
WEST VANCOUVER COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

December 31, 2012

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, 2012, December 31, 2011 and January 1, 2011 and the statements of operations and net assets, and cash flows for the years ended December 31, 2012 and 2011, 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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, 2012, December 31, 2011 and January 1, 2011 and the results of its operations, change in net assets, and cash flows for the years ended December 31, 2012 and 2011 in accordance with Canadian accounting standards for not-for-profit organizations.



Vancouver, BC
April 5, 2013

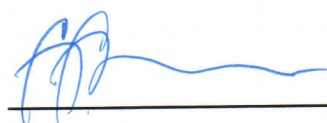
WEST VANCOUVER COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

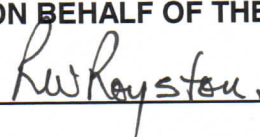
As at

	December 31 2012 \$	December 31 2011 \$	January 1 2011 \$
ASSETS			
Current			
Cash	283,486	470,390	889,069
Accounts receivable	398	1,047	1,313
HST receivable	3,247	5,045	1,808
	287,131	476,482	892,190
Investments (note 5)	4,507,051	3,842,412	3,808,754
Interest in Life Insurance Policy (note 7)	31,979	30,178	28,412
	4,826,161	4,349,072	4,729,356
LIABILITIES			
Current			
Accounts payable	21,800	9,847	9,315
Grant commitments	-	10,500	2,500
	21,800	20,347	11,815
Managed & Flow-Thru Funds Under Administration (note 8)	1,163,505	1,087,144	1,794,709
Net Assets			
Endowment Funds	2,909,457	2,293,333	2,278,141
Flow-Thru, Administration & Stabilization Funds	379,954	584,256	226,758
Community Fund	351,445	363,992	417,933
	3,640,856	3,241,581	2,922,832
	4,826,161	4,349,072	4,729,356

APPROVED ON BEHALF OF THE BOARD:



Director



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	
	2012	2011
	\$	\$
Revenues		
Investment income	142,533	155,058
Unrealized increase (decrease) in market value of investments	184,691	(78,104)
	327,224	76,954
Revenue Allocated to Managed & Flow-Thru Funds Under Administration		
Investment Income	(45,084)	(47,609)
Unrealized (increase) decrease in market value of investments	(45,557)	29,152
	236,583	58,497
Donations to Endowment Funds	531,941	51,154
Donations to Flow-Thru, Administration, & Stabilization Funds	111,616	436,432
Donations to Community Fund	8,359	7,261
	888,499	553,344
Expenditures		
Grants	382,377	143,291
Administration allocated to Foundation Funds	26,671	25,697
Administration, net (note 6)	80,176	65,607
	489,224	234,595
Excess of Revenues Over Expenditures	399,275	318,749
Net Assets, beginning of year	3,241,581	2,922,832
Net Assets, end of year	3,640,856	3,241,581

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, 2012

	Balance Beginning of Year	Fees and Expenses	Donations and Bequests	Allocation of Income and Market Change	Grants	Interfund Transfers	Balance End of Year
	\$	\$	\$	\$	\$		\$
ENDOWMENT FUNDS							
Bonnie J. McLaren Memorial Fund	-	-	501,000	2,790	-	-	503,790
Bradley T. Bowles Scholarship Fund	16,283	(167)	-	1,344	(1,000)	-	16,460
Danny Possee Memorial Fund	289,062	(2,768)	-	22,761	(25,000)	-	284,055
Donald & Marjorie Lanskail Fund	31,941	(332)	-	2,670	-	-	34,279
Environmental Endowment Fund	6,384	(66)	-	533	-	-	6,851
Faris Family Scholarship Fund	60,046	(616)	-	4,962	(3,000)	-	61,392
Fred E. Russell Fund	58,151	(581)	-	4,726	(3,000)	-	59,296
Friends of the Gallery Endowment Fund	15,471	(161)	-	1,293	-	-	16,603
Gertrude and Christina Lawson Scholarship Fund	87,237	(904)	-	7,282	(750)	-	92,865
Hender Family Fund	28,844	(299)	-	2,411	-	-	30,956
Holly & Beke Burne Fund	232,970	(2,228)	-	18,345	(25,000)	-	224,087
Irene Carpenter Fund	30,143	(290)	-	2,384	(3,000)	-	29,237
James A. Inkster Leadership Award Fund	34,273	(350)	50	2,818	(1,000)	-	35,791
Jeremy Dalton Rugby Endowment	12,213	(128)	300	1,026	-	-	13,411
Jerry Beckerman Memorial Fund	20,573	(211)	-	1,696	(1,000)	-	21,058
Joshua Goos Memorial Fund	14,013	(145)	-	1,171	-	-	15,039
Kay Meek Fund	99,889	(1,037)	100	8,352	-	-	107,304
Marc Rozen Memorial Fund for Youth	14,258	(148)	200	1,195	-	-	15,505
Mayors' Endowment Fund	83,537	(1,018)	29,673	8,191	(1,500)	-	118,883
North Shore Rescue Team Endowment Fund	20,280	(165)	368	1,415	(5,000)	-	16,898
Robertson Taylor Endowment Fund	16,119	(161)	-	1,311	(800)	-	16,469
Ron and Barbara Howard Fund	20,748	(216)	-	1,736	-	-	22,268
Thunderbird Marine Corp. Fund	6,027	(63)	-	504	-	-	6,468
Tom and Judy Baillie Fund	27,192	(282)	-	2,266	(154)	-	29,022
Trajan Martin Memorial Scholarship Fund	17,706	(183)	-	1,482	(500)	-	18,505
West Vancouver Artists Fund Endowment	14,480	(150)	-	1,211	-	-	15,541
West Vancouver Public Art Endowment Fund	26,402	(273)	-	2,206	-	-	28,335
West Vancouver Youth Band Endowment Fund	76,736	(797)	-	6,416	-	-	82,355
William Patrick Memorial Fund	908,325	(7,196)	-	75,696	(9,500)	-	967,325
WVCF Memorial Fund	6,132	(64)	50	514	-	(6,632)	-
YAHU Endowment Fund	17,898	(186)	200	1,497	-	-	19,409
Total Endowment Funds	2,293,333	(21,185)	531,941	192,204	(80,204)	(6,632)	2,909,457
FLOW-THRU, ADMINISTRATION, & STABILIZATION FUNDS							
WVCF Flow-Thru Funds	478,810	(4,390)	111,506	4,922	(261,791)	(8,956)	320,101
WVCF Grant Stabilization Fund	55,768	(579)	-	4,664	-	-	59,853
WVCF Administration Fund	49,678	(517)	110	4,157	-	(53,428)	-
Total Flow-Thru, Administration & Stabilization Funds	584,256	(5,486)	111,616	13,743	(261,791)	(62,384)	379,954
WVCF COMMUNITY FUND	363,992	(80,176)	8,359	30,636	(40,382)	69,016	351,445
Total Funds	3,241,581	(106,847)	651,916	236,583	(382,377)	-	3,640,856

The accompanying notes are an integral part of these financial statements

WEST VANCOUVER COMMUNITY FOUNDATION

SCHEDULE OF CONTINUITY OF MANAGED & FLOW-THRU FUNDS UNDER ADMINISTRATION AND FOUNDATION FLOW-THRU FUNDS

Year ended December 31, 2012

	Balance Beginning of Year	Fees and Expenses	Donations and Bequests	Allocation of Income and Market Change	Grants	Interfund Transfers	Balance End of Year
	\$	\$	\$	\$	\$	\$	\$
MANAGED & FLOW-THRU FUNDS UNDER ADMINISTRATION							
Capilano Rugby Club Fund	8,537	(24)	17,483	352	(23,600)	-	2,748
Inkster Flow Through Fund	2,577	(27)	215	216	-	-	2,981
WV Habitat Enhancement Fund	222	(2)	-	14	(234)	-	-
WV United Church Endowment Fund	516,661	(3,886)	-	43,251	-	-	556,026
WV United Church Permanent Trust Fund	559,147	(4,205)	-	46,808	-	-	601,750
	<u>1,087,144</u>	<u>(8,144)</u>	<u>17,698</u>	<u>90,641</u>	<u>(23,834)</u>	<u>-</u>	<u>1,163,505</u>
FOUNDATION FLOW-THRU FUNDS							
British Pacific Properties Scholarship Fund	1,495	-	1,500	164	(1,500)	-	1,659
First Aid Ski Patrol Flow Through Fund	-	(118)	20,000	944	-	-	20,826
North Shore Rescue Team Society Flow Through	235,828	(868)	44,781	-	(225,000)	-	54,741
Black Creek Old Growth Environmental Fund	-	(12)	13,402	-	-	-	13,390
Van/WVCF Flow-Thru Fund	6,637	(34)	6,378	376	(6,000)	-	7,357
West Vancouver Field Hockey Facilities Society	184,020	(2,695)	9,070	-	(7,291)	-	183,104
West Vancouver Police Department Flow Through	17,492	(247)	11,908	2,119	(22,000)	-	9,272
WVSC Mark Steven Scholarship Fund	-	(6)	1,665	46	-	-	1,705
West Vancouver Soccer Club Facilities Fund	24,292	(290)	-	-	-	-	24,002
WV Directors Fund	5,911	(81)	2,500	626	-	(8,956)	-
YAHU Flowthrough Fund	3,135	(39)	302	647	-	-	4,045
	<u>478,810</u>	<u>(4,390)</u>	<u>111,506</u>	<u>4,922</u>	<u>(261,791)</u>	<u>(8,956)</u>	<u>320,101</u>

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

	2012 \$	2011 \$
Cash Provided By Operations		
Excess of revenues over expenditures	399,275	318,749
Items not involving cash:		
Change in cash surrender value of life insurance	(1,800)	(1,766)
Unrealized (gains) losses on investments	(184,691)	78,104
Changes in non-cash operating capital:		
Accounts receivable	649	266
GST receivable	1,798	(3,237)
Accounts payable	11,952	532
Grant commitments	(10,500)	8,000
	216,683	400,648
Cash Used In Investments		
Dividends and interest reinvested	(133,948)	(136,762)
Net deposits to investment account	(346,000)	25,000
Managed & Flow-Thru funds under administration	76,361	(707,565)
	(403,587)	(819,327)
Decrease In Cash	(186,904)	(418,679)
Cash, beginning of year	470,390	889,069
Cash, end of year	283,486	470,390

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

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

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. Adoption of Accounting Standards for Not-for-Profit Organizations

Effective January 1, 2012, the Foundation adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting, electing to adopt the new accounting framework: Canadian Accounting Standards for Not-for-Profit Organizations. These are the Foundation's first financial statements prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (NFPOs) and the transitional provisions for Section 1501, First-time Adoption have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in the significant accounting policy note have been applied in preparing the financial statements for the year ended December 31, 2012, the comparative information for the year ended December 31, 2011 and the opening Canadian Accounting Standards for NFPOs statement of financial position at January 1, 2011 (the Foundation's date of transition).

The Foundation issued financial statements for the year ended December 31, 2011 using the generally accepted accounting principles prescribed by CICA Handbook - Accounting XFI (Accounting XFI). The adoption of Accounting Standards for NFPOs did not result in any adjustments to the previously reported assets, liabilities, equity, net income and cash flows of the Foundation.

3. 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 NFPOs and follow the restricted fund method of accounting for contributions.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

3. 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 into funds. 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) Managed & Flow-Thru Funds Under Administration
- ii) Endowment Funds
- iii) Flow-Thru, Administration & Stabilization Funds
- iv) Community Fund

Flow-Thru Funds represent funds which do not have an enduring capital component.

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 Community Fund.

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.

Unrestricted investment and other incomes are recognized as revenue when earned.

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

3. Summary of Significant Accounting Policies (Cont.)

Revenue Recognition (Cont.)

Endowed, Community, and Managed & Flow-Thru Funds under Administration 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.

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. Management believes that the estimates utilized in preparing these financial statements are reasonable and prudent; however, actual results could differ from these estimates.

4. 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 financial instruments 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.

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

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

5. Investments

Summary of Investment Portfolio Holdings

	Cost \$	Fair Value \$	%
Leith Wheeler International Fund Series A	684,848	587,045	13.0 %
Leith Wheeler Canadian Equity Fund Series A	743,230	767,662	17.0 %
Leith Wheeler Fixed Income Fund Series A	1,177,066	1,228,213	27.3 %
Leith Wheeler Income Pooled Fund Series A	1,298,947	1,310,595	29.1 %
Leith Wheeler U.S. Equity Fund Series A	680,443	613,536	13.6 %
	4,584,534	4,507,051	100.0%

The cost and fair value of the investment portfolio at December 31, 2011 were \$4,064,121 and \$3,842,412 respectively.

6. Administration

Administration expenses have been shown net of recoveries of fees on managed funds under administration and certain Foundation funds. They are detailed as follows:

	2012 \$	2011 \$
Insurance	2,390	2,387
Office	31,849	33,253
Professional fees	11,650	8,849
Wages and benefits	69,102	56,540
	114,991	101,029
Less allocation to:		
Managed & Flow-Thru funds under administration	(8,144)	(9,725)
Foundation funds	(26,671)	(25,697)
Administration, net	80,176	65,607

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

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

7. 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.

8. Managed & Flow-Thru Funds Under Administration

Managed & flow-thru funds under administration represent funds beneficially owned by other organizations for which the income and capital is designated for the benefit of these organizations.

9. Funds Held by the Vancouver Foundation

The Foundation received \$6,378 (2011 - \$6,258) as income from a permanent endowment fund with the Vancouver Foundation. The market value of the fund as at December 31, 2012 was \$169,326 (2011 - \$164,380).

10. Capital Management

The Foundation defines its capital as the net assets included in the endowment, flow-thru, administration & stabilization funds, and community fund.

The primary objective of the Foundation's capital management policy is to provide adequate funding to achieve the efficient delivery of fund management and distributions of funds to charities.

Net assets invested in endowment funds are restricted pursuant to the deed of gift which established the fund. Only the income on some endowment funds is available for distribution. There are no external restrictions on the net assets in the community, administrative or stabilization funds.

11. Operating Lease Commitment

The Foundation has operating lease commitments for premises as follows:

Year	\$
2013	2,472
2014	2,546
2015	2,623
2016	2,700
2017	2,782

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