
WEST VANCOUVER COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

December 31, 2022

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, 2022, 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, 2022, 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:

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

- 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, 2023

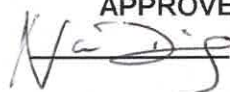
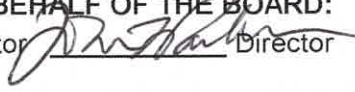
WEST VANCOUVER COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at December 31

	2022 \$	2021 \$
ASSETS		
Current		
Cash and cash equivalents	1,948,790	1,169,283
GST receivable	1,721	4,265
Prepaid expenses	25,025	20,663
	1,975,536	1,194,211
Investments (note 4)	25,222,532	26,122,333
Interest in Life Insurance Policy (note 7)	50,779	48,944
Capital Assets (note 8)	3,163	4,420
	27,252,010	27,369,908
LIABILITIES		
Current		
Accounts payable	40,258	49,525
Deferred sponsorship contributions	270,000	37,000
Grant commitments	195,086	125,373
Funds under administration (note 11)	1,153,479	1,245,055
	1,658,823	1,456,953
Fund Balances		
Endowment Funds	13,685,219	14,894,374
Restricted Funds	10,669,064	9,488,151
Unrestricted Funds	1,238,904	1,530,430
	25,593,187	25,912,955
	27,252,010	27,369,908

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 FUND BALANCES

Year ended December 31

	Endowment Funds	Restricted Funds	Unrestricted Funds	2022 Total	2021 Total
	\$	\$	\$	\$	\$
Revenues					
Donations and Bequests	174,963	2,472,044	24,311	2,671,318	4,359,496
Investment Income (note 5)	576,366	303,555	91,328	971,249	1,278,224
Change in Market Value of Investments	(1,524,346)	(849,996)	(244,998)	(2,619,340)	1,317,237
Sponsorship and Event Contributions	-	-	85,838	85,838	77,668
	(773,017)	1,925,603	(43,521)	1,109,065	7,032,625
Expenditures					
Grants	276,707	597,097	-	873,804	759,880
Management and Administration	-	-	154,748	154,748	161,013
Granting and Community Leadership	-	-	220,512	220,512	203,139
Fund Development	1,024	6,164	172,581	179,769	172,522
Administration Allocation	170,476	116,398	(286,874)	-	-
	448,207	719,659	260,967	1,428,833	1,296,554
Excess of Revenues over Expenditures	(1,221,224)	1,205,944	(304,488)	(319,768)	5,736,071
Funding Balances, beginning of year	14,894,374	9,488,151	1,530,430	25,912,955	20,176,884
Fund Transfers	12,069	(25,031)	12,962	-	-
Fund Balances, end of year	13,685,219	10,669,064	1,238,904	25,593,187	25,912,955

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

	2022 \$	2021 \$
<hr/>		
Cash Provided By (Used By):		
Operations		
Excess of revenues over expenditures	(319,768)	5,736,070
Unrealized losses (gains) on investments	2,619,340	(1,317,238)
Amortization	4,907	9,120
Changes in non-cash operating working capital	291,625	122,554
	<hr/>	<hr/>
	2,596,104	4,550,506
Investments		
Investment income reinvested	(973,083)	(1,280,124)
Net deposits to investment account	(839,865)	(2,641,736)
Purchase of capital assets	(3,649)	-
	<hr/>	<hr/>
	(1,816,597)	(3,921,860)
Increase In Cash	<hr/>	<hr/>
	779,507	628,646
Cash, beginning of year	1,169,283	540,637
Cash, end of year	<hr/>	<hr/>
	1,948,790	1,169,283

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

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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, 2022

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, 2022

2. Summary of Significant Accounting Policies (Cont.) 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 areas requiring the use of management estimates relate to expense allocations, deferred sponsorship revenue and accrued liabilities. While management believes that the estimates utilized in preparing these financial statements are reasonable and prudent, actual results could differ from those estimates.

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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December 31, 2022

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.

WEST VANCOUVER COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

4. Investments

Summary of Investment Portfolio Holdings

	Cost \$	Fair Value \$	%
Leith Wheeler International Pooled Fund Series A	2,704,821	2,548,754	10.1 %
Leith Wheeler Canadian Equity Fund Series A	4,975,368	6,771,190	26.8 %
Leith Wheeler Core Active Bond Fund Series A	10,386,517	8,853,020	35.1 %
Leith Wheeler Corp. Bond Fund Series A	366,231	323,557	1.3 %
Leith Wheeler U.S. Equity Non- Taxable Pooled Fund Series A	1,358,044	1,345,703	5.3 %
Leith Wheeler Passive U.S. Equity Fund Series A	1,951,294	2,178,068	8.6 %
Leith Wheeler U.S. Small Mid-Cap Equity Pooled Fund Series A	808,639	914,563	3.6 %
Leith Wheeler Short Term Income Fund Series A	452,831	439,652	1.7 %
Leith Wheeler Institutional BB/B High Yield Bond Fund	255,862	222,334	0.9 %
Leith Wheeler Money Market Fund Series A	386,839	386,839	1.5 %
RBC Investment Savings Account SR A	243,604	243,604	1.0 %
Bank of Nova Scotia SR	315,097	316,406	1.3 %
Canadian Utilities Limited	15,288	15,404	0.1 %
Altagas Ltd	325,820	325,940	1.3 %
Brookfield Property Fin Inc	6,951	7,073	- %
Consumers Gas Co Limited	322,491	330,425	1.4 %
	24,875,697	25,222,532	100.0%

The cost and fair value of the investment portfolio at December 31, 2021 were \$23,038,385 and \$26,122,333 respectively.

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NOTES TO FINANCIAL STATEMENTS

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5. Investment Income

	2022 \$	2021 \$
Interest and dividends	676,198	550,950
Realized capital gains	398,081	823,055
	1,074,279	1,374,005
Less: investment management fees	103,030	95,781
	971,249	1,278,224

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 \$110,888, and then sold realizing a gain of \$837, 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

Capital Assets	2022		2021
	\$		\$
	Cost	Accumulated Amortization	Net Book Value
Computer Equipment	49,247	(46,084)	3,163
			4,420

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9. Funds Held by the Vancouver Foundation

The Foundation received \$11,147 (2021 - \$9,679) 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, 2022 was \$225,528 (2021 - \$255,416).

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:

	2022 \$	2021 \$
Management and administrative	27,106	32,672
Granting and community leadership	27,106	32,672
Fund development	27,106	32,672
	81,318	98,016

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

	2022 \$	2021 \$
Management and administrative	93,840	77,903
Granting and community leadership	150,384	130,030
Fund development	124,002	101,839
	368,226	309,772

WEST VANCOUVER COMMUNITY FOUNDATION

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	640,898	604,157	1,245,055
Fees and Expenses	(3,015)	(2,842)	(5,857)
Allocation of Income and Market Change	(44,125)	(41,594)	(85,719)
Balance End of Year	593,758	559,721	1,153,479

12. Operating Lease Commitment

The Foundation has operating lease commitments for premises as follows:

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

13. Societies Act of British Columbia

As required by the BC Societies Act, the Foundation reports they have no employees who earned in excess of \$75,000 for 2022.