

# **Squamish Community Foundation**

Financial Statements  
and  
Auditor's Report

For the year ended December 31, 2019

# **Squamish Community Foundation**

## **Contents**

For the year ended December 31, 2019

	Page
INDEPENDENT AUDITOR'S REPORT	3 - 4
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Operations	6
Statement of Changes in Net Assets	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 12



# WEIR AND COMPANY

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

## INDEPENDENT AUDITOR'S REPORT

### To the Board of the Squamish Community Foundation Report on the Audit of Financial Statements

#### *Qualified Opinion*

We have audited the accompanying financial statements of the Squamish Community Foundation (the "Foundation") which comprise the statement of financial position as at December 31, 2019 and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### *Basis for Qualified Opinion*

In common with many charitable organizations, the Foundation derives revenue from donations and fundraising activities, 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 the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2019, current assets and net assets as at December 31, 2019.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility 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 ethical 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 qualified audit opinion.

#### *Unaudited Information*

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of Schedule 1 - Combined Squamish Community Foundation Funds and Vancouver Foundation Transferable Fund Balances on page 13 of the Foundation's Financial Statements.

#### *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 the 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 these financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 purposes 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, the 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 the audit.

*Report on Other Legal and Regulatory Requirements*

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting principles in Canadian accounting standards for non-for-profit organization have been applied on a basis consistent with that of the preceding year.

  
Chartered Professional Accountants LLP

Port Coquitlam, BC  
November 10, 2020

# Squamish Community Foundation

## Statement of Financial Position

As at December 31, 2019

	2019	2018
<b>ASSETS</b>		
<b>Current</b>		
Cash (Note 2)	\$ 85,147	\$ 49,918
Accounts receivable	7,013	7,158
	92,160	57,076
<b>Cash held for endowment funds (Note 2)</b>	236,648	62,767
<b>Term deposits (Note 3)</b>	-	40,581
	236,648	103,348
	\$ 328,808	\$ 160,424

## LIABILITIES AND NET ASSETS

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 228	\$ -

## NET ASSETS

Restricted for Endowment Funds	252,232	118,375
Flow-through Funds	20,869	7,933
Internally Restricted Funds	10,406	3,871
Unrestricted Operating Fund	45,073	\$ 30,245
	328,580	160,424
	\$ 328,808	\$ 160,424

Subsequent Events (Note 7)

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

APPROVED BY THE BOARD:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# Squamish Community Foundation

Statement of Operations  
For the year ended December 31, 2019

	2019	2018
<b>REVENUE</b>		
Donations	\$ 273,744	\$ 85,479
Grants and sponsorships (Note 4)	26,640	20,855
Investment income	629	3,415
	301,013	109,749
<b>EXPENSES</b>		
Administration	28,103	22,063
Advertising and fundraising	1,100	999
Donations granted	29,443	24,948
Office expenses	3,978	6,223
Vancouver Foundation deed of gift (Note 4)	70,000	448,795
Website	233	826
	132,857	503,854
Surplus (deficit) of revenue over expenses for the year	\$ 168,156	\$ (394,105)

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

# Squamish Community Foundation

Statement of Changes in Net Assets  
For the year ended December 31, 2019

	Endowment Funds	Flow-through Funds	Internally Restricted and Unrestricted Funds	2019	2018
Fund balances, December 31, 2018	\$ 118,375	\$ 7,933	\$ 34,116	\$ 160,424	\$ 554,529
Allocation of revenue and expenses:					
Donation revenue	209,107	25,059	39,578	273,744	85,479
Grants and sponsorship	20,850	-	5,790	26,640	20,855
Investment & other income	629	-	-	629	3,415
Administration fee	(11,747)	(480)	12,227	-	-
Donations granted	(14,982)	(11,643)	(2,818)	(29,443)	(24,948)
Vancouver Foundation deed of gift (Note 4)	(70,000)	-	-	(70,000)	(448,795)
Operating costs	-	-	(33,414)	(33,414)	(30,111)
Surplus (deficit) of revenue over expenses for the year	133,857	12,936	21,363	168,156	(394,105)
Fund balance, December 31, 2019	\$ 252,232	\$ 20,869	\$ 55,479	\$ 328,580	\$ 160,424

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

# Squamish Community Foundation

Statement of Cash Flows  
For the year ended December 31, 2019

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Surplus (deficit) of income over expenses	\$ 168,156	\$ (394,105)
Changes in non-cash working capital items:		
Accounts receivable	145	(5,723)
Accounts payable and accrued liabilities	228	(641)
	168,529	(400,469)
<b>INVESTING ACTIVITIES</b>		
Sale of term deposits and portfolio investments	40,581	288,451
Decrease in cash held for endowment funds	(173,881)	107,806
	(133,300)	396,257
<b>INCREASE IN CASH DURING THE YEAR</b>	35,229	(4,212)
<b>Cash, beginning of year</b>	49,918	54,130
<b>CASH, end of year</b>	<b>\$ 85,147</b>	<b>\$ 49,918</b>



# Squamish Community Foundation

Notes to the Financial Statements  
For the year ended December 31, 2019

## 1. SIGNIFICANT ACCOUNTING POLICIES

(a) Purpose of the Foundation:

The Squamish Community Foundation (the "Foundation") was incorporated under the Societies 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.

(b) 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.

(c) Basis of presentation:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

(d) 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.

(e) 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*.

(f) Donated goods and services:

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

(g) Financial instruments:

The Foundation's financial instruments consist of cash, cash held for endowment funds, accounts receivable, term deposits and accounts payable and accrued liabilities. All other financial instruments are measured at amortized cost using the effective interest rate method. Financial assets are tested for impairment when changes in circumstances indicate an asset could be impaired.

# **Squamish Community Foundation**

Notes to the Financial Statements  
For the year ended December 31, 2019

## **1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **(h) 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 but are not limited to, collectability of accounts receivable, the completeness of accounts payable and accrual liabilities, and the allocation of administration expenses to funds.

Actual results could differ from management's best estimates as additional information becomes available and may impact future periods.

### **(i) Administration fee:**

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

## **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.

Cash held for endowments represents cash and equivalents received for permanent endowment funds that has not yet been invested. Cash held for endowments is classified as a long-term asset as it is not available for operations.

## **3. TERM DEPOSITS**

Term deposits earned interest at a rate of 2.55% and matured on June 6, 2019.

## **4. GRANTS AND SPONSORSHIP**

The foundation has established two funds with the Vancouver Foundation to ensure that the funds endowed to the Foundation are managed by a professional team of fund managers with the view of preserving capital while maximizing investment returns.

### **(a) Non-revocable fund:**

The Foundation has donated amounts to establish a permanent, non-revocable, endowment fund with the Vancouver Foundation (the "Non-Revocable Fund"). In return, the Vancouver Foundation grants the investment 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 Unrestricted Operating Fund. In 2019, \$5,790 (2018 - \$5,989) was received from the Vancouver Foundation related to the Non-Revocable Fund.

# **Squamish Community Foundation**

Notes to the Financial Statements  
For the year ended December 31, 2019

## **4. GRANTS AND SPONSORSHIP (CONTINUED)**

The cumulative balance donated to the Non-Revocable Fund since the fund's inception to December 31, 2019 is \$110,100, and it has an estimated market value of \$139,840 as at December 31, 2019 (2018 - \$130,436).

### **(b) Transferable fund:**

In 2018, the Foundation established a fund with the Vancouver Foundation (the "Transferable Fund") with an initial grant of \$400,000 under a deed of gift. The Vancouver Foundation holds, invests and administers the Transferable Fund in accordance with the provisions of the Vancouver Foundation Act.

The Transferable Fund is held as a restricted fund by the Vancouver Foundation and is considered an 'Encroachable Fund' which means that the Foundation may request that the capital, in whole or in part, be transferred to the Foundation, or other such qualified donee, upon written request and in accordance with the policies of the Vancouver Foundation.

The Transferable Fund is pooled with other funds of the Vancouver Foundation and invested in the Consolidated Trust Fund. The investment policy of the Vancouver Foundation Consolidated Trust Fund states that the primary return objective is to achieve a rate of return equal to the consumer price index plus 3.5% (net of investment management fees). Income from the Transferable Fund is distributed to the Foundation on a quarterly basis, less any fees charged by the Vancouver Foundation for administering the fund. In 2019, \$20,850 (2018 - \$15,026) was received from the Vancouver Foundation related to the Transferable Fund.

The cumulative balance donated to the Transferable Fund since inception to December 31, 2019 is \$518,795 (2018 - \$448,795) and has an estimated market value of \$536,916 (2018 - \$434,190). In January 2020 the Foundation made contributions of \$236,648 to the Transferable Fund.

The Foundation does not control these funds and therefore does not record them in these financial statements. Any amounts received from the Vancouver Foundation arising from these funds are recorded as grant revenue in the statement of operations.

The Foundation tracks the funds held in the Transferable Fund, along with other restricted donations, in order to determine the income earned on the original endowments made to the Foundation and to ensure the income and distributions received are granted for the original intended purpose.

## **5. REMUNERATION OF DIRECTORS, EMPLOYEES AND CONTRACTORS**

The *Societies Act* (British Columbia) requires the Foundation to disclose the total remuneration paid to the Directors, for either being a director or for acting in another capacity, as well as the total number of employees or contractors with annual remuneration equal to or greater than \$75,000 and the aggregate remuneration of those employees.

During the year no amounts were paid to Directors of the Foundation for acting in their noted capacity (2018 - \$Nil), and no employees received remuneration in excess of \$75,000 (2018 - \$Nil).

# **Squamish Community Foundation**

Notes to the Financial Statements  
For the year ended December 31, 2019

## **6. FINANCIAL INSTRUMENTS RISKS**

The Foundation, through its financial instruments, is exposed to various risks. The following analysis provides an assessment of those risks as at December 31, 2019.

(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, 2019, the fair value of instruments subject to interest rate risk totaled \$Nil (2018 - \$40,581).

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is potentially exposed to credit risk on its cash (Note 2). To mitigate this risk, the Foundation has deposited its cash with a reputable financial institution.

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

## **7. SUBSEQUENT EVENTS**

(a) The Foundation received an endowment donation in the amount of \$153,588 subsequent to the year end. These funds, along with an additional \$83,060, were contributed to the Vancouver Foundation Transferable Fund (Note 4) in January 2020 .

(b) Novel Coronavirus ("COVID-19"):

The ongoing COVID-19 pandemic has caused world governments to institute travel restrictions and physical distancing measures, which has had, and is expected to continue to have a significant adverse impact on the economy.

The extent of such negative effects on the Foundation's financial and operational performance will depend on the future developments, including funding from the various funding agencies, the duration, spread and severity of the outbreak. The extent to which the outbreak may affect the Foundation's financial performance is unknown at this time.

**Schedule 1 - Combined Squamish Community Foundation Funds and Vancouver Foundation Transferable Fund Balances**  
(Unaudited)  
December 31, 2019

	Squamish Community Foundation Funds								Vancouver Foundation Transferable Fund						
	2018 Balance	Donation Revenue	Grants and Sponsorship Revenue	Investment and Other Income	Admin Fee	Donations Granted	Operating Costs	Surplus of Revenue over Expenses	2019 Balance	2018 Balance	Transfer to Vancouver Foundation	Net Change in Fund Value	Fund Distribution	2019 Balance	2019 Combined Fund Balance
Endowment Funds															
Communities that Care Fund	\$ 5,428	\$ 637	\$ 956	\$ 13	\$ (491)	\$ (6,510)		\$ (5,395)	\$ 33	\$ 25,704	\$ 3,210	\$ 2,457	\$ 956	\$ 30,414	\$ 30,448
Condo Endowment	-	153,588	-	276	(2,307)	-		151,557	151,557	-	-	-	-	0	151,557
Grad Legacy Fund	823		145	2	(122)	(691)		(666)	157	7,132	487	372	145	7,846	8,003
L & L Inghram Fund	33,765		5,947	72	(2,962)	(24,881)		(21,824)	11,941	157,714	19,967	15,282	5,947	187,015	198,957
Music Making Squamish Fund	29,233	30,000	5,149	116	(1,098)	(17,852)		16,315	45,548	8,691	17,287	13,231	5,149	34,060	79,608
Ray Peters Fund	644	100	113	2	(84)	(518)		(386)	258	4,720	381	291	113	5,279	5,536
Realtors Fund	2,313	300	407	5	(229)	(1,718)		(1,234)	1,079	12,252	1,368	1,047	407	14,259	15,338
Rob W. Macintosh Fund	7,497		1,320	16	(925)	(4,713)		(4,302)	3,195	52,844	4,433	3,393	1,320	59,350	62,545
Ron Anderson Memorial Scholarship Fund	2,613	200	460	6	(431)	(2,265)		(2,030)	583	25,469	1,545	1,183	460	27,737	28,320
SCF Fund	13,971	3,400	2,461	36	(1,186)	(10,139)		(5,428)	8,543	59,172	8,262	6,323	2,461	71,296	79,839
Squamish Terminals Fund	4,566	10,000	804	28	(460)	(3,209)		7,163	11,729	15,239	2,700	2,067	804	19,201	30,931
Valhalla Environment Fund	17,224	10,882	3,034	56	(1,408)	(12,237)		326	17,550	62,668	10,185	7,796	3,034	77,615	95,166
Wild at Art Endowment Fund	298		52	1	(44)	(250)		(241)	57	2,585	176	135	52	2,844	2,901
	118,375	209,107	20,850	629	(11,747)	(84,982)	-	133,857	252,232	434,190	70,000	53,576	20,850	536,916	789,148
Flow-Through Funds															
Breakfast Club	-	9,750			(250)			9,500	9,500						9,500
Neighbourhood Small Grant Fund	6	15,309			(230)	(11,643)		3,436	3,442						3,442
Wigglesworth Fund	7,927				-			-	7,927						7,927
	7,933	25,059	-	-	(480)	(11,643)	-	12,936	20,869						20,869
Unrestricted and Internally Restricted Funds															
Internally Restricted	3,871	30,000				-	(23,465)	6,535	10,406						10,406
Unrestricted Operating	30,245	9,578	5,790		12,227	(2,818)	(9,949)	14,828	45,073						45,073
	34,116	39,578	5,790	-	12,227	(2,818)	(33,414)	21,363	55,479						55,479
Total	\$ 160,424	\$ 273,744	\$ 26,640	\$ 629	\$ -	\$ (99,443)	\$ (33,414)	\$ 168,156	\$ 328,580	\$ 434,190	\$ 70,000	\$ 53,576	\$ 20,850	\$ 536,916	\$ 865,496