

Squamish Community Foundation

Financial Statements
and
Auditor's Report

For the year ended December 31, 2020

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Squamish Community Foundation

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For the year ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of the Squamish Community Foundation

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, 2020 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, 2020, 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, 2020, current assets and net assets as at December 31, 2020.

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
October XX, 2021

Squamish Community Foundation

Statement of Financial Position

As at December 31, 2020

	2020	2019
ASSETS		
Current		
Cash (Note 2)	\$ 142,297	\$ 85,147
Accounts receivable	10,028	7,013
GST receivable	1,059	-
	153,384	92,160
Cash held for endowment funds (Note 2)	-	236,648
Capital assets (Note 3)	864	-
	864	236,648
	\$ 154,248	\$ 328,808
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 6,043	\$ 228
NET ASSETS		
Restricted for Endowment Funds	52,830	252,232
Flow-through Funds	25,034	20,869
Internally Restricted Funds	10,406	10,406
Unrestricted Operating Fund	59,071	\$ 45,073
Investment in capital assets	864	-
	148,205	328,580
	\$ 154,248	\$ 328,808

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, 2020

	2020	2019
REVENUE		
Donations	\$ 154,181	\$ 273,744
Grants and sponsorships (Note 4)	36,063	26,640
Investment income	951	629
Miscellaneous income	203	-
	<u>191,398</u>	<u>301,013</u>
EXPENSES		
Administration	52,463	28,103
Advertising and fundraising	2,820	1,100
Amortization	328	-
Donations granted	72,377	29,443
GST expense	1,059	-
Office expenses	3,452	3,978
Vancouver Foundation deed of gift (Note 4)	236,648	70,000
Website	2,626	233
	<u>371,773</u>	<u>132,857</u>
(Deficit) surplus of revenue over expenses for the year	<u>\$ (180,375)</u>	<u>\$ 168,156</u>

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, 2020

	Endowment Funds	Flow-through Funds	Internally Restricted and Unrestricted Funds	Investment in Property and Equipment	2020	2019
Fund balances, December 31, 2019	\$ 252,232	\$ 20,869	\$ 55,479	\$ -	\$ 328,580	\$ 160,424
Allocation of revenue and expenses:						
Donation revenue	33,294	-	2,770	-	36,064	273,744
Grants and sponsorship	28,644	63,742	49,017	-	141,403	26,640
Investment & other income	885	-	269	-	1,154	629
Administration fee	(12,777)	-	12,777	-	-	-
Donations granted	(12,800)	(59,577)	-	-	(72,377)	(29,443)
Vancouver Foundation deed of gift (Note 4)	(236,648)	-	-	-	(236,648)	(70,000)
Operating costs	-	-	(49,971)	-	(49,971)	(33,414)
(Deficit) surplus of revenue over expenses for the year	(199,402)	4,165	14,862	-	(180,375)	168,156
Investment in capital assets			(864)	864		
Fund balance, December 31, 2020	\$ 52,830	\$ 25,034	\$ 69,477	\$ 864	\$ 148,205	\$ 328,580

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

Squamish Community Foundation

Statement of Cash Flows
For the year ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
(Deficit) surplus of income over expenses	\$ (180,375)	\$ 168,156
Items not affecting cash		
Amortization of equipment and other assets	328	-
	(180,047)	-
Changes in non-cash working capital items:		
Accounts receivable	(3,014)	145
GST receivable	(1,059)	-
Accounts payable and accrued liabilities	5,815	228
	(178,305)	168,529
INVESTING ACTIVITIES		
Sale of term deposits and portfolio investments	-	40,581
Decrease in cash held for endowment funds	236,648	(173,881)
Purchase of capital assets	(1,193)	-
	235,455	(133,300)
INCREASE IN CASH DURING THE YEAR	57,150	35,229
Cash, beginning of year	85,147	49,918
CASH, end of year	\$ 142,297	\$ 85,147

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

Squamish Community Foundation

Notes to the Financial Statements
For the year ended December 31, 2020

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, 2020

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

The Foundation's bank accounts are held at one British Columbia credit union. The bank account earns 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. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2020	Net 2019
Computer	\$ 1,192	\$ 328	\$ 864	\$ -

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.

Squamish Community Foundation

Notes to the Financial Statements
For the year ended December 31, 2020

4. GRANTS AND SPONSORSHIP (CONTINUED)

(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 2020, \$5,918 (2019 - \$5,790) was received from the Vancouver Foundation related to the Non-Revocable Fund.

The cumulative balance donated to the Non-Revocable Fund since the fund's inception to December 31, 2020 is 110,100, and it has an estimated market value of \$145,933 as at December 31, 2020 (2019 - \$139,840).

(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 2020, \$28,644 (2019 - \$20,850) was received from the Vancouver Foundation related to the Transferable Fund.

The cumulative balance donated to the Transferable Fund since inception to December 31, 2020 is \$755,443 (2019 - \$518,795) and has an estimated market value of \$837,240 (2019 - \$536,916).

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.

Squamish Community Foundation

Notes to the Financial Statements
For the year ended December 31, 2020

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 (2019 - \$Nil), and no employees received remuneration in excess of \$75,000 (2019 - \$Nil).

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, 2020.

(a) 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 interest rate risk, 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

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.

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Schedule 1 - Combined Squamish Community Foundation Funds and Vancouver Foundation Transferable Fund Balances

(Unaudited)

December 31, 2020

	Squamish Community Foundation Funds										Vancouver Foundation Transferable Fund					
	2019	Donation Revenue	Grants and Sponsorship Revenue	Investment and Other Income	Admin Fee	Donations Granted	Transfer to Vancouver Foundation	Operating Costs	Surplus of Revenue over Expenses	2020 Balance	2019 Balance	Transfer In	Net Change in Fund Value	Fund Distribution	2020 Balance	2020 Combined Fund Balance
Endowment Funds																
Communities that Care Fund	\$ 33	\$ -	\$ 1,128	\$ 3	\$ (483)	\$ -	\$ (28)	\$ -	\$ 620	\$ 653	\$ 31,030	\$ 28	\$ 3,707	\$ (1,128)	\$ 33,637	\$ 34,290
Dollie Streibeff Fund	151,557	\$ -	\$ 5,501	\$ 442	\$ (2,363)	\$ -	\$ (151,557)	\$ (147,977)	\$ 16	\$ 3,580	8,283	\$ 151,557	\$ 18,088	\$ (5,501)	\$ 164,144	\$ 167,724
Grad Legacy Fund	157	\$ -	\$ 306	\$ 1	\$ (131)	\$ (184)	\$ (133)	\$ (441)	\$ -	\$ 16	190,614	\$ 133	\$ 1,004	\$ (306)	\$ 9,114	\$ 9,130
L & L Ingraham Fund	11,941	\$ 400	\$ 7,352	\$ 55	\$ (3,155)	\$ (4,575)	\$ (10,093)	\$ (10,016)	\$ -	\$ 1,925	23,589	\$ 10,093	\$ 23,954	\$ (7,352)	\$ 217,308	\$ 219,233
Music Making Squamish Fund	45,548	\$ 13,000	\$ 2,509	\$ 172	\$ (1,272)	\$ (1,817)	\$ (38,497)	\$ (25,905)	\$ -	\$ 19,643	5,529	\$ 38,497	\$ 7,410	\$ (2,509)	\$ 66,987	\$ 86,630
Ray Peters Fund	258	\$ 100	\$ 210	\$ 2	\$ (91)	\$ (128)	\$ (218)	\$ (125)	\$ -	\$ 133	14,660	\$ 218	\$ 686	\$ (210)	\$ 6,223	\$ 6,356
Reactors Fund	1,079	\$ 300	\$ 571	\$ 5	\$ (249)	\$ (353)	\$ (912)	\$ (638)	\$ -	\$ 441	29,424	\$ 912	\$ 1,858	\$ (571)	\$ 16,859	\$ 17,300
Rob W. Macintosh Fund	3,195	\$ -	\$ 2,368	\$ 16	\$ (1,014)	\$ -	\$ (2,700)	\$ (1,330)	\$ (372)	\$ 211	62,043	\$ 2,700	\$ 7,727	\$ (2,368)	\$ 70,102	\$ 71,967
Ron Anderson Memorial Scholarship Fund	583	\$ 500	\$ 1,089	\$ 6	\$ (474)	\$ (1,000)	\$ (493)	\$ (372)	\$ -	\$ 211	29,424	\$ 493	\$ 3,571	\$ (1,089)	\$ 32,398	\$ 32,609
SCF Fund	8,543	\$ 2,100	\$ 2,929	\$ 38	\$ (1,286)	\$ (1,778)	\$ (7,221)	\$ (5,218)	\$ -	\$ 3,325	72,138	\$ 7,221	\$ 9,471	\$ (2,929)	\$ 85,901	\$ 89,226
Squamish Terminus Fund	11,729	\$ 100	\$ 1,117	\$ 36	\$ (480)	\$ (711)	\$ (9,913)	\$ (9,852)	\$ -	\$ 1,877	19,041	\$ 9,913	\$ 3,456	\$ (1,117)	\$ 31,293	\$ 33,170
Valhalla Environment Fund	17,550	\$ 12,294	\$ 3,452	\$ 94	\$ (1,664)	\$ (2,187)	\$ (14,833)	\$ (2,845)	\$ -	\$ 14,705	77,561	\$ 14,833	\$ 11,027	\$ (3,452)	\$ 99,969	\$ 114,674
Wild at Art Endowment Fund	58	\$ 4,500	\$ 111	\$ 13	\$ (115)	\$ (67)	\$ (50)	\$ 4,394	\$ -	\$ 4,452	3,002	\$ 49	\$ 364	\$ (111)	\$ 3,304	\$ 7,756
	252,232	33,294	28,644	885	(12,777)	(12,800)	(256,648)	(199,402)	-	52,830	536,914	236,647	92,323	(28,644)	837,240	890,070
Flow-Through Funds																
Breakfast Club	9,500					(9,750)		(9,750)		(250)						(250)
Neighbourhood Small Grant Fund	3,442		17,975			(7,667)		10,308		13,750						13,750
Squamish Emergency Fund			45,767			(42,160)		3,607		3,607						3,607
Wigglesworth Fund	7,927					-		-		7,927						7,927
	20,869	-	63,742	-	-	(59,577)	-	4,165	-	25,034						25,034
Unrestricted and Internally Restricted Funds																
Internally Restricted	10,406		30,000			-		(30,000)		10,406						10,406
Unrestricted Operating and Capital Assets	45,073	2,770	19,017	269	12,777	-	-	14,862		59,935						59,935
	55,479	2,770	49,017	269	12,777	-	-	14,862		70,341						70,341
Total	\$ 328,580	\$ 36,063	\$ 141,403	\$ 1,154	\$ -	\$ (72,377)	\$ (256,648)	\$ (49,971)	\$ (180,375)	\$ 148,205	\$ 536,914	\$ 236,647	\$ 92,323	\$ (28,644)	\$ 837,240	\$ 985,445