
WEST VANCOUVER COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

December 31, 2019

WEST VANCOUVER COMMUNITY FOUNDATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of West Vancouver Community Foundation

Opinion

We have audited the financial statements of West Vancouver Community Foundation, which comprise the statement of financial position as at December 31, 2019, and the statement of operations and fund balances, continuity of funds, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Lohn Caulder LLP

Chartered Professional Accountants
Vancouver, BC
May 7, 2020

WEST VANCOUVER COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

	As at December 31	
	2019	2018
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	315,463	393,973
Receivables	3,861	4,058
GST receivable	4,193	4,387
Prepaid expenses	4,665	8,866
	328,182	411,284
Investments (note 4)	16,977,292	14,074,182
Interest in Life Insurance Policy (note 5)	45,144	43,244
Capital Assets (note 6)	19,140	36,134
Trust Funds Under Administration (note 11)	869,033	841,859
	18,238,791	15,406,703
LIABILITIES		
Current		
Accounts payable	22,574	33,012
Deferred sponsorship contributions	33,250	14,000
Grant commitments	387	200
Funds under administration (note 10)	1,105,473	1,039,320
	1,161,684	1,086,532
Trust Funds Under Administration (note 11)	869,033	841,859
	2,030,717	1,928,391
Fund Balances		
Endowment Funds	9,360,802	7,723,568
Restricted Funds	5,336,729	4,295,323
Unrestricted Funds	1,510,543	1,459,421
	16,208,074	13,478,312
	18,238,791	15,406,703

APPROVED ON BEHALF OF THE BOARD:

"Nancy Farran" Director "John Parker" Director

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

WEST VANCOUVER COMMUNITY FOUNDATION

STATEMENT OF OPERATIONS AND FUND BALANCES

Year ended December 31

	Endowment Funds	Restricted Funds	Unrestricted Funds	2019 Total	2018 Total
	\$	\$	\$	\$	\$
Revenues					
Donations and Bequests	1,153,109	537,128	60,630	1,750,867	2,543,818
Investment Income	506,613	135,665	62,554	704,832	538,714
Change in market value of investments	553,511	430,404	109,463	1,093,378	(1,094,016)
Sponsorship and event contributions	1,867	1,148	80,009	83,024	60,622
	2,215,100	1,104,345	312,656	3,632,101	2,049,138
Expenditures					
Grants	200,112	253,065	15,140	468,317	210,467
Management and administration	-	-	111,842	111,842	104,656
Granting and Community Leadership	-	-	165,797	165,797	148,805
Fund development	-	-	156,383	156,383	145,139
Administration allocation	115,915	72,873	(188,788)	-	-
	316,027	325,938	260,374	902,339	609,067
Excess of Revenues over Expenditures	1,899,073	778,407	52,282	2,729,762	1,440,071
Funding Balances, beginning of year	7,723,568	4,295,323	1,459,421	13,478,312	12,038,241
Fund amendments	(262,999)	262,999		-	-
Fund Transfers	1,160	-	(1,160)	-	-
Fund Balances, end of year	9,360,802	5,336,729	1,510,543	16,208,074	13,478,312

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

WEST VANCOUVER COMMUNITY FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended December 31

	2019	2018
	\$	\$
Cash Provided By:		
Operations		
Excess of revenues over expenditures	2,729,762	1,440,071
Unrealized losses (gains) on investments	(1,093,378)	1,094,015
Amortization	18,015	17,339
Changes in non-cash operating working capital	13,591	16,908
	1,667,990	2,568,333
Investments		
Investment income reinvested	(704,832)	(536,907)
Net deposits to investment account	(1,040,649)	(1,879,648)
Purchase of capital assets	(1,019)	(24,289)
	(1,746,500)	(2,440,844)
(Decrease) Increase In Cash	(78,510)	127,489
Cash, beginning of year	393,973	266,484
Cash, end of year	315,463	393,973

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

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

1. Nature of the Organization

The West Vancouver Community Foundation (the "Foundation") was established in 1979 to benefit the citizens of West Vancouver by supporting non-profit charitable, educational and cultural organizations. The Foundation is registered with the Charities Division, Canada Revenue Agency and is classified as a public foundation. The Foundation is exempt from federal income taxes and can issue charitable donation receipts. The income from funds donated and bequeathed is used to provide for the charitable purposes of qualifying community organizations. The Foundation regularly conducts business using the name "West Vancouver Foundation".

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Foundation have been prepared in accordance with the Canadian accounting standards for Not-for-Profit Organizations.

Investment Portfolio

Investments are managed by Leith Wheeler Investment Counsel Ltd. and are recorded at fair values determined on the last business day of the fiscal period. Investment income is shown net of fund manager fees.

Revenue Recognition

Contributions are recognized on the earlier of when they are received and when the deeds of gift have been approved. Contributions are recognized in the fund to which they relate. Non-designated unrestricted donations are recognized in the Unrestricted Funds.

Bequests are recorded upon receipt of the donated assets. Bequests in a form other than cash or marketable securities are recorded at values assigned by the Board.

Investment income includes realized (decrease) increase in market value of investments.

Sponsorship contributions for specific events are deferred until the event is undertaken.

Grants

Grants are recorded when approved by the Foundation.

Donated Services

A number of people donate significant time and expertise to the Foundation. The value of this time has not been recorded in these financial statements.

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

2. Summary of Significant Accounting Policies (Cont.)

Fund Accounting

In order to ensure observance of the limitations and restrictions placed on the use of resources available to the Foundation resources are classified for accounting and financial reporting purposes using restricted fund accounting. These funds are held in accordance with either the objectives specified by the donors or with directives issued by the Board of Directors (the Board). To meet the objectives of financial reporting and stewardship over assets, certain interfund transfers are necessary to ensure the appropriate allocation of assets and liabilities to the respective funds. Transfers between the funds are made when appropriate, as authorized by the Board.

Funds are subject to an allocation of administrative expenses as established from time to time by the Board.

For financial reporting purposes, the funds have been classified into the following categories:

- i) Endowment Funds
- ii) Restricted Funds
- iii) Unrestricted Funds

Endowment funds are comprised of permanent contributions restricted either by the donor or internally by the Foundation.

Restricted funds are primarily donations received, which have been externally designated for specific purposes by the donor, and are not required to be maintained in perpetuity. These funds include spend down funds which also designate the use of current and future capital receipts.

Unrestricted funds are available for granting purposes and general operations.

Fund Amendments represent two former endowment funds which the original donors/settlers have amended the terms of the fund agreements to remove restrictions on use of capital.

Financial Instruments

Financial instruments are initially measured at fair value and equity instruments are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost. Changes in fair value are recognized in the statement of operations.

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

2. Summary of Significant Accounting Policies (Cont.)

Management Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. While management believes that the estimates utilized in preparing these financial statements are reasonable and prudent, actual results could differ from those estimates.

Allocation of Expense

Expense classifications include the costs of personnel, and other expenses that are directly related to that function. There are also a number of general support expenses that are common to the administration of the Foundation and the individual functions. An allocation of certain general support expenses has been made to expense classes on a consistent basis between years.

Capital Assets

Equipment and intangible assets are recorded at amortized cost. Amortization is calculated on a straight-line basis over the expected useful life of the asset as follows:

Computer equipment	Five years
Intangible assets	Two years

3. Financial Instruments

It is in management's opinion that the most significant financial risk to which the Foundation is exposed to is market risk.

Market and Interest Rate Risk:

The Foundation's investments are exposed to market risk due to changing market conditions. Market risk is the potential for financial loss to the Foundation from changes in the value of its investments due to changes in interest rates, currency exchange rates, or equity prices. The Foundation manages market risk by establishing and monitoring asset allocation strategies and by diversifying investments within the various asset classes to control overall market risk. Investments in foreign equities are exposed to currency risk due to fluctuation in foreign exchange rates.

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

4. Investments

Summary of Investment Portfolio Holdings

	Cost \$	Fair Value \$	%
Leith Wheeler International Pooled Fund Series A	954,171	828,035	4.9 %
Leith Wheeler Canadian Equity Fund Series A	2,203,460	2,533,795	14.9 %
Leith Wheeler Core Active Bond Fund Series A	3,483,267	3,531,700	20.8 %
Leith Wheeler Corp. Bond Fund Series A	619,841	616,452	3.6 %
Leith Wheeler U.S. Equity Non- Taxable Pooled Fund Series A	1,611,252	1,614,863	9.5 %
Leith Wheeler Short Term Income Fund Series A	17,339	495,366	2.9 %
Leith Wheeler Diversified Pooled Fund Series A	7,151,659	7,228,433	42.6 %
Leith Wheeler Money Market Fund Series A	514	514	- %
RBC Investment Savings Account SR A	128,134	128,134	0.8 %
	<u>16,169,637</u>	<u>16,977,292</u>	<u>100.0%</u>

The cost and fair value of the investment portfolio at December 31, 2018 were \$14,951,735 and \$14,074,182 respectively.

5. Interest in Life insurance Policy

The Foundation is the owner and beneficiary of a life insurance policy. The interest in the policy is recorded at its cash surrender value.

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

6. Capital Assets

	2019		2018
	\$		\$
	Cost	Accumulated Amortization	Net Book Value
Computer Equipment	42,428	(23,288)	19,140
Intangible Assets	19,398	(19,398)	-
	61,826	(42,686)	19,140
			36,134

7. Funds Held by the Vancouver Foundation

The Foundation received \$9,448 (2018 - \$9,613) as income from a permanent endowment fund established with the Vancouver Foundation. This fund is not included in the Foundation's statement of financial position. The market value of the fund as at December 31, 2019 was \$226,796 (2018 - \$211,312).

8. Operating Lease Commitment

The Foundation has premises operating lease commitments as follows:

Year	\$
2020	3,192
2021	3,288
2022	1,976

9. Allocation of Expenses

General support expenses made up of office administrative items, amortization and rent have been allocated within the expenditures on the statement of operations as follows:

	2019	2018
	\$	\$
Management and administrative	18,391	21,342
Granting and community leadership	18,391	21,342
Fund development	18,391	21,342
	55,173	64,026

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

10. Funds Under Administration

Funds under administration represent funds beneficially owned by another organization for which the income and capital is designated for the benefit of this organization. The 2015 and 2016 fund agreements enable either the Foundation or the United Church to terminate the agreement upon three months notice, as a result, the total of these two funds are presented as a current liability.

Balances of funds under administration are detailed as follows:

	\$	\$	\$
	WV United Church Endowment Fund 2015	WV United Church Trust Fund II 2016	Total
Balance Beginning of the Year	586,494	452,826	1,039,320
Fees and Expenses	(3,040)	(2,485)	(5,525)
Allocation of Income and Market Change	73,405	58,273	131,678
Funds Disbursed	(60,000)	-	(60,000)
Balance End of Year	596,859	508,614	1,105,473

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

11. Trust Funds Under Administration

The Foundation is the trustee of the trust funds and administers these funds accordance with the terms outlined in the trust agreement. The West Vancouver United Church Permanent Trust Fund matures on December 31, 2025 at which time the funds are to be returned to the United Church.

	\$	\$
	2019	2018
Balance Beginning of the Year	841,859	881,706
Fees and Expenses	(4,526)	(4,258)
Allocation of Income and Market Change	106,700	(35,589)
Funds Disbursed	(75,000)	-
	869,033	841,859

12. Societies Act of British Columbia

As required by the BC Societies Act, the Foundation reports they have one employee who earned in excess of \$75,000 (total remuneration of \$77,777).

13. Comparative Figures

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

14. Subsequent Event

Subsequent to the year, Covid-19 is causing disruptions to North American capital markets, businesses and service providers. In response to social distancing objectives, the Foundation is performing many staffing processes remotely and limiting office hours. The stock market drop has reduced the market value of the Foundation's investment portfolio by approximately 8 percent as of April 30, 2020. The duration of these disruptions and the possible financial effects on the Foundation are indeterminable at this time.