

**Squamish Community Foundation**  
**Financial Statements**  
For the year ended December 31, 2018

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For the year ended December 31, 2018**

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## Independent Auditor's Report

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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 Squamish Community Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2018 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, 2018, 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 years ended December 31, 2018 and 2017, current assets as at December 31, 2018 and 2017 and net assets as at January 1 and December 31 for both the 2018 and 2017 fiscal years. Our audit opinion on the financial statements for the year ended December 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

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 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 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:

- 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 Foundations'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 Foundations'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 organization have been applied on a basis consistent with that of the preceding year.

*BDO Canada LLP*

Chartered Professional Accountants

Whistler, British Columbia  
February 11, 2020



**Squamish Community Foundation**  
**Statement of Changes in Net Assets**

	Endowment Funds	Flow-through Funds	Internally and Unrestricted	2018	2017
<b>Fund balances, December 31, 2017</b>	\$ 499,605	\$ 8,575	\$ 46,349	\$ 554,529	\$ 510,365
<b>Allocation of revenue and expenses:</b>					
Donation revenue	65,897	15,000	4,582	85,479	116,829
Grants and sponsorship (Note 4)	14,866	-	5,989	20,855	6,225
Investment and other income	3,415	-	-	3,415	5,872
Administration fee	(7,494)	-	7,494	-	-
Donations granted	(9,119)	(8,548)	(7,281)	(24,948)	(53,175)
Vancouver Foundation deed of gift (Note 4)	(448,795)	-	-	(448,795)	-
Operating costs	-	(7,094)	(23,017)	(30,111)	(31,587)
<b>Excess of revenue over expenses for the year</b>	<b>(381,230)</b>	<b>(642)</b>	<b>(12,233)</b>	<b>(394,105)</b>	<b>44,164</b>
<b>Fund balances, December 31, 2018</b>	<b>\$ 118,375</b>	<b>\$ 7,933</b>	<b>\$ 34,116</b>	<b>\$ 160,424</b>	<b>\$ 554,529</b>

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

## Squamish Community Foundation

### Statement of Operations

For the year ended December 31	2018	2017
<b>Revenue</b>		
Donations	\$ 85,479	\$ 116,829
Grants and sponsorship (Note 4)	20,855	6,225
Investment income	3,415	7,270
	<b>109,749</b>	<b>130,324</b>
<b>Expenses</b>		
Administration	22,063	23,022
Advertising and fundraising	999	2,228
Donations granted	24,948	53,175
Office expenses	6,223	6,217
Vancouver Foundation deed of gift (Note 4)	448,795	-
Website	826	120
	<b>503,854</b>	<b>84,762</b>
<b>Income from operations for the year</b>	<b>(394,105)</b>	<b>45,562</b>
<b>Other income</b>		
Unrealized loss on portfolio investments	-	(1,398)
<b>Excess of revenue over expenses for the year</b>	<b>\$ (394,105)</b>	<b>\$ 44,164</b>

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

**Squamish Community Foundation**  
Statement of Cash Flows

For the year ended December 31	2018	2017
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	\$ (394,105)	\$ 44,164
Item not involving cash		
Unrealized loss on portfolio investments	-	1,398
	(394,105)	45,562
Changes in non-cash working capital balances		
Accounts receivable	(5,723)	1,570
Accounts payable and accrued liabilities	(641)	(778)
	(6,364)	792
	(400,469)	46,354
<b>Investing activities</b>		
Sale (purchase) of term deposits and portfolio investments	288,451	48,293
Decrease (increase) in cash held for endowment funds	107,806	(122,034)
	396,257	(73,741)
Decrease in cash during the year	(4,212)	(27,387)
Cash, beginning of year	54,130	81,517
<b>Cash, end of year</b>	<b>\$ 49,918</b>	<b>\$ 54,130</b>

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

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# Squamish Community Foundation

## Notes to the Financial Statements

December 31, 2018

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### 1. Significant Accounting Policies

**Purpose of the Foundation** The Squamish Community Foundation ("Foundation") is incorporated under the Societies Act (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.

**Financial Instruments** The Foundation's financial instruments consist of cash, cash held for endowment funds, accounts receivable, portfolio investments, term deposits and accounts payable and accrued liabilities. The Foundation measures its portfolio investments at fair value. 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.

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# Squamish Community Foundation

## Notes to the Financial Statements

December 31, 2018

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### 1. Significant Accounting Policies (Continued)

#### 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, collectibility of accounts receivable, the completeness of accounts payable and accrued 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.

#### 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 from the unrestricted operating fund to each individual fund based on 1.5% of fund balance.

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### 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.

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### 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 a rate of 2.55% (2017 - 2.33% and 2.55%) and matures on June 6, 2019.

It is the intention of the Foundation to maintain these funds as a permanent endowment to support each specific fund and therefore have been classified as long term assets.

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## Squamish Community Foundation

### Notes to the Financial Statements

December 31, 2018

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#### 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 2018, \$5,989 (2017 - \$6,225) 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, 2018 is \$110,100, and it has an estimated market value of \$130,436 as at December 31, 2018 (2017 - \$137,437).

##### (b) Transferable fund

On February 27, 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 2018, \$15,026 (2017 - nil) was received from the Vancouver Foundation related to the Transferable Fund.

The cumulative balance donated to the Transferable Fund since its inception to December 31, 2018 is \$448,795 and has an estimated market value of \$434,190 (2017 - \$0). In March 2019 and January 2020, the Foundation made contributions of \$70,000 and \$236,648 respectively 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.

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## Squamish Community Foundation Notes to the Financial Statements

December 31, 2018

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#### 4. Grants and sponsorship (continued)

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.

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#### 5. Remuneration of Directors, Employees and Contractors

The Societies Act (British Columbia) requires that the Foundation 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 (2017 - \$nil), and no employees received remuneration in excess of \$75,000 (2017 - 0)

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#### 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, 2018.

##### (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, 2018, the fair value of instruments subject to interest rate risk totaled \$40,581 (2017 - \$329,032).

##### (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 market prices for securities on its portfolio investments which are invested in various funds. At December 31, 2018 the fair value of the Foundation's portfolio investments totaled \$nil (2017 - \$237,793).

##### (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, 2018 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 \$nil (2017 - \$55,381) in Canadian dollars.

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## Squamish Community Foundation Notes to the Financial Statements

December 31, 2018

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### 6. Financial Instruments Risks (continued)

#### (d) 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), portfolio investments and term deposits (Note 3). To mitigate this risk, the Foundation has deposited its cash and investments with reputable financial institutions.

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

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### 7. Subsequent Events

Subsequent to year end, the Foundation received an endowment donation in the amount of \$153,588. These funds have been donated to the Vancouver Foundation Transferable Fund (Note 4).

# Squamish Community Foundation

## Schedule 1 - Combined Squamish Community Foundation Funds and Vancouver Foundation Transferable Fund Balances (Unaudited)

December 31, 2018

	Squamish Community Foundation Funds									Vancouver Foundation Transferable Fund				2018 Combined Fund Balance	
	2017 Balance	Donation Revenue	Grants and Sponsorship Revenue	Investment and Other Income	Admin Fee	Donations Granted	Operating Costs	Deficiency of Revenue over Expenses	2018 Balance	2017 Balance	Transfers to Vancouver Foundation	Net Change in Fund Value	Fund Distribution		2018 Balance
<b>Endowment Funds</b>															
Communities that Care Fund	\$ 29,576	\$ 1,781	\$ 880	\$ 202	\$ (443)	\$ (26,568)	\$ -	\$ (24,148)	\$ 5,428	\$ -	\$ 26,568	\$ 26	\$ (890)	\$ 25,704	\$ 31,132
Grad Legacy Fund	8,207	-	244	56	(122)	(7,562)	-	(7,384)	823	-	7,372	7	(247)	7,132	7,955
L & L Ingraham Fund	181,475	15,000	5,399	1,241	(2,722)	(166,628)	-	(147,710)	33,765	-	163,019	153	(5,458)	157,714	191,479
Music Making Squamish Fund	10,000	30,000	298	68	(150)	(10,983)	-	19,233	29,233	-	8,983	9	(301)	8,691	37,924
Ray Peters Fund	5,431	100	162	37	(82)	(5,004)	-	(4,787)	644	-	4,879	4	(163)	4,720	5,364
Realtors Fund	14,098	900	420	96	(212)	(12,989)	-	(11,785)	2,313	-	12,664	12	(424)	12,252	14,565
Rob W. MacIntosh Fund	60,806	-	1,809	416	(912)	(54,622)	-	(53,309)	7,497	-	54,622	51	(1,829)	52,844	60,341
Ron Anderson Memorial Scholarship Fund	29,306	-	872	200	(440)	(27,325)	-	(26,693)	2,613	-	26,326	24	(881)	25,469	28,082
SCF Fund	68,087	5,577	2,026	466	(1,023)	(61,162)	-	(54,116)	13,971	-	61,163	57	(2,048)	59,172	73,143
Squamish Terminals Fund	17,535	2,500	522	120	(263)	(15,848)	-	(12,969)	4,566	-	15,751	15	(527)	15,239	19,805
Valhalla Environment Fund	72,110	10,039	2,145	493	(1,081)	(66,482)	-	(54,886)	17,224	-	64,776	61	(2,169)	62,668	79,892
Wild at Art Endowment Fund	2,974	-	89	20	(44)	(2,741)	-	(2,676)	298	-	2,672	2	(89)	2,585	2,883
	499,605	65,897	14,866	3,415	(7,494)	(457,914)	-	(381,230)	118,375	-	448,795	421	(15,026)	434,190	552,565
<b>Flow-Through Funds</b>															
Neighbourhood Small Grant Fund	648	15,000	-	-	-	(8,548)	(7,094)	(642)	6	-	-	-	-	-	6
Wigglesworth Fund	7,927	-	-	-	-	-	-	-	7,927	-	-	-	-	-	7,927
	8,575	15,000	-	-	-	(8,548)	(7,094)	(642)	7,933	-	-	-	-	-	7,933
<b>Unrestricted and Internally Restricted Funds</b>															
Internally Restricted	3,871	-	-	-	-	-	-	-	3,871	-	-	-	-	-	3,871
Unrestricted Operating	42,478	4,582	5,989	-	7,494	(7,281)	(23,017)	(12,233)	30,245	-	-	-	-	-	30,245
	46,349	4,582	5,989	-	7,494	(7,281)	(23,017)	(12,233)	34,116	-	-	-	-	-	34,116
<b>Total</b>	<b>\$ 554,529</b>	<b>\$ 85,479</b>	<b>\$ 20,855</b>	<b>\$ 3,415</b>	<b>\$ -</b>	<b>\$ (473,743)</b>	<b>\$ (30,111)</b>	<b>\$ (394,105)</b>	<b>\$ 160,424</b>	<b>\$ -</b>	<b>\$ 448,795</b>	<b>\$ 421</b>	<b>\$ (15,026)</b>	<b>\$ 434,190</b>	<b>\$ 594,614</b>