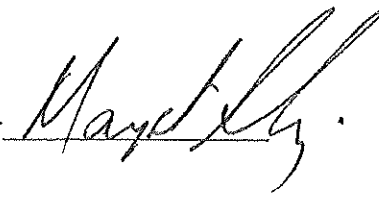
Unrestricted	145,870	608	146,478	89,940
Internally restricted (Notes 8 & 9)	214,659	1,031,757	1,246,316	1,374,800
Externally restricted (Note 9)	-	3,608,969	3,608,969	3,249,739
Invested in tangible capital assets	1,977	-	1,977	1,564
	362,406	4,641,334	5,003,740	4,716,043
	\$ 380,801	\$ 4,655,527	\$ 5,036,328	\$ 4,757,013

Approved on behalf of the board

Director



Director



**Sunshine Coast Community Foundation**  
**Statement of Cash Flows**

**(Unaudited)**

<b>For the year ended December 31</b>	<b>2018</b>	<b>2017</b>
<b>Operating activities</b>		
Excess of income over expenses	\$ 287,697	\$ 413,632
Items not affecting cash		
Amortization	737	257
Change in fair value of investments	278,863	(64,213)
Gain on insurance proceeds	-	(2,160)
	<b>567,297</b>	<b>347,516</b>
<b>Change in non-cash working capital items</b>		
Accounts receivable	12,131	(12,131)
Prepaid expenses	414	(164)
Accounts payable and accrued liabilities	(3,324)	9,954
Payroll remittances	4,828	2,179
Grants payable	(245)	14,429
Unallocated grants	(8,917)	-
Deferred contribution	(724)	(15,185)
Goods and services tax receivable	813	(555)
	<b>572,273</b>	<b>346,043</b>
<b>Investing activities</b>		
Acquisition of tangible capital assets	(1,151)	(1,821)
Insurance proceeds	-	4,126
Restricted term deposit	(101,500)	-
Variation in restricted cash	148,237	(110,204)
Net variation in investments	(552,704)	(330,474)
	<b>(507,118)</b>	<b>(438,373)</b>
<b>Increase (decrease) in cash</b>	<b>65,155</b>	<b>(92,330)</b>
<b>Cash, beginning of year</b>	<b>46,588</b>	<b>138,918</b>
<b>Cash, end of year</b>	<b>\$ 111,743</b>	<b>\$ 46,588</b>

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**Sunshine Coast Community Foundation**  
**Notes to the Financial Statements**

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**(Unaudited)**

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**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 has transitioned to the new Societies Act of BC, 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 instruments**

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 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 measured at amortized cost include cash, restricted cash, term deposits and accounts receivable.

Financial liabilities measured at amortized cost include grants payable, accounts payable and accrued liabilities.

Financial assets measured at fair value include investments in mutual funds.



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**Sunshine Coast Community Foundation**  
**Notes to the Financial Statements**

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**(Unaudited)**

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**2. Significant accounting policies, continued**

**(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:

- ♦ 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 occurring 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 Foundation follows the cost method of accounting for its investments, written down for any permanent impairment in value.

**(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.

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**Sunshine Coast Community Foundation**  
**Notes to the Financial Statements**

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**(Unaudited)**

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**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 programs. 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. Term deposit**

	<b>2018</b>
Internally restricted - Barron operating	\$ 25,375
Internally restricted - Smart and Caring Fund	76,125
	<b>\$ 101,500</b>

The term deposit totalling \$101,500 is a 5 year redeemable escalator at 2% and maturing on April 1, 2023, held with Sunshine Coast Credit Union. Subsequent to the year end the interest rate changed to 2.35%.

**Sunshine Coast Community Foundation**  
**Notes to the Financial Statements**

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**(Unaudited)**

**4. Restricted Cash**

	2018	2017
Externally restricted cash	\$ 174,885	\$ 177,614
Internally restricted cash	113,060	258,568
<b>Total restricted cash</b>	<b>\$ 287,945</b>	<b>\$ 436,182</b>

Restricted cash represents uninvested funds that are not available for current use. The externally restricted cash is restricted by endowments for specific funds or grants. The internally restricted cash is made up of cash restricted for Smart and Caring fund and Barron matching fund.

**5. Investments**

Operating Fund:  
 Carried at cost:

	2018	2017
50,000 Class A Common Voting Shares - 987152 BC Ltd.	\$ 50,000	\$ 50,000

Endowment Fund:  
 Carried at market value:

	2018	2017
Phillips, Hager & North funds	\$ 2,472,552	\$ 2,106,924
Jarislowsky Fraser funds	2,007,482	2,099,268
	<b>\$ 4,480,034</b>	<b>\$ 4,206,192</b>

**6. Tangible capital assets**

	2018		2017	
	Cost	Accumulated amortization	Net Book Value	Net Book Value
Equipment	\$ 1,395	\$ 391	\$ 1,004	\$ 1,255
Computer equipment	1,577	604	973	309
	<b>\$ 2,972</b>	<b>\$ 995</b>	<b>\$ 1,977</b>	<b>\$ 1,564</b>

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**Sunshine Coast Community Foundation**  
Notes to the Financial Statements

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(Unaudited)

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7. **Deferred contributions**

	2018	2017
Balance, beginning of year	\$ 724	\$ 15,909
Recognized as revenue during the year	(724)	(15,909)
Amount received related to the following year	-	724
Balance, end of year	\$ -	\$ 724

8. **Internally restricted funds**

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

	2018	2017
Smart and Caring Account	\$ 107,765	\$ 121,553
Barron Operating Savings Account	47,024	73,428
Barron Matching Savings Account	59,771	63,587
	\$ 214,560	\$ 258,568

**Sunshine Coast Community Foundation**  
**Notes to the Financial Statements**

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**(Unaudited)**

**9. 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 restricted funds of the Foundation represent the permanent endowments and retained returns of those endowments.

	Contributed capital	Retained returns	2018	2017
<b>Internally restricted funds</b>				
Vera Elizabeth Barron Memorial Endowment	\$ 994,016	\$ 51,927	\$ 1,045,943	\$ 1,139,578
Less grants payable	-	-	-	8,917
Less grant holdbacks	-	-	14,186	14,429
<b>Total Internally restricted funds</b>	<b>994,016</b>	<b>51,927</b>	<b>1,031,757</b>	<b>1,116,232</b>
<b>Externally restricted funds</b>				
Community Legacy Fund	89,536	21,099	110,635	113,569
Sunshine Coast Credit Union	122,613	30,531	153,144	163,093
Kay & Ken Fiedler	19,508	4,732	24,240	25,821
Barrie & Francis Stewart Family	60,817	10,799	71,616	75,092
Bill & Trudene Longman	57,476	14,327	71,803	76,470
McBride Family	19,296	2,204	21,500	20,245
R. Clayton	35,000	677	35,677	37,988
Price Family	17,500	(54)	17,446	13,200
John & Maria Manley Memorial	134,859	(3,862)	130,997	142,850
Telus Community Ambassadors	4,350	(124)	4,226	-
Youth Legacy	33,843	8,320	42,163	44,899
Environmental Legacy	128,115	27,476	155,591	165,684
Sunshine Coast Endowment for Visual Arts	15,800	3,577	19,377	20,641
Blane & Henny Hagedorn	28,230	4,927	33,157	32,651
Robertson/McDonald Family	17,825	3,985	21,810	23,074
Gibsons Landing Fibre Arts Festival	54,793	13,812	68,605	74,413
Sue Milne Memorial	12,641	(407)	12,234	-
Jean & Arthur Clarke	41,370	10,065	51,435	54,583
Rotary Club of Gibsons	7,037	750	7,787	8,271
John Vance Legacy	6,090	1,504	7,594	8,080
HSPP Employee	37,376	6,487	43,863	46,492
Janet & Robert Johnston	18,262	558	18,820	19,669
Robert Johnston Family	15,000	3,723	18,723	19,938
Dickey Family Endowment in Support of Sechelt Hospital	194,856	36,190	231,046	199,678
Crosby/Esson Family	78,286	18,685	96,971	103,132
John & Janey Talbot	5,980	1,381	7,361	7,832
Jack & Sheila Carlson	32,350	6,546	38,896	29,161

**Sunshine Coast Community Foundation**  
**Notes to the Financial Statements**

**December 31, 2018**

**(Unaudited)**

**9. Restricted funds, continued**

	Contributed capital	Retained returns	2018	2017
Lynn Pakulak	202,913	6,876	209,789	115,173
Barrie Willibee	18,492	2,809	21,301	22,149
Bate Foley End Homelessness	12,419	498	12,917	12,268
McFarland Family	11,000	259	11,259	11,449
Youth in Sports	149,950	1,049	150,999	157,473
Marine Education	10,000	246	10,246	10,922
Endowment for Vulnerable Communities	50,480	(1,027)	49,453	49,690
Bill & Joan Humphries	28,235	(976)	27,259	-
Joop & Jessie Burgerjon	19,900	153	20,053	16,814
Marie Steele Memorial	77,286	17,168	94,454	101,078
Halfmoon Bay Heritage	14,737	1,774	16,511	10,963
Sunshine Coast Botanical Garden Society	253,818	10,067	263,885	159,085
Iris Lowen Endowment for Sechelt Public Library	24,046	2,586	26,632	28,352
Daniel Kingsbury Music for Youth Endowment	37,676	3,648	41,324	43,957
Doris Crowston	25,609	5,449	31,058	33,067
Tomorrow Project	-	-	-	7,778
Frank and Muriel Daly	61,430	4,003	65,433	69,695
Hospice Society	94,687	9,319	104,006	88,169
Pender Harbour and District Health Centre Society	262,955	38,115	301,070	327,991
Endowment for Hungry Children on The Sunshine Coast	13,620	2,285	15,905	16,308
Sunshine Coast Festival of the Written Arts Legacy of Literacy	143,941	3,228	147,169	89,723
Marine Rescue Agency	16,552	(495)	16,057	15,843
Ken Moore Marine Rescue	21,000	596	21,596	21,995
SCCF Operating	200,336	(1,631)	198,705	214,505
Sunshine Coast Arts Council Music Award - Louise Baril	7,930	215	8,145	8,677
Sunshine Coast Arts Council - Gillian Lowndes	30,207	950	31,157	33,182
Sunshine Coast Arts Council - Anne & Phillip Klein	6,308	168	6,476	6,903
SCCSS Agency	14,115	3,721	17,836	10,252
Gibsons Public Art Gallery	15,288	(265)	15,023	14,907
Coast Recital Society	43,989	(782)	43,207	24,845
Canadian Federation of University Women	83,482	(1,182)	82,300	-
SCAC in Honour of Frances Wasserlein	5,307	(205)	5,102	-
Larry Ennis Legacy	25,925	-	25,925	-

**Sunshine Coast Community Foundation**  
**Notes to the Financial Statements**

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(Unaudited)

9. Restricted funds, continued

	Contributed capital	Retained returns	2018	2017
<b>Total Externally restricted funds</b>	\$ 3,272,442	\$ 336,527	\$ 3,608,969	\$ 3,249,739

10. Interfund transfers

	2018	2017
Cost recovery levy	\$ 120,523	\$ 55,467
Operating and matching account reallocation	(10,136)	163,764
	<b>\$ 110,387</b>	<b>\$ 219,231</b>

The cost recovery transfer in the prior year reflected the 2016 cost recovery levy that was transferred to the operating fund in 2017. In the current period the cost recovery levies for 2017 and 2018 were transferred to the operating fund resulting in the higher amount.

11. Related party transactions

During the year the Foundation received donations from certain directors totalling \$2,093 (2017 - \$5,033) related to conferences and travel expenses incurred by the Foundation during the year.

Additionally, the Foundation paid bank charges and interest expense of \$8 (2017 - \$15) to and received interest revenue of \$7,583 (2017 - \$5,074) 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.

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**Sunshine Coast Community Foundation**  
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**(Unaudited)**

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**12. Agency Fund**

The Foundation is the beneficiary of an agency fund endowment held by the Vancouver Foundation. As of December 31, 2018, the market value of the fund was \$134,964 (2017 - \$140,982) and there were distributable earnings of \$6,168 (2017 - \$5,853) which can be accessed in 2019 at the discretion of the Foundation. During the year, the Foundation received a grant of \$5,853 (2017 - \$4,712) from the distributable earnings that were available at the time.

**13. 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 \$32,588 (2017 - \$31,329). 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 annually 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.



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**Sunshine Coast Community Foundation**  
**Notes to the Financial Statements**

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**(Unaudited)**

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**14. 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.