

Comox Valley Community Foundation
Financial Statements
March 31, 2014

Comox Valley Community Foundation

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For the year ended March 31, 2014

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Comox Valley Community Foundation
Statement of Financial Position

As at March 31, 2014

	2014	2013
Assets		
Current		
Cash	346,267	180,234
Accounts receivable	37,488	69,760
Goods and Services Tax receivable	1,619	3,111
Interest receivable	13,611	7,363
Prepaid expenses	1,020	1,158
	400,005	261,626
Investments (Note 3)	3,444,651	2,097,263
Life insurance policies (Note 4)	3,656	3,656
	3,848,312	2,362,545
Liabilities		
Current		
Accounts payable and accruals	63,114	15,071
Vancouver Foundation endowment fund (Note 5)		
Net Assets		
Designated	834,638	783,713
Field of Interest	1,955,020	926,044
Community	557,810	540,512
Unrestricted	437,730	97,205
	3,785,198	2,347,474
	3,848,312	2,362,545

Approved on behalf of the Board

Director

Director

Comox Valley Community Foundation
Statement of Operations
For the year ended March 31, 2014

	2014	2013
Revenues		
Contributions		
Donations	1,023,619	38,653
Vancouver Foundation - Filberg (Note 6)	63,198	92,940
Gala revenue	48,488	46,570
Other	4,249	4,247
	1,139,554	182,410
Investments		
Investment income (Note 7)	213,903	101,711
Adjustment to fair market value	293,697	40,496
	507,600	142,207
Total revenues	1,647,154	324,617
Expenses		
Administrative	1,201	1,504
Automotive	262	380
Bank charges and interest	333	368
Gala expenses	21,614	21,619
Insurance	1,609	1,660
Investment counselling fees	25,621	19,855
Miscellaneous	1,451	929
Office administration	15,621	11,734
Professional development	1,224	-
Professional fees	11,843	12,438
Telephone	1,333	1,239
	82,112	71,726
Excess of revenues over expenses before grants	1,565,042	252,891
Grants paid	(127,318)	(95,938)
Excess of revenues over expenses	1,437,724	156,953

Comox Valley Community Foundation
Statement of Changes in Net Assets
For the year ended March 31, 2014

	<i>Designated</i>	<i>Field of Interest</i>	<i>Community</i>	<i>Unrestricted</i>	2014	2013
Net assets, beginning of year	783,713	926,044	540,512	97,205	2,347,474	2,190,521
Excess of revenues over expenses	50,925	1,028,962	447	357,390	1,437,724	156,953
Transfers	-	14	16,851	(16,865)	-	-
Net assets, end of year	834,638	1,955,020	557,810	437,730	3,785,198	2,347,474

Comox Valley Community Foundation
Statement of Cash Flows
For the year ended March 31, 2014

	<i>2014</i>	<i>2013</i>
Cash provided by (used for) the following activities		
Operating		
Excess of revenues over expenses	1,437,724	156,953
Changes in working capital accounts		
Accounts receivable	32,272	(3,328)
Good and services tax receivable	1,492	(217)
Interest income receivable	(6,247)	353
Prepaid expenses and deposits	138	(224)
Accounts payable and accruals	48,042	1,351
	1,513,421	154,888
Investing		
Change in investments	(1,347,388)	(206,536)
	(1,347,388)	(206,536)
Increase (decrease) in cash resources	166,033	(51,648)
Cash resources, beginning of year	180,234	231,882
Cash resources, end of year	346,267	180,234

Comox Valley Community Foundation
Notes to the Financial Statements
For the year ended March 31, 2014

1. Purpose of the organization

The purpose of the Comox Valley Community Foundation (the "Organization") is to encourage and promote the establishment of endowment funds on behalf of the community so as to create a permanent source of income to be distributed annually for charitable activities primarily within the Comox Valley.

The Foundation is incorporated under the Federal Not-for-Profit Corporations Act and is a registered extraprovincial society under the Society Act of the Province of British Columbia.

The Foundation is also a registered charity within the definition of the Income Tax Act and therefore, as long as it complies with the rules and regulations of the Income Tax Act, is exempt from income taxes and may issue receipts to donors.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian standards for not-for-profit organizations (ASNPO) as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

Fund accounting

The Organization follows the restricted fund method of accounting for contributions and maintains four funds: Community, Field of Interest, Designated, and Unrestricted.

Revenue recognition

Restricted donations are recognized as revenue of the appropriate restricted fund in the year received.

Unrestricted donations are recognized as revenue in the year received.

Gala revenue is recognized when received.

Unrestricted investment income earned on resources is recognized as revenue when earned. Other investment income is recognized as revenue when earned.

Measurement uncertainty (use of estimates)

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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectibility.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Net Assets

Included in net assets, the Foundation holds externally restricted funds including Field of Interest Funds, which are established by donors to benefit a particular area of charitable focus, and Designated Funds, which are established by other charitable organizations to ensure an ongoing source of support for their programs and operations. The Foundation also holds unrestricted Community (discretionary) funds which are established by donors who wish the Foundation to make disbursements based on current community needs in support of the Foundation's mandate.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CICA 3840 *Related Party Transactions*.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

Comox Valley Community Foundation Notes to the Financial Statements

For the year ended March 31, 2014

2. Significant accounting policies *(Continued from previous page)*

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

3. Investments

	2014	2013
Measured at fair value	2,066,664	1,255,022
Measured at amorized cost	1,377,987	842,241
	3,444,651	2,097,263

4. Life insurance policies

The Foundation has been given policies under which it is the owner and/or beneficiary.

The whole life policy is shown at its cash surrender value. The Foundation is committed to retain the insurance in force for the lifetime of the donor. The total coverage provided under the policy owned by the Foundation is \$20,000.

The term life policies have no cash surrender value. Two term life insurance policies are guaranteed at \$30,000 each until September 2019 and one term life insurance policy is guaranteed at \$16,000 and was renewed in 2011.

5. Vancouver Foundation endowment fund

In 1996 the Comox Valley Community Foundation established an endowment fund with the Vancouver Foundation. The original capital and any additions are held permanently by the Vancouver Foundation and are not recorded as an asset of the Comox Valley Community Foundation. Income from the fund is distributed at least annually to the Comox Valley Community Foundation for its charitable operations and purpose.

Current market value of this endowment fund is \$1,238,379 (2013 - \$1,106,616).

6. Vancouver Foundation - Filberg

The Foundation receives 10% of the earnings of the Robert and Florence Filberg Fund annually. This Fund is maintained by the Vancouver Foundation based on an agreement between the municipalities of Courtenay, Comox and Cumberland and the Vancouver Foundation.

Comox Valley Community Foundation
Notes to the Financial Statements
For the year ended March 31, 2014

7. Investment income

	2014	2013
Interest income	56,008	39,271
Vancouver Foundation Endowment income	42,035	40,985
Dividend income	41,762	30,680
Gain (loss) on sale of investments	64,565	(7,196)
Gain (loss) on foreign exchange	9,533	(2,029)
	213,903	101,711
Investment counselling fees	(25,621)	(19,855)
	188,282	81,856

8. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is exposed to foreign currency risk from marketable securities as \$1,064,182 (2013 - \$688,189) is denominated in U.S. currency. In seeking to manage the risks from foreign exchange rate fluctuations, the Foundation manages the amount invested in U.S. currency and the timing of when funds are converted to Canadian dollars.

Credit concentration

Financial instruments that potentially subject the Organization to concentrations of credit risk include accounts receivable and marketable securities. The Organization's maximum credit risk exposure is \$3,482,139 (2013 - \$2,167,023). The Foundation believes that there is no credit risk associated with its receivable from the Vancouver Foundation. There are no other accounts receivable from any one party that exceeds 10% of the balance. The Foundation believes there is minimal credit risk associated with its marketable securities other than equity investments because of the prudent manner in which the Foundation's investments are selected.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure on the interest-bearing investments by investing in a widely diversified portfolio with fixed and varying interest rates and maturity dates. The maximum amount of investments exposed to interest rate risk is \$1,377,986 (2013 - \$837,032).

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The maximum amount of investments exposed to other price risk is \$2,066,664 (2013 - \$1,255,222).

9. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.