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# **WEST VANCOUVER COMMUNITY FOUNDATION**

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## **FINANCIAL STATEMENTS**

December 31, 2013

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# WEST VANCOUVER COMMUNITY FOUNDATION

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## TABLE OF CONTENTS

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December 31, 2013

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	Page
Auditors' Report	
Financial Statements	
Statement of Financial Position	1
Statement of Operations and Net Assets	2
Statement of Continuity of Foundation Funds	3
Schedule of Continuity of Managed & Flow-Thru Funds Under Administration and Foundation Flow-Thru Funds	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 10



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A Limited Liability Partnership of Corporations

## INDEPENDENT AUDITORS' REPORT

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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, 2013, and the statements of operations and net assets, 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, 2013, and the results of its operations, change in net assets, and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Lohn Caulder LLP*

Vancouver, BC  
April 15, 2014



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# WEST VANCOUVER COMMUNITY FOUNDATION

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## STATEMENT OF FINANCIAL POSITION

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		As at December 31	
		2013 \$	2012 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash	253,992	283,486	
Accounts receivable	709	398	
GST/HST receivable	2,311	3,247	
Event deposit	1,500	-	
	258,512	287,131	
<b>Investments</b> (note 4)	4,803,294	4,507,051	
<b>Interest in Life Insurance Policy</b> (note 6)	33,779	31,979	
	5,095,585	4,826,161	
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable	11,789	21,800	
Deferred sponsorship contributions	5,400	-	
Grant commitments	1,200	-	
	18,389	21,800	
<b>Managed &amp; Flow-Thru Funds</b>			
<b>Under Administration</b> (note 7)	1,327,696	1,163,505	
<b>Net Assets</b>			
Endowment Funds	2,030,645	1,942,132	
Flow-Thru & Stabilization Funds	1,362,545	1,347,279	
Community Fund	356,310	351,445	
	3,749,500	3,640,856	
	5,095,585	4,826,161	

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APPROVED ON BEHALF OF THE BOARD:

\_\_\_ "Gerry Humphries" \_\_\_ Director \_\_\_ "Ron Royston" \_\_\_ 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	
	2013	2012
	\$	\$
<b>Revenues</b>		
Investment income	167,029	138,658
Unrealized (decrease) increase in market value of investments	468,647	184,691
Sponsorship contributions	12,075	3,875
	<b>647,751</b>	<b>327,224</b>
<b>Revenue Allocated to Managed &amp; Flow-Thru Funds Under Administration</b>		
Investment Income	(52,515)	(45,084)
Unrealized decrease (increase) in market value of investments	(120,203)	(45,557)
	<b>475,033</b>	<b>236,583</b>
Donations to Endowment Funds	58,465	531,941
Donations to Flow-Thru & Stabilization Funds	33,505	111,616
Donations to Community Fund	7,381	8,359
	<b>574,384</b>	<b>888,499</b>
<b>Expenditures</b>		
Grants	356,549	382,377
Administration allocated to Foundation Funds	109,191	106,847
	<b>465,740</b>	<b>489,224</b>
<b>Excess of Revenues Over Expenditures</b>	<b>108,644</b>	<b>399,275</b>
<b>Net Assets, beginning of year</b>	<b>3,640,856</b>	<b>3,241,581</b>
<b>Net Assets, end of year</b>	<b>3,749,500</b>	<b>3,640,856</b>

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, 2013

	Balance Beginning of Year	Fees and Expenses	Donations and Bequests	Allocation of Income and Market Change	Grants	Balance End of Year
	\$	\$	\$	\$	\$	\$
<b>ENDOWMENT FUNDS</b>						
Bonnie J. McLaren Memorial Fund	503,790	(3,281)	-	74,577	-	575,085
Bradley T. Bowles Scholarship Fund	16,460	(176)	-	2,430	-	18,714
Danny Possee Memorial Fund	284,055	(1,040)	34,840	18,730	(200,000)	136,585
Donald & Marjorie Lanskail Fund	34,279	(366)	-	5,061	-	38,974
Environmental Endowment Fund	6,851	(69)	-	967	(500)	7,249
Faris Family Scholarship Fund	61,392	(651)	-	8,971	(1,500)	68,212
Fred E. Russell Fund	59,296	(626)	-	8,664	(1,000)	66,334
Friends of the Gallery Endowment Fund	16,603	(177)	-	2,451	-	18,877
Gertrude and Christina Lawson Scholarship Fund	92,865	(986)	-	13,620	(2,000)	103,499
Hender Family Fund	30,956	(331)	1,650	4,595	(600)	36,270
Holly & Beke Burne Fund	224,087	(2,394)	-	33,081	-	254,774
Irene Carpenter Fund	29,237	(305)	-	4,227	(1,000)	32,159
James A. Inkster Leadership Award Fund	35,791	(376)	25	5,203	(1,000)	39,643
Jeremy Dalton Rugby Endowment	13,411	(144)	250	1,992	-	15,509
Jerry Beckerman Memorial Fund	21,058	(222)	-	3,048	(1,000)	22,884
Joshua Goos Memorial Fund	15,039	(155)	-	2,149	(800)	16,233
Kay Meek Fund	107,304	(1,135)	-	15,707	(1,500)	120,376
Marc Rozen Memorial Fund for Youth	15,505	(163)	200	2,257	(500)	17,299
Mayors' Endowment Fund	118,883	(1,394)	21,500	19,297	(2,000)	156,286
North Shore Rescue Team Endowment Fund	16,898	(181)	-	2,495	-	19,212
Robertson Taylor Endowment Fund	16,469	(176)	-	2,432	-	18,725
Ron and Barbara Howard Fund	22,268	(219)	-	3,064	(2,500)	22,613
Thunderbird Marine Corp. Fund	6,468	(69)	-	955	-	7,354
Tom and Judy Baillie Fund	29,022	(307)	-	4,239	(507)	32,447
Trajan Martin Memorial Scholarship Fund	18,505	(196)	-	2,693	(500)	20,502
West Vancouver Artists Fund Endowment	15,541	(166)	-	2,294	-	17,669
West Vancouver Public Art Endowment Fund	28,335	(303)	-	4,183	-	32,215
West Vancouver Youth Band Endowment Fund	82,355	(880)	-	12,158	-	93,633
YAHU Endowment Fund	19,409	(202)	-	2,805	(700)	21,312
<b>Total Endowment Funds</b>	<b>1,942,132</b>	<b>(16,690)</b>	<b>58,465</b>	<b>264,345</b>	<b>(217,607)</b>	<b>2,030,645</b>
<b>FLOW-THRU &amp; STABILIZATION FUNDS</b>						
William Patrick Memorial Fund	967,325	(88,261)	-	135,836	-	1,014,900
WVCF Flow-Thru Funds	320,101	(3,599)	33,505	9,132	(79,542)	279,597
WVCF Grant Stabilization Fund	59,853	(641)	-	8,836	-	68,048
<b>Total Flow-Thru &amp; Stabilization Funds</b>	<b>1,347,279</b>	<b>(92,501)</b>	<b>33,505</b>	<b>153,804</b>	<b>(79,542)</b>	<b>1,362,545</b>
<b>WVCF COMMUNITY FUND</b>	<b>351,445</b>	<b>-</b>	<b>7,381</b>	<b>56,884</b>	<b>(59,400)</b>	<b>356,310</b>
<b>Total Funds</b>	<b>3,640,856</b>	<b>(109,191)</b>	<b>99,351</b>	<b>475,033</b>	<b>(356,549)</b>	<b>3,749,500</b>

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, 2013

	Balance Beginning of Year	Fees and Expenses	Donations and Bequests	Allocation of Income and Market Change	Grants	Balance End of Year
	\$	\$	\$	\$	\$	\$
<b>MANAGED &amp; FLOW-THRU FUNDS UNDER ADMINISTRATION</b>						
Capilano Rugby Club Fund	2,748	(81)	10,000	1,104	(10,000)	3,771
Inkster Flow Through Fund	2,981	(32)	280	440	-	3,669
WV United Church Endowment Fund	556,026	(4,175)	-	82,207	-	634,058
WV United Church Permanent Trust Fund	601,750	(4,518)	-	88,966	-	686,197
	<u>1,163,505</u>	<u>(8,806)</u>	<u>10,280</u>	<u>172,717</u>	<u>(10,000)</u>	<u>1,327,696</u>
<b>FOUNDATION FLOW-THRU FUNDS</b>						
British Pacific Properties Scholarship Fund	1,659	-	-	205	(1,500)	363
First Aid Ski Patrol Flow Through Fund	20,826	(223)	-	3,074	-	23,678
North Shore Rescue Team Society Flow Through	54,741	(171)	-	-	(50,000)	4,570
Black Creek Old Growth Environmental Fund	13,390	(143)	-	1,977	-	15,224
Van/WVCF Flow-Thru Fund	7,357	(30)	6,503	461	(7,000)	7,291
West Vancouver Field Hockey Facilities Society	183,104	(2,509)	5,514	-	(12,042)	174,067
West Vancouver Police Department Flow Through	9,272	(148)	8,115	2,024	-	19,263
WVSC Mark Steven Scholarship Fund	1,705	(62)	5,567	734	(4,000)	3,944
West Vancouver Soccer Club Facilities Fund	24,002	(266)	7,050	-	(5,000)	25,786
YAHU Flowthrough Fund	4,045	(47)	756	657	-	5,411
	<u>320,101</u>	<u>(3,599)</u>	<u>33,505</u>	<u>9,132</u>	<u>(79,542)</u>	<u>279,597</u>

The accompanying notes are an integral part of these financial statements

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## WEST VANCOUVER COMMUNITY FOUNDATION

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### STATEMENT OF CASH FLOWS

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For the year ended December 31

	2013 \$	2012 \$
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<b>Cash Provided By (Used In):</b>		
<b>Operations</b>		
Excess of revenues over expenditures	108,644	399,275
Items not involving cash:		
Change in cash surrender value of life insurance	(1,800)	(1,800)
Unrealized losses (gains) on investments	(468,647)	(184,691)
Changes in non-cash operating capital:		
Accounts receivable	(311)	649
GST receivable	936	1,798
Event deposit	(1,500)	-
Accounts payable	(10,011)	11,952
Grant commitments	1,200	(10,500)
Deferred sponsorships	5,400	-
	<hr/> (366,089) <hr/>	<hr/> 216,683 <hr/>
<b>Investments</b>		
Dividends and interest reinvested	(162,596)	(133,948)
Net (deposits) to investment account	335,000	(346,000)
Managed & Flow-Thru funds under administration	164,191	76,361
	<hr/> 336,595 <hr/>	<hr/> (403,587) <hr/>
<b>(Decrease) Increase In Cash</b>	<hr/> (29,494) <hr/>	<hr/> (186,904) <hr/>
<b>Cash, beginning of year</b>	283,486	470,390
	<hr/>	<hr/>
<b>Cash, end of year</b>	253,992	283,486
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The accompanying notes are an integral part of these financial statements.



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# WEST VANCOUVER COMMUNITY FOUNDATION

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## NOTES TO FINANCIAL STATEMENTS

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December 31, 2013

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### 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 and follow the restricted fund method of accounting for contributions.

#### 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 & 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.

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# WEST VANCOUVER COMMUNITY FOUNDATION

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## NOTES TO FINANCIAL STATEMENTS

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December 31, 2013

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### 2. Summary of Significant Accounting Policies (Cont.)

#### **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.

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

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.

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# WEST VANCOUVER COMMUNITY FOUNDATION

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## NOTES TO FINANCIAL STATEMENTS

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December 31, 2013

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### 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 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.

### 4. Investments

#### Summary of Investment Portfolio Holdings

	Cost \$	Fair Value \$	%
Leith Wheeler International Fund Series A	598,783	627,064	13.1 %
Leith Wheeler Canadian Equity Fund Series A	626,510	764,012	15.9 %
Leith Wheeler Fixed Income Fund Series A	1,444,390	1,432,245	29.8 %
Leith Wheeler U.S. Equity Fund Series A	1,241,284	1,295,782	27.0 %
Leith Wheeler Income Pooled Fund Series A	545,143	684,191	14.2 %
	4,456,110	4,803,294	100.0%

The cost and fair value of the investment portfolio at December 31, 2012 were \$4,584,534 and \$4,507,051 respectively.



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# WEST VANCOUVER COMMUNITY FOUNDATION

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## NOTES TO FINANCIAL STATEMENTS

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December 31, 2013

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### 5. 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:

	2013 \$	2012 \$
Insurance	2,499	2,390
Office	38,911	31,849
Professional fees	10,460	11,650
Wages and benefits	66,127	69,102
	117,997	114,991
Allocation to:		
Managed & Flow-Thru funds under administration	8,806	8,144
Foundation funds	109,191	106,847
	117,997	114,991

### 6. 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.

### 7. 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.

### 8. Funds Held by the Vancouver Foundation

The Foundation received \$6,503 (2012 - \$6,378) as income from a permanent endowment fund with the Vancouver Foundation. The market value of the fund as at December 31, 2013 was \$188,065 (2012 - \$169,326).

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# WEST VANCOUVER COMMUNITY FOUNDATION

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## NOTES TO FINANCIAL STATEMENTS

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December 31, 2013

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### 9. Capital Management

The Foundation defines its capital as the net assets included in the endowment, flow-thru, 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 or stabilization funds.

### 10. Operating Lease Commitment

The Foundation has operating lease commitments for premises as follows:

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

### 11. Reclassification

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