

Squamish Community Foundation
Financial Statements
For the year ended December 31, 2015

**Squamish Community Foundation
Financial Statements**
For the year ended December 31, 2015

Contents

Independent Auditor's Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 10



Tel: 604 932 3799
Fax: 604 932 3764
www.bdo.ca

BDO Canada LLP
202 - 1200 Alpha Lake Road
Whistler BC V0N 1B1 Canada

Independent Auditor's Report

To the Board of the Squamish Community Foundation

We have audited the accompanying financial statements of Squamish Community Foundation, which comprise the Statement of Financial Position as at December 31, 2015 and the Statements of Operations, Changes in 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 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.

Auditor's 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 from 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 the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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 on 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, Squamish Community Foundation derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Squamish Community Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, and cash flows from operations for the years ended December 31, 2015 and 2014, current assets as at December 31, 2015 and 2014, and net assets as at January 1 and December 31 for both 2015 and 2014 years. Our audit opinion on the financial statements for the year ended December 31, 2014 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Squamish Community Foundation as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

BDO Canada LLP.

Chartered Professional Accountants

Whistler, British Columbia
September 21, 2015

Squamish Community Foundation
Statement of Financial Position

December 31	2015	2014
Assets		
Current		
Cash (Note 2)	\$ 18,288	\$ 31,424
Accounts receivable	1,610	1,046
	19,898	32,470
Term deposits (Note 3)	192,805	243,670
Portfolio investments (Note 3)	236,563	144,067
	\$ 449,266	\$ 420,207

Net Assets



Restricted for Endowment Funds

Wild At Art Fund	\$ 3,090	\$ 2,932
Rob W. MacIntosh Fund	60,536	60,110
L & L Ingraham Fund	110,505	101,795
SCF Fund	67,177	73,440
Communities That Care Fund	29,719	30,158
Ray Peters Fund	5,321	5,298
Legacy Fund	9,101	9,236
Valhalla Fund	57,308	48,045
Realtors Fund	13,612	11,480
Squamish Terminals Endowment Fund	10,000	-
	366,369	342,494

Wigglesworth Flow-through Fund

Wigglesworth Flow-through Fund	7,927	7,927
Internally Restricted Funds	3,621	3,621
Unrestricted Operating Fund	71,349	66,165
	\$ 449,266	\$ 420,207

On behalf of the Board:

 _____	Director
 _____	Director

Squamish Community Foundation Statement of Changes in Net Assets

For the year ended December 31, 2015

	Internally Restricted Funds	Wild Wigglesworth At Art Endowment Fund	Flow Through Fund	Rob W. MacIntosh Endowment Fund	L&L Ingraham Endowment Fund	SCF Endowment Fund	Communities That Care Endowment Fund	Ray Peters Endowment Fund	Grad Legacy Endowment Fund	Valhalla Environment Endowment Fund	Realtors Endowment Fund	Squamish Terminals Flow Through Fund	Squamish Terminals Endowment Fund	Unrestricted Operating Fund	Total
Balance,															
December 31, 2013	\$ 3,621	\$ 3,337	\$ 7,927	\$ 58,443	\$ 90,463	\$ 70,819	\$ 29,321	\$ 5,123	\$ 9,103	\$ 42,872	\$ 8,898	\$ -	\$ -	\$ 71,471	\$ 401,398
Allocation of revenue and expenses for the year															
Donation revenue	-	-	-	-	10,000	600	-	100	-	4,543	2,450	-	-	4,127	21,820
Grants and sponsorship (Note 4)	-	-	-	-	-	-	-	-	-	-	-	-	-	12,187	12,187
Investment and other income	-	145	-	2,544	3,938	3,083	1,277	223	396	1,867	388	-	-	12	13,873
Administration fee	-	(50)	-	(877)	(1,357)	(1,062)	(440)	(77)	(137)	(643)	(133)	-	-	4,776	-
Donations granted	-	(500)	-	-	(1,249)	-	-	(71)	(126)	(594)	(123)	-	-	(7,337)	(10,000)
Operating costs	-	-	-	-	-	-	-	-	-	-	-	-	-	(19,071)	(19,071)
Excess (deficiency) of revenue over expenses for the year	-	(405)	-	1,667	11,332	2,621	837	175	133	5,173	2,582	-	-	(5,306)	18,809
Balance,															
December 31, 2014	\$ 3,621	\$ 2,932	\$ 7,927	\$ 60,110	\$ 101,795	\$ 73,440	\$ 30,158	\$ 5,298	\$ 9,236	\$ 48,045	\$ 11,480	\$ -	\$ -	\$ 66,165	\$ 420,207
Allocation of revenue and expenses for the year															
Donation revenue	-	200	-	-	10,200	560	-	100	-	9,966	2,300	7,000	10,000	6,809	47,135
Grants and sponsorship (Note 4)	-	-	-	-	-	-	-	-	-	-	-	-	-	4,426	4,426
Investment and other income	-	65	-	1,328	2,247	1,622	666	117	204	1,061	254	-	-	-	7,564
Administration fee	-	(44)	-	(902)	(1,526)	(1,102)	(452)	(79)	(139)	(721)	(172)	-	-	5,137	-
Donations granted	-	(63)	-	-	(2,211)	(7,343)	(653)	(115)	(200)	(1,043)	(250)	(7,000)	-	-	(18,878)
Operating costs	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,188)	(11,188)
Excess (deficiency) of revenue over expenses for the year	-	158	-	426	8,710	(6,263)	(439)	23	(135)	9,263	2,132	-	10,000	5,184	29,059
Balance,															
December 31, 2015	\$ 3,621	\$ 3,090	\$ 7,927	\$ 60,536	\$ 110,505	\$ 67,177	\$ 29,719	\$ 5,321	\$ 9,101	\$ 57,308	\$ 13,612	\$ -	\$ 10,000	\$ 71,349	\$ 449,266

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

Squamish Community Foundation

Statement of Operations

For the year ended December 31	2015	2014
Revenue		
Donations	\$ 47,135	\$ 21,820
Grants and sponsorship (Note 4)	4,426	12,187
Investment income	9,379	9,044
	60,940	43,051
Expenses		
Advertising and fundraising	696	1,276
Bank charges and interest	-	44
Donations granted	18,878	10,000
Office expenses	3,406	3,673
Administration	6,666	8,297
Vital signs report	-	5,781
Website	420	-
	30,066	29,071
Income from operations for the year	30,874	13,980
Other Income		
Unrealized gain (loss) on portfolio investments	(1,815)	4,829
Excess of revenue over expenses for the year	\$ 29,059	\$ 18,809

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

Squamish Community Foundation
Statement of Cash Flows

For the year ended December 31	2015	2014
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ 29,059	\$ 18,809
Item not involving cash		
Unrealized (gain) loss on portfolio investments	<u>1,815</u>	<u>(4,829)</u>
	30,874	13,980
Changes in non-cash working capital balances		
Increase in accounts receivable	<u>(564)</u>	<u>(38)</u>
	<u>30,310</u>	<u>13,942</u>
Investing activities		
Purchase of term deposits and portfolio investments	<u>(43,446)</u>	<u>(9,746)</u>
Increase (decrease) in cash during the year	(13,136)	4,196
Cash, beginning of year	<u>31,424</u>	<u>27,228</u>
Cash, end of year	<u>\$ 18,288</u>	<u>\$ 31,424</u>

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

Squamish Community Foundation

Notes to the Financial Statements

December 31, 2015

1. Significant Accounting Policies

Purpose of the Foundation The Squamish Community Foundation ("Foundation") is incorporated under the Society Act of British Columbia. The purpose of the Foundation is to improve the quality of life by distributing donations and the earnings from a permanent growing endowment of funds, to charitable organizations in Squamish.

Fund Accounting The Foundation follows the restricted fund method of accounting for contributions. Revenue and expenses related to program delivery and administrative expenses are reported in the Restricted Endowment Funds and the Unrestricted Operating Fund. These funds report unrestricted and restricted resources with restricted grants being allocated to the respective Restricted Endowment funds, and internally generated revenue and general grants and donations being allocated to the Unrestricted Operating Fund. The Internally Restricted Fund reports internally restricted assets set aside for future projects.

Basis of Presentation These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition Donations and grants are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. The Foundation follows the restricted fund method of accounting for contributions. Restricted donations and grants are recorded as revenue and expenses to the respective funds only. All other unrestricted donations and grants are recorded in the Unrestricted Operating Fund.

Income Taxes The Foundation is a registered charity, designated as a public foundation, under the Income Tax Act and is exempt from tax as per section 149(1) of the Income Tax Act.

Donated Goods and Services The Foundation recognizes goods donated in kind at their fair market value. The Foundation does not recognize donated services.

Use of Estimates The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Areas requiring management to exercise judgment on the determination of estimates include the completeness of accounts payable and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available and may impact future periods.

Squamish Community Foundation

Notes to the Financial Statements

December 31, 2015

1. Significant Accounting Policies (Continued)

Administration Fee All administrative and operating costs are charged to the Unrestricted Operating Fund. In order to recover these costs, an administrative fee is then charged to each individual fund based on 1.5% of fund balance, by way of interfund transfers to the Unrestricted Operating Fund.

Financial Instruments The Foundation's financial instruments consist of cash, accounts receivable, portfolio investments and term deposits. The Foundation measures its portfolio investments at fair value. All other financial instruments are measured at amortized cost using the effective interest rate method.

2. Cash and Cash Equivalents

The Foundation's bank accounts are held at one chartered bank and one BC credit union. The bank accounts earn interest at the current prevailing rates.

3. Portfolio Investments and Term Deposits

All of the Foundation's investments are managed by one investment manager. Portfolio investments are stated at fair value determined by quoted bid prices where available from active markets. Term deposits earn interest at rates ranging between 2.15% and 2.55% (2014 - 2.15% and 2.55%) and mature between May 9, 2016 and June 6, 2019. All investments are cashable upon demand.

It is the intention of the Foundation to maintain these funds as a permanent endowment to support each specific fund.

4. Grants and sponsorship

The Foundation has donated amounts to establish a permanent, non-revocable, endowment fund with the Vancouver Foundation. In return, the Vancouver Foundation matched the donated amounts and grants the interest income that is earned on the combined funds back to the Squamish Community Foundation. This income is recorded as grant revenue and is credited to the General Unrestricted Operating Fund. In 2015, \$4,426 (2014 - \$4,187) was received from the Vancouver Foundation.

The Foundation has not made a contribution to the Vancouver Foundation since 2006. The cumulative balance donated since the fund's inception is \$110,000, and it has an estimated market value of \$126,933 as at December 31, 2015 (2014 - \$120,759).

Squamish Community Foundation

Notes to the Financial Statements

December 31, 2015

5. Financial Instruments Risks

The Association, through its financial instruments, is exposed to various risks. The following analysis provides an assessment of those risks as at December 31, 2015.

(a) Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to fluctuations in interest rates which impact the fair value and future cash flows on its investments in term deposits and portfolio investments where the instrument or the underlying security are linked to interest rates, such as fixed income, mortgage and bond funds. As at December 31, 2015, the fair value of instruments subject to interest rate risk totaled \$429,368 (2014 - \$387,737).

(b) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Foundation is exposed to fluctuations in equity markets on its portfolio investments which are invested in various funds. At December 31, 2015 the fair value of the Foundation's portfolio investments totaled \$236,563 (2014 - \$144,067).

(c) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to fluctuations in foreign exchange rates on its portfolio investments where the instrument or the underlying security are denominated in a foreign currency. At December 31, 2015 the fair value of the Foundation's portfolio investments in which all or a portion of the underlying security was denominated in a foreign currency totaled \$107,451 (2014 - \$107,546).

It is management's opinion that the Foundation is not exposed to significant credit risk or liquidity risk arising from financial instruments. There have been no changes in the Foundation's exposure to financial instruments risks from previous years.