
WEST VANCOUVER COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

December 31, 2021

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, 2021, and the statement of operations and fund balances, 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, 2021, 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:

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NOTES TO FINANCIAL STATEMENTS

December 31, 2021

- 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 16, 2022

WEST VANCOUVER COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at December 31

	2021	2020
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	1,169,283	540,637
Receivables	-	24,588
GST receivable	4,265	1,841
Prepaid expenses	20,663	30,824
	<hr/>	<hr/>
	1,194,211	597,890
Investments (note 4)	26,122,333	20,809,806
Interest in Life Insurance Policy (note 7)	48,944	47,044
Capital Assets (note 8)	4,420	13,540
Trust Funds Under Administration (note 13)	-	853,659
	<hr/>	<hr/>
	27,369,908	22,321,939
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LIABILITIES		
Current		
Accounts payable	49,525	39,136
Deferred sponsorship contributions	37,000	81,034
Grant commitments	125,373	1,500
Funds under administration (note 11)	1,245,055	1,169,726
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	1,456,953	1,291,396
Trust Funds Under Administration (note 13)	-	853,659
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	1,456,953	2,145,055
Fund Balances		
Endowment Funds	14,894,374	11,820,783
Restricted Funds	9,488,151	6,832,160
Unrestricted Funds	1,530,430	1,523,941
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	25,912,955	20,176,884
	<hr/>	<hr/>
	27,369,908	22,321,939

APPROVED ON BEHALF OF THE BOARD:


Naomi Deming
Director
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	2021 Total	2020 Total
	\$	\$	\$	\$	\$
Revenues					
Donations and Bequests	1,693,629	2,506,883	158,984	4,359,496	3,675,931
Emergency Community Support Funding	-	-		-	451,910
Investment Income (note 5)	759,523	403,414	115,287	1,278,224	67,685
Change in Market Value of Investments	924,016	295,618	97,603	1,317,237	1,241,482
Sponsorship and Event Contributions	-	-	77,668	77,668	84,993
Government Assistance	-	-	-	-	29,751
	3,377,168	3,205,915	449,542	7,032,625	5,551,752
Expenditures					
Grants	246,890	512,990	-	759,880	690,236
Emergency Community Support Funding	-	-	-	-	451,910
Management and Administration	-	-	161,013	161,013	106,166
Granting and Community Leadership	-	-	203,139	203,139	187,368
Fund Development	354	5,427	166,741	172,522	147,262
Administration Allocation	170,713	103,597	(274,310)	-	-
	417,957	622,014	256,583	1,296,554	1,582,942
Excess of Revenues over Expenditures	2,959,211	2,583,901	192,959	5,736,071	3,968,810
Funding Balances, beginning of year	11,820,783	6,832,160	1,523,941	20,176,884	16,208,074
Fund Amendments (note 2)	114,380	72,090	(186,470)	-	-
Fund Balances, end of year	14,894,374	9,488,151	1,530,430	25,912,955	20,176,884

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

	<u>2021</u>	<u>2020</u>
	\$	\$
Cash Provided By (Used By):		
Operations		
Excess of revenues over expenditures	5,736,070	3,968,810
Unrealized gains on investments	(1,317,238)	(1,241,482)
Amortization	9,120	8,772
Changes in non-cash operating working capital	122,554	20,925
	<u>4,550,506</u>	<u>2,757,025</u>
Investments		
Investment income reinvested	(1,280,124)	(69,584)
Net deposits to investment account	(2,641,736)	(2,459,095)
Purchase of capital assets	-	(3,172)
	<u>(3,921,860)</u>	<u>(2,531,851)</u>
Increase In Cash	<u>628,646</u>	<u>225,174</u>
Cash, beginning of year	<u>540,637</u>	<u>315,463</u>
Cash, end of year	<u>1,169,283</u>	<u>540,637</u>

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

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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 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.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances, and short-term deposits with maturity of less than 90 days.

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. Interest on investments is recorded on an accrual basis. Dividend income is recorded when the dividends are declared and the right to payment is established.

Sponsorship contributions for specific events and other restricted contributions for which there is no corresponding restricted fund are recorded in unrestricted funds using the deferred method until the event has been undertaken or the related expenses have been incurred.

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

2. Summary of Significant Accounting Policies (Cont.)

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.

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.

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

2. Summary of Significant Accounting Policies (Cont.)

During the year, there were three fund amendments. The first, on the direction of the donor, \$56,740 donated in previous years was amended from an endowment fund to a restricted fund, as restrictions on use of capital were removed. The remaining two amendments were initiated by the organization to more closely align with their stated fund agreements. A previously \$130,665 unrestricted fund was amended to an endowment fund, and a previously \$56,740 unrestricted fund was amended to a restricted fund.

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.

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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NOTES TO FINANCIAL STATEMENTS

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3. Financial Risk Management

The Foundation invests its various funds according to an Investment Policy Statement approved by the Board of Directors. This Statement outlines the objectives, policies and processes relating to investment activities and applies to all investments of the Foundation. The Investment Committee and management regularly review the Foundation's investments to ensure that all activities adhere to the Investment Policy Statement.

The Foundation has exposure to financial instruments risks. Management believes the most significant risk 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.

Interest rate risk relates to the risk that changes in interest rates will affect the fair value or future cash flows of financial instruments held by the Foundation. The Foundation has invested in a number of bond and money market funds

Foreign currency exposure arises from holdings in foreign currency denominated investments. Fluctuations in the value of those currencies against the Canadian dollar can result in changes to the fair value of the investments. The Foundation has investments in US and international pooled funds

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NOTES TO FINANCIAL STATEMENTS

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4. Investments

Summary of Investment Portfolio Holdings

	Cost \$	Fair Value \$	%
Leith Wheeler International Pooled Fund Series A	2,752,074	2,837,333	10.9 %
Leith Wheeler Canadian Equity Fund Series A	5,043,848	7,390,884	28.4 %
Leith Wheeler Core Active Bond Fund Series A	9,920,859	9,725,020	37.2 %
Leith Wheeler Corp. Bond Fund Series A	355,870	347,479	1.3 %
Leith Wheeler U.S. Equity Non- Taxable Pooled Fund Series A	1,156,768	1,257,666	4.9 %
Leith Wheeler Passive U.S. Equity Fund Series A	1,743,440	2,310,815	8.8 %
Leith Wheeler U.S. Small Mid-Cap Equity Pooled Fund Series A	605,243	804,398	3.1 %
Leith Wheeler Short Term Income Fund Series A	584,697	574,486	2.2 %
Leith Wheeler Institutional BB/B High Yield Bond Fund	242,771	241,437	0.9 %
Leith Wheeler Money Market Fund Series A	436,807	436,807	1.7 %
RBC Investment Savings Account SR A	196,008	196,008	0.8 %
	<u>23,038,385</u>	<u>26,122,333</u>	<u>100.0%</u>

The cost and fair value of the investment portfolio at December 31, 2020 were \$19,183,500 and \$20,809,806 respectively.

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5. Investment Income

	2021 \$	2020 \$
Interest and dividends	550,950	566,285
Realized capital gains (losses)	823,055	(421,232)
	1,374,005	145,053
Less: investment management fees	95,781	77,368
	1,278,224	67,685

6. Non-Monetary Transactions

During the year the Foundation received donations in the form of marketable securities for which it liquidates the securities at first opportunity. Securities received were valued at their market value on the date of receipt \$1,757,092, and then sold realizing a gain of \$6,319, which is reported within the total realized capital gains for the year.

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. Capital Assets

	2021 \$	2020 \$		
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer Equipment	45,598	(41,178)	4,420	13,541

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9. Funds Held by the Vancouver Foundation

The Foundation received \$9,679 (2020 - \$9,532) 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, 2021 was \$255,416 (2020 - \$236,677).

10. Expense Allocations

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

	2021 \$	2020 \$
Management and administrative	32,672	23,941
Granting and community leadership	32,672	23,941
Fund development	32,672	23,941
	98,016	71,823

Staffing costs are allocated proportionately to program functions based on personnel costs and duties performed.

	2021 \$	2020 \$
Management and administrative	77,903	72,599
Granting and community leadership	130,030	126,004
Fund development	101,839	98,413
	309,772	297,016

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NOTES TO FINANCIAL STATEMENTS

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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 that 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	621,320	548,406	1,169,726
Fees and Expenses	(3,080)	(2,869)	(5,949)
Allocation of Income and Market Change	62,658	58,620	121,278
Funds Disbursed	(40,000)	-	(40,000)
Balance End of Year	640,898	604,157	1,245,055

12. Operating Lease Commitment

The Foundation has operating lease commitments for premises as follows:

Year	\$
2022	3,225
2023	3,322
2024	3,422
2025	3,525
2026	3,630
2027	3,739

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NOTES TO FINANCIAL STATEMENTS

December 31, 2021

13. Trust Funds Under Administration

The Foundation is the trustee for the West Vancouver United Church Permanent Trust Fund and administers these funds in accordance with the terms outlined in the trust agreement. The West Vancouver United Church Permanent Trust Fund became a registered charitable organization in 2021, and the funds are now held directly in the name of that charitable organization. These trust funds are no longer presented as trust fund assets and liabilities under administration on the Statement of Financial Position of the Foundation.

	\$	\$
	2021	2020
Balance Beginning of the Year	853,659	869,033
Fees and Expenses	(3,092)	(4,075)
Allocation of Income and Market Change	80,236	63,701
Funds Disbursed	(179,342)	(75,000)
Balance End of Year	751,461	853,659

14. 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).

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. The future is still subject to increased uncertainties due to the continuation of the pandemic and the increased volatility experienced by the capital markets from other worldwide economic events.