

STREETOHOME FOUNDATION

FINANCIAL STATEMENTS

31 DECEMBER 2015



STREETOHOME FOUNDATION
Financial Statements
For the Year Ended 31 December 2015

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REVIEW ENGAGEMENT REPORT

To the Shareholders,
Streetohome Foundation

We have reviewed the balance sheet of Streetohome Foundation as at 31 December 2015, and the statements of operations and 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
2 June 2016

STREETOHOME FOUNDATION
Statement of Financial Position
31 December 2015
(Unaudited)

	2015	2014
Assets		
Current		
Cash	\$ 13,947	\$ 226,926
Restricted cash (Note 3)	339,727	7,838,073
Restricted term deposits (Note 3)	3,320,000	5,900,000
Other term deposits	420,000	160,000
Accrued interest receivable	11,938	20,062
Prepaid expenses	3,079	1,491
	\$ 4,108,691	\$ 14,146,552
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 19,981	\$ 13,865
Deferred revenue (Note 3)	3,661,308	13,754,737
	3,681,289	13,768,602
Commitments (Note 4)		
Fund Balance		
Unrestricted	427,402	377,950
	\$ 4,108,691	\$ 14,146,552

APPROVED BY THE MEMBERS:

_____ Member _____ Member

The accompanying notes are an integral part of these financial statements.

STREETOHOME FOUNDATION
Statement of Operations and Changes in Fund Balances
For the Year Ended 31 December 2015
(Unaudited)

	2015	2014
Revenues		
Redeemed Streetohome investments (Note 3)	\$ 12,357,218	\$ 360,000
Operating funding (Note 5)	485,000	510,000
Investment income - operating	3,391	2,424
	<u>12,845,609</u>	<u>872,424</u>
Expenses		
Salaries and benefits	330,118	327,457
Occupancy	36,531	35,553
Professional fees	20,660	25,832
Office and miscellaneous expense	21,696	17,025
IT communication	11,265	8,265
Travel	7,909	7,299
Communication, conference and meetings	6,920	7,953
Insurance	3,840	4,765
Annual report card	-	410
	<u>438,939</u>	<u>434,559</u>
Fundraising		
Donations for capital projects	-	3,685,172
Transfer to Vancouver Foundation	-	(3,685,172)
	<u>-</u>	<u>-</u>
Excess of revenues over expenses before grants awarded	12,406,670	437,865
Grants awarded - Schedule (Note 3)	12,357,218	360,000
Excess of revenues over expenses	49,452	77,865
Fund balance - beginning of year	377,950	300,085
Fund balance - end of year	\$ 427,402	\$ 377,950

The accompanying notes are an integral part of these financial statements.



STREETOHOME FOUNDATION
Statement of Cash Flows
For the Year Ended 31 December 2015
(Unaudited)

	2015	2014
Cash provided by (used in):		
Operating activities		
Excess of revenues over expenses	\$ 49,452	\$ 77,865
Changes in non-cash working capital		
Accounts receivable	8,124	(17,122)
Prepaid expenses	(1,588)	725
Accounts payable and accrued liabilities	6,116	(9,844)
Deferred revenue	<u>(10,093,429)</u>	<u>12,805,950</u>
	<u>(10,031,325)</u>	<u>12,857,574</u>
Investing activities		
Decrease (Increase) in restricted cash	7,498,346	(7,102,583)
Decrease (Increase) in term deposits	<u>2,320,000</u>	<u>(6,060,000)</u>
	<u>9,818,346</u>	<u>(13,162,583)</u>
Net cash inflow (outflow)	(212,979)	(305,009)
Cash - beginning of year	<u>226,926</u>	<u>531,935</u>
Cash - end of year	<u>\$ 13,947</u>	<u>\$ 226,926</u>

The accompanying notes are an integral part of these financial statements.

STREETOHOME FOUNDATION
Notes to the Financial Statements
For the Year Ended 31 December 2015
(Unaudited)

1. Purpose of Organization

The Streetohome Foundation (the "Foundation") was established in 2008 and is a registered charitable organization under the Income Tax Act (Canada) and is exempt from income taxes. The Foundation was created to address homelessness by raising funds to allocate to buildings and projects, programs and prevention, to ultimately solve homelessness in Vancouver.

The Foundation's future operations are largely dependent upon the continuation of funding from public and private sector contributions.

2. Summary of Significant Accounting Policies

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Financial Instruments

i. Measurement of Financial Instruments

The Foundation initially measures its financial assets and liabilities at fair value and subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, restricted cash, terms deposits and accounts receivable.

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

ii. Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

STREETOHOME FOUNDATION
Notes to the Financial Statements
For the Year Ended 31 December 2015
(Unaudited)

2. **Summary of Significant Accounting Policies - continued**

(a) Financial Instruments - continued

iii. Transaction Costs

The Foundation recognizes its transaction costs in the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(b) Revenue Recognition

The Foundation follows the deferral method of accounting for operating funding and donations. Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted revenues are recognized when they can be reasonably estimated and collection is reasonably assured.

(c) Grants Awarded

Grants are awarded to charities or government organizations that support housing or homeless prevention projects that align with the Foundation's strategy. The grants awarded are recognized as an expense in the year in which the Foundation approves and awards those grants.

(d) Donated Goods and Services

When fair value can be reasonably estimated, the value of goods and services donated to the Foundation are recorded in the financial statements.

(e) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for the not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

STREETOHOME FOUNDATION
Notes to the Financial Statements
For the Year Ended 31 December 2015
(Unaudited)

3. Deferred Revenue

Deferred revenue - beginning of year	\$ 13,754,737
Distributions - Schedule	(12,357,218)
Interest earned	100,902
Donations received	<u>2,162,887</u>
 Deferred revenue - end of year	 <u>\$ 3,661,308</u>

As at 31 December 2015, the Foundation has separate restricted cash accounts of \$339,727 (2014 - \$7,838,073) and restricted term deposits of \$3,320,000 (2014 - \$5,900,000) to fund the above deferred revenue.

4. Commitments

The Foundation is committed under an operating lease related to occupancy costs until February 2016. Future minimum payments in aggregate and for the next year is as follows:

2016	\$	5,957
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The Foundation is committed, subject to fundraising, under agreements related to grants awarded to recipients who continue to meet the eligibility criteria. Future minimum payments in aggregate and for the next three years are as follows:

2016	\$	1,535,533
2017		1,795,334
2018		<u>1,830,000</u>
	\$	<u>5,160,867</u>

5. Operating Funding

Operating funding is comprised of contributions received from BC Housing, the City of Vancouver, Vancouver Coastal Health and the Vancouver Foundation.

STREETOHOME FOUNDATION
Notes to the Financial Statements
For the Year Ended 31 December 2015
(Unaudited)

6. Financial Instruments

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentrations at the statement of financial position date, 31 December 2015.

(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 risks relate to its accounts receivable.

(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 accounts payable and accrued liabilities.

(c) 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 on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Foundation to a fair value risk while the floating-rate instruments subject it to a cash flow risk.

STREETOHOME FOUNDATION
Schedule of Grants Awarded
For the Year Ended 31 December 2015
(Unaudited)

	2015	2014
Grants Awarded		
██████████	\$ 2,780,000	\$ -
██████████	2,940,000	-
██████████	2,820,000	-
██████████	1,980,000	-
Taylor Manor	1,400,000	-
YMCA Cause We Care	333,333	-
Covenant House	80,000	80,000
The Kettle Society	23,885	-
████████████████████	-	160,000
████████████████████	-	120,000
	\$ 12,357,218	\$ 360,000