
WEST VANCOUVER COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

December 31, 2020

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, 2020, 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, 2020, 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.

Emphasis of Matter - Amended Financial Statements

We draw attention to Note 17 to the financial statements, which describes that the financial statements that we originally reported on May 14, 2021 have been amended and describes the matter that gave rise to the amendment of the financial statements. Our opinion is not modified in respect of this matter.

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 14, 2021, except as to Note 17 which is as of June 21, 2021

WEST VANCOUVER COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at December 31

	2020	2019
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	540,637	315,463
Receivables (note 5)	24,588	3,861
GST receivable	1,841	4,193
Prepaid expenses	30,824	4,665
	597,890	328,182
Investments (note 4)	20,809,806	16,977,292
Interest in Life Insurance Policy (note 6)	47,044	45,144
Capital Assets (note 7)	13,540	19,140
Trust Funds Under Administration (note 12)	853,659	869,033
	22,321,939	18,238,791
LIABILITIES		
Current		
Accounts payable (note 5)	39,136	22,574
Deferred sponsorship contributions	81,034	33,250
Grant commitments	1,500	387
Funds under administration (note 11)	1,169,726	1,105,473
	1,291,396	1,161,684
Trust Funds Under Administration (note 12)	853,659	869,033
	2,145,055	2,030,717
Fund Balances		
Endowment Funds	11,820,783	9,360,802
Restricted Funds	6,832,160	5,336,729
Unrestricted Funds	1,523,941	1,510,543
	20,176,884	16,208,074
	22,321,939	18,238,791

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	2020 Total	2019 Total
	\$	\$	\$	\$	\$
Revenues					
Donations and Bequests	2,456,655	1,193,321	25,955	3,675,931	1,750,867
Emergency Community Support Funding	-	-	451,910	451,910	-
Investment Income	(94,476)	370,655	(208,494)	67,685	704,832
Change in Market Value of Investments	839,956	90,239	311,287	1,241,482	1,093,378
Sponsorship and Event Contributions	-	-	84,993	84,993	83,024
Government Assistance (note 14)	-	-	29,751	29,751	-
	3,202,135	1,654,215	695,402	5,551,752	3,632,101
Expenditures					
Grants	155,975	530,769	3,492	690,236	468,317
Emergency Community Support Funding	-	-	451,910	451,910	-
Management and Administration	-	-	106,166	106,166	111,842
Granting and Community Leadership	-	-	187,368	187,368	165,797
Fund Development	-	-	147,262	147,262	156,383
Administration Allocation	129,698	84,496	(214,194)	-	-
	285,673	615,265	682,005	1,582,943	902,339
Excess of Revenues over Expenditures	2,916,462	1,038,950	13,398	3,968,810	2,729,762
Funding Balances, beginning of year	9,360,802	5,336,729	1,510,543	16,208,074	13,478,312
Fund Transfers	(456,481)	456,481	-	-	-
Fund Balances, end of year	11,820,783	6,832,160	1,523,941	20,176,884	16,208,074

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

	2020	2019
	\$	\$
Cash Provided By:		
Operations		
Excess of revenues over expenditures	3,968,810	2,729,762
Unrealized gains on investments	(1,241,482)	(1,093,378)
Amortization	8,772	18,015
Changes in non-cash operating working capital	20,925	13,591
	2,757,025	1,667,990
Investments		
Investment income reinvested	(69,584)	(704,832)
Net deposits to investment account	(2,459,095)	(1,040,649)
Purchase of capital assets	(3,172)	(1,019)
	(2,531,851)	(1,746,500)
Increase (Decrease) In Cash	225,174	(78,510)
Cash, beginning of year	315,463	393,973
Cash, end of year	540,637	315,463

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

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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 investment management 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 gains (losses) on disposal 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, 2020

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.

During the year, there were two transfers. The first, on the direction of the donor, \$378,906 donated in previous years was transferred to a restricted fund, the purpose of which more closely aligned with their intentions. Second, the Board directed \$77,575 be transferred from an internally restricted fund to establish the North Shore COVID-19 Emergency Response.

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, 2020

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. Significant area requiring the use of management estimates relate to expense allocations and accrued liabilities.

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 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
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3. Financial Instruments

It is 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, 2020

4. Investments

Summary of Investment Portfolio Holdings

	Cost \$	Fair Value \$	%
Leith Wheeler International Pooled Fund Series A	2,037,352	2,125,952	10.2 %
Leith Wheeler Canadian Equity Fund Series A	5,174,622	6,227,578	30.0 %
Leith Wheeler Core Active Bond Fund Series A	6,734,534	6,854,887	32.9 %
Leith Wheeler Corp. Bond Fund Series A	469,087	477,043	2.3 %
Leith Wheeler U.S. Equity Non- Taxable Pooled Fund Series A	1,163,188	1,237,289	6.0 %
Leith Wheeler Passive U.S. Equity Fund Series A	1,748,226	1,901,177	9.1 %
Leith Wheeler U.S. Small Mid-Cap Equity Pooled Fund Series A	697,928	829,637	4.0 %
Leith Wheeler Short Term Income Fund Series A	301,821	298,369	1.4 %
Leith Wheeler Institutional BB/B High Yield Bond Fund	187,942	189,074	0.9 %
Leith Wheeler Money Market Fund Series A	163,988	163,988	0.8 %
RBC Investment Savings Account SR A	504,812	504,812	2.4 %
	<hr/> 19,183,500	<hr/> 20,809,806	<hr/> 100.0%

The cost and fair value of the investment portfolio at December 31, 2019 were \$16,169,637 and \$16,977,292 respectively.

5. Receivables and Accounts Payable

Receivables represents Canadian Emergency Wage Subsidy (CEWS) assistance amounts of \$24,588 (2019 - \$nil). Included in accounts payable are CEWS assistance amounts of \$23,629 (2019 - \$nil) repayable under the CEWS program for claim periods which the organization was not eligible for.

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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. Capital Assets

	2020 \$		2019 \$	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer Equipment	45,598	(32,058)	13,540	19,140

8. Funds Held by the Vancouver Foundation

The Foundation received \$9,532 (2019 - \$9,448) 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, 2020 was \$236,677 (2019 - \$226,796).

9. Operating Lease Commitment

The Foundation has premises operating lease commitments as follows:

Year	\$
2021	3,288
2022	1,976

10. 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:

	2020 \$	2019 \$
Management and administrative	23,941	18,391
Granting and community leadership	23,941	18,391
Fund development	23,941	18,391
	71,823	55,173

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

11. 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	596,859	508,614	1,105,473
Fees and Expenses	(2,883)	(2,503)	(5,386)
Allocation of Income and Market Change	47,344	42,295	89,639
Funds Disbursed	(20,000)	-	(20,000)
Balance End of Year	621,320	548,406	1,169,726

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

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12. Trust Funds Under Administration

The Foundation is the trustee of the trust funds and administers these funds in 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.

	\$	\$
	2020	2019
Balance Beginning of the Year	869,033	841,859
Fees and Expenses	(4,075)	(4,526)
Allocation of Income and Market Change	63,701	106,700
Funds Disbursed	(75,000)	(75,000)
	853,659	869,033

13. 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 \$76,777).

14. Government Assistance COVID-19

In March 2020, the Canadian Government announced the Canadian Emergency Wage Subsidy (CEWS) and Temporary Wage Subsidy (TWS) assistance programs in response to the impact of COVID-19 on Canadian businesses. Under the CEWS program, qualifying businesses can receive up to 75% of their employees' wages from the government, and 10% of their employees' wages under TWS program. During the year, the Foundation received or claimed a net of \$24,588 in CEWS assistance and \$5,163 in TWS assistance. Refer also to note 5.

In May 2020, the Canadian Government announced the Emergency Community Support Fund (ECSF) to help serve vulnerable Canadians during the COVID-19 pandemic. The Foundation was selected by Community Foundations of Canada to coordinate and distribute \$451,910 to North and West Vancouver and received a \$38,312 honorarium for the administrative work performed of selecting, reviewing and distributing grants.

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

15. Contingency

In March 2020, the World Health Organization declared a global pandemic due to COVID-19. The situation has and continues to be disruptive to North American capital markets, businesses and service providers. The majority of the Foundation's funds are held in marketable securities in investment portfolios. Donations and bequests received in the year were comparable to the previous fiscal year. The future is still subject to increased uncertainties due to the continuation of the pandemic and the increased volatility experienced by the capital markets.

16. Subsequent Event

Subsequent to the year end, the West Vancouver United Church Permanent Trust Fund applied for registered charity status. Refer also to note 12.

17. Amended Financial Statements

These Financial Statements have been amended to correct for typographical errors on the Statement of Cash Flows.

The unrealized gains amount in the Statement of Cash Flows for the year ended December 31, 2020 was incorrectly stated as \$1,241,482 when it should have read as (\$1,241,482). The difference was incorrectly included in the net deposits to investment account line. The amortization amount for December 31, 2019 was incorrectly stated as \$301,821 when it should have been read as \$18,015. The total net change in cash provided did not change from previously reported. There were no other changes made to the Financial Statements.