
WEST VANCOUVER COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

December 31, 2016

WEST VANCOUVER COMMUNITY FOUNDATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of West Vancouver Community Foundation

We have audited the accompanying financial statements of West Vancouver Community Foundation, which comprise the statement of financial position as at December 31, 2016, and the statements of operations and net assets, continuity of foundation funds, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for non-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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from the general public in the form of donations, fundraising activities, bequests, and other revenues, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenue over expense, assets, and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the financial position of West Vancouver Community Foundation as at December 31, 2016, 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.

Lohn Caulder LLP

Chartered Professional Accountants
Vancouver, BC
April 3, 2017

WEST VANCOUVER COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at December 31

	2016 \$	2015 \$
ASSETS		
Current		
Cash and cash equivalents	832,920	448,240
Receivables	688	5,690
GST receivable	3,604	2,885
Prepaid expenses	3,049	2,721
	840,261	459,536
Investments (note 4)	12,265,514	10,412,089
Interest in Life Insurance Policy (note 5)	39,444	37,544
Capital Assets (note 6)	28,742	-
	13,173,961	10,909,169
LIABILITIES		
Current		
Accounts payable	35,652	16,274
Deferred sponsorship contributions	-	4,090
Managed funds under administration (note 9)	1,075,969	613,845
	1,111,621	634,209
Managed Funds Under Administration (note 9)	824,680	751,108
	1,936,301	1,385,317
Net Assets		
Endowment Funds	7,740,561	7,387,014
Restricted Funds	1,835,489	733,649
Unrestricted Funds	1,661,610	1,403,189
	11,237,660	9,523,852
	13,173,961	10,909,169

APPROVED ON BEHALF OF THE BOARD:

_____"Robert Paterson"_____
Director _____"Nancy Farran"_____
Director

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

WEST VANCOUVER COMMUNITY FOUNDATION

STATEMENT OF OPERATIONS AND NET ASSETS

	Year ended December 31	
	2016	2015
	\$	\$
Revenues		
Investment income	1,080,777	318,314
Unrealized (decrease) increase in market value of investments	52,387	(121,260)
Sponsorship and event contributions	51,858	46,150
	1,185,022	243,204
Revenue Allocated to Managed Funds Under Administration		
Investment Income	(160,216)	(43,036)
Unrealized decrease (increase) in market value of investments	(20,201)	15,579
	1,004,605	215,747
Donations to Endowment Funds	203,156	488,192
Donations to Restricted Funds	1,099,995	318,465
Donations to Unrestricted Funds	308,842	35,145
	2,616,598	1,057,549
Expenditures		
Grants	560,856	192,206
Management & Administration	125,545	45,977
Granting & Community Leadership	116,969	68,585
Fund Development	99,420	68,004
	902,790	374,772
Excess of Revenues Over Expenditures	1,713,808	682,777
Net Assets, beginning of year	9,523,852	8,841,075
Net Assets, end of year	11,237,660	9,523,852

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

WEST VANCOUVER COMMUNITY FOUNDATION

STATEMENT OF CONTINUITY OF FOUNDATION FUNDS

Year ended December 31, 2016

	Balance Beginning of Year	Fees and Expenses	Donations and Bequests	Allocation of Income and Market Change	Fund Transfers	Grants	Balance End of Year
	\$	\$	\$	\$	\$	\$	\$
ENDOWMENT FUNDS							
Total Endowment Funds (Scheduled)	7,387,014	(73,116)	203,156	723,678	(300,000)	(200,171)	7,740,561
RESTRICTED FUNDS							-
<i>Flow Through</i>							-
100 Women Who Care Flow Thru	3,850	-	7,600	-	-	(6,400)	5,050
Ambleside Skatepark Project	52,944	(173)	50,000	662	-	(102,495)	939
Black Creek Old Growth Environmental Fund	16,556	(171)	-	1,711	-	-	18,096
British Pacific Properties Scholarship Fund	376	(100)	1,503	126	-	(750)	1,155
Capilano Rugby Club Fund	16,463	(186)	10,000	1,796	-	-	28,072
Capilano RFC Women's Canadian Players Fund	10,363	(20)	175	(51)	-	(10,467)	0
Compelling Opportunities Fund	-	(72)	42,811	407	-	(6,665)	36,482
First Aid Ski Patrol Flow Through Fund	25,750	(265)	-	2,660	-	-	28,145
Gift of Music Fund	16,762	(159)	-	1,571	-	(2,000)	16,174
Harvest Project Flow Through Fund	49,869	(514)	-	5,152	-	-	54,507
Hollyburn Lodge 2015 Renewal Project	61,824	(203)	200	259	-	(61,808)	272
Inkster Flow Through Fund	2,672	(24)	1,445	212	-	(1,675)	2,630
Linda Harrison Youth Fund	-	(240)	54,353	(0)	-	-	54,113
Music Matters	-	(177)	30,000	2,255	-	(7,500)	24,578
Musica Nautica Fund	14,408	(169)	3,485	1,683	-	-	19,407
North Shore Rescue Team Society Flow Through	4,389	(85)	800,000	40,385	-	-	844,688
Ron and Barbara Howard Fund	21,814	(225)	-	2,254	-	-	23,843
North Shore Field Hockey Facilities Society	178,614	(2,400)	7,495	-	-	(74,669)	109,040
West Vancouver Marine Rescue Society Fund	30,010	(377)	20,000	3,795	-	-	53,428
West Vancouver's Place for Sport	-	(2,216)	29,366	20,223	250,000	(24,331)	273,042
West Vancouver Police Department Flow Through	31,773	(284)	15,167	2,726	-	(20,604)	28,778
West Vancouver Soccer Club Facilities Fund	186,197	(2,057)	22,100	1,750	-	-	207,990
WVSC Mark Steven Scholarship Fund	4,352	(48)	4,000	440	-	(4,000)	4,744
YAHU Flowthrough Fund	4,665	(9)	295	(5)	-	(4,630)	316
Total Restricted Funds	733,649	(10,175)	1,099,995	90,011	250,000	(327,994)	1,835,489
UNRESTRICTED FUNDS							
Administration Flow Through Fund	4,090	(33,089)	307,842	11,467	-	(12,059)	278,251
Smart and Caring Community Fund	-	(392)	-	5,011	50,000	-	54,619
William Patrick Memorial Fund	957,178	(172,451)	-	132,796	-	-	917,523
WVCF Community Fund	389,919	(46,398)	-	36,318	-	(17,832)	362,006
WVCF Grant Stabilization Fund	52,002	(6,314)	1,000	5,323	-	(2,800)	49,211
Total Unrestricted Funds	1,403,189	(258,644)	308,842	190,916	50,000	(32,691)	1,661,610
TOTAL FUNDS	9,523,852	(341,934)	1,611,993	1,004,605	-	(560,856)	11,237,660

The accompanying notes are an integral part of these financial statements

WEST VANCOUVER COMMUNITY FOUNDATION

SCHEDULE OF CONTINUITY OF ENDOWMENT FUNDS

Year ended December 31, 2016

	Balance Beginning of Year	Fees and Expenses	Donations and Bequests	Allocation of Income and Market Change	Fund Transfers	Grants	Balance End of Year
	\$	\$	\$	\$	\$	\$	\$
ENDOWMENT FUNDS							
<i>Externally Restricted</i>							
100 Women Who Care Endowment Fund	6,690	(77)	800	1,334	-	-	8,747
Aboriginal Youth Sport Legacy Fund	629,237	(6,486)	-	65,008	-	-	687,759
Bonnie J. McLaren Memorial Fund	613,360	(6,322)	-	63,368	-	-	670,405
Bradley T. Bowles Scholarship Fund	18,360	(186)	-	1,862	-	(1,000)	19,037
Danny Possee Memorial Fund	233,422	(2,546)	37,908	25,548	-	-	294,333
Daphne Nicholson Charitable Foundation	10,106	(165)	6,962	1,867	-	-	18,770
Donald & Marjorie Lanskill Fund	42,384	(437)	-	4,379	-	-	46,326
Environmental Endowment Fund	6,866	(68)	-	671	-	(354)	7,115
Faris Family Scholarship Fund	66,641	(682)	-	6,856	-	(3,000)	69,815
Fred E. Russell Fund	70,103	(705)	-	7,024	-	(2,000)	74,422
Friends of the Gallery Endowment Fund	20,528	(208)	-	2,079	-	(1,200)	21,199
Gertrude and Christina Lawson Scholarship Fund	110,569	(1,134)	-	11,340	-	(1,000)	119,776
Harvest Project Endowment Fund	199,475	(2,056)	-	20,608	-	-	218,027
Hender Family Fund	38,020	(371)	13,631	3,531	-	(3,632)	51,179
Holly & Beke Burne Fund	277,068	(2,856)	-	28,625	-	-	302,837
Irene Carpenter Fund	29,250	(288)	-	2,858	-	(1,500)	30,319
James A. Inkster Leadership Award Fund	43,096	(446)	565	4,472	-	(325)	47,362
Jeremy Dalton Rugby Endowment	17,067	(176)	-	1,763	-	-	18,655
Jerry Beckerman Memorial Fund	22,890	(232)	-	2,322	-	(1,000)	23,981
Joshua Goos Memorial Fund	16,286	(161)	-	1,591	-	(839)	16,877
Kay Meek Fund	127,778	(1,188)	-	11,583	-	(14,805)	123,368
Marc Rozen Memorial Fund for Youth	18,167	(173)	250	1,691	-	(1,783)	18,152
Mayors' Endowment Fund	184,151	(1,947)	35,000	19,259	-	(11,410)	225,053
North Shore Rescue Team Endowment Fund	21,776	(251)	10,600	2,541	-	-	34,666
NSR Tim Jones Legacy Fund	548,360	(5,912)	70,122	57,336	-	-	669,906
Robertson Taylor Endowment Fund	19,476	(183)	-	1,786	-	(2,071)	19,008
Thunderbird Marine Corp. Fund	26,745	(261)	-	2,582	-	(1,657)	27,409
Tom and Judy Baillie Fund	32,082	(325)	-	3,247	-	(673)	34,331
Trajan Martin Memorial Scholarship Fund	22,279	(316)	21,180	3,167	-	(500)	45,810
West Vancouver Artists Fund Endowment	19,215	(198)	-	1,985	-	(3,335)	17,667
West Vancouver Nature House Society	11,019	(114)	-	1,138	-	-	12,043
West Vancouver Public Art Endowment Fund	35,034	(361)	-	3,619	-	-	38,293
West Vancouver School District Endowment	22,549	(232)	-	2,329	-	-	24,646
West Vancouver Youth Band Endowment Fund	101,826	(1,050)	-	10,520	-	-	111,297
<i>Internally Restricted</i>							
Ernie and Audrey Kershaw Memorial Fund	48,887	(503)	5,838	5,000	-	(2,318)	56,903
Howard Martin Memorial Fund	3,651,831	(34,262)	-	336,403	(300,000)	(144,269)	3,509,702
YAHU Endowment Fund	24,421	(240)	300	2,384	-	(1,500)	25,365
Total Endowment Funds	7,387,014	(73,116)	203,156	723,678	(300,000)	(200,171)	7,740,561

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

	2016 \$	2015 \$
Cash Provided By:		
Operations		
Excess of revenues over expenditures	1,713,808	682,777
Items not involving cash:		
Change in cash surrender value of life insurance	(1,900)	(1,900)
Realized (gains) losses on investments	(262,781)	317,641
Unrealized (gains) losses on investments	(52,387)	121,260
Amortization	487	-
	1,397,227	1,119,778
Changes in non-cash operating capital:		
Accounts receivable	5,002	(1,974)
GST receivable	(719)	569
Prepaid expenses	(328)	542
Accounts payable	19,378	1,831
Deferred sponsorships	(4,090)	4,090
	1,416,470	1,124,836
Investments		
Dividends and interest reinvested	(815,006)	(632,854)
Net deposits to investment account	(725,000)	(375,000)
Managed funds under administration	535,695	(22,097)
Purchase of capital assets	(29,229)	-
	(1,033,540)	(1,029,951)
Increase in cash	384,680	94,885
Cash, beginning of year	448,240	353,355
Cash, end of year	832,920	448,240

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

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

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.

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 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.

Funds are subject to administrative fees established from time to time by the Board.

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.

December 31, 2016

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.

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

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

Endowment funds comprise 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 flow-through funds which also designate the use of current and future capital receipts.

Unrestricted funds are available for granting purposes and general operations.

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, 2016

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.

Capital Assets

Equipment is 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

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, 2016

4. Investments

Summary of Investment Portfolio Holdings

	Cost \$	Fair Value \$	%
Leith Wheeler International Pooled Fund Series A	1,363,365	1,206,160	9.8 %
Leith Wheeler Canadian Equity Fund Series A	2,855,288	3,145,247	25.6 %
Leith Wheeler Core Active Bond Fund Series A	4,094,208	4,012,429	32.7 %
Leith Wheeler Corp. Bond Fund Series A	1,259,939	1,235,640	10.1 %
Leith Wheeler U.S. Equity Non-Taxable Pooled Fund Series A	2,276,112	2,265,936	18.5 %
Leith Wheeler Money Market Fund Series A	400,102	400,102	3.3 %
	12,249,014	12,265,514	100.0%

The cost and fair value of the investment portfolio at December 31, 2015 were \$10,449,177 and \$10,412,089 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.

6. Capital Assets

Capital Assets	2016		2015
	\$		\$
	Cost	Accumulated Amortization	Net Book Value
Computer Hardware	29,229	(487)	28,742
			-

7. Funds Held by the Vancouver Foundation

The Foundation received \$7,458 (2015 - \$7,079) as income from a permanent endowment fund with the Vancouver Foundation. The market value of the fund as at December 31, 2016 was \$214,914 (2015 - \$205,786).

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

8. Operating Lease Commitment

The Foundation has operating lease commitments for premises as follows:

Year	\$
2017	2,782

9. Managed Funds Under Administration

Managed 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 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. The 2015 and 2016 fund agreements enables either the Foundation or the United Church to terminate the agreement upon three months notice, as a result, the total of these two managed funds are presented as a current liability.

Balances of managed funds under administration are detailed as follows:

	\$	\$	\$	\$
	WV United Church Endowment Fund 2015	WV United Church Trust Fund II 2016	WV United Church Permanent Trust Fund	Total
Balance Beginning of the Year	613,845	-	751,108	1,364,953
Fees and Expenses	(3,381)	(1,613)	(4,264)	(9,258)
Funds Received	-	404,538	-	404,538
Allocation of Income and Market Change	61,955	40,625	77,836	180,416
Funds Disbursed	(40,000)	-	-	(40,000)
Balance End of Year	632,419	443,550	824,680	1,900,649

10. Reclassification

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