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**WEST VANCOUVER COMMUNITY FOUNDATION**

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**FINANCIAL STATEMENTS**

December 31, 2009

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# WEST VANCOUVER COMMUNITY FOUNDATION

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December 31, 2009

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## AUDITORS' REPORT

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To the Board of Directors of West Vancouver Community Foundation

We have audited the statement of financial position of West Vancouver Community Foundation as at December 31, 2009, and the statements of operations and net assets for the year then ended. These financial statements are the responsibility of the Foundation's management. 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 standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Foundation derives revenue from donations and fund raising activities, the completeness of which is not susceptible to audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenue over expense, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations as referred to above, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2009 and the results of its operations for the year then ended, in accordance with Canadian generally accepted accounting principles. As required by the Society Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

"Lohn Caulder LLP"

Vancouver, BC  
April 16, 2010

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# WEST VANCOUVER COMMUNITY FOUNDATION

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## STATEMENT OF FINANCIAL POSITION

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As at December 31

	2009	2008
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash	632,617	92,420
GST receivable	1,465	1,744
	<b>634,082</b>	94,164
<b>Investments</b> (note 3)	<b>3,370,770</b>	3,001,831
<b>Interest in Life Insurance Policy</b> (note 5)	<b>26,748</b>	25,753
	<b>4,031,600</b>	3,121,748
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable	7,499	7,590
Grant commitments	1,500	-
	<b>8,999</b>	7,590
<b>Managed Funds Under Administration</b> (note 6)	<b>1,645,108</b>	930,357
<b>Net Assets</b>		
Endowment Funds	1,837,515	1,622,540
Flow-Thru, Administration & Stabilization Funds	106,532	94,047
Community Fund	433,446	467,214
	<b>2,377,493</b>	2,183,801
	<b>4,031,600</b>	3,121,748

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APPROVED ON BEHALF OF THE BOARD:

\_\_\_\_\_"Helen Vanee"\_\_\_\_\_  
Director

\_\_\_\_\_"Ron Royston"\_\_\_\_\_  
Director

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

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# WEST VANCOUVER COMMUNITY FOUNDATION

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## STATEMENT OF OPERATIONS AND NET ASSETS

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	Year ended December 31	
	2009	2008
	\$	\$
<b>Revenues</b>		
Investment income	105,853	132,806
Unrealized increase (decrease) in market value of investments	316,913	(650,321)
	<b>422,766</b>	<b>(517,515)</b>
<b>Revenue Allocated to Managed Funds Under Administration</b>		
Investment Income	(31,984)	(36,656)
Unrealized (increase) decrease in market value of investments	(95,472)	195,370
	<b>295,310</b>	<b>(358,801)</b>
Donations to Endowment Funds	17,050	115,331
Donations to Flow-Thru, Administration, & Stabilization Funds	5,903	1,100
Donations to Community Fund	13,272	9,675
	<b>331,535</b>	<b>(232,695)</b>
<b>Expenditures</b>		
Grants	77,862	71,619
Administration allocated to Foundation Funds	16,238	17,432
Administration, net (note 4)	43,743	46,115
	<b>137,843</b>	<b>135,166</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>193,692</b>	<b>(367,861)</b>
<b>Net Assets</b> , beginning of year	<b>2,183,801</b>	<b>2,551,662</b>
<b>Net Assets</b> , end of year	<b>2,377,493</b>	<b>2,183,801</b>

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

# WEST VANCOUVER COMMUNITY FOUNDATION

## STATEMENT OF CONTINUITY OF FOUNDATION FUNDS

Year ended December 31, 2009

	Balance Beginning of Year	Fees and Expenses	Donations and Bequests	Allocation of Income and Market Change	Grants	Balance End of Year
	\$	\$	\$	\$	\$	\$
<b>ENDOWMENT FUNDS</b>						
Bradley T. Bowles Scholarship Fund	13,912	(143)	-	1,961	-	15,730
Danny Possee Memorial Fund	221,925	(2,279)	-	31,279	-	250,925
Donald & Marjorie Lanskail Fund	21,651	(222)	-	3,052	-	24,481
Environmental Endowment Fund	5,129	(53)	-	725	-	5,801
Faris Family Scholarship Fund	54,595	(556)	-	7,666	(1,500)	60,205
Fred E. Russell Fund	46,728	(480)	-	6,586	-	52,834
Friends of the Gallery Endowment Fund	12,431	(128)	-	1,752	-	14,055
Gertrude and Christina Lawson Scholarship Fund	73,925	(756)	-	10,410	(3,000)	80,579
Hartleywood Holdings Ltd. Scholarship	1,994	(10)	-	16	(2,000)	-
Hender Family Fund	24,177	(245)	250	3,350	(450)	27,082
Irene Carpenter Fund	25,079	(258)	-	3,586	-	28,407
James A. Inkster Leadership Award Fund	27,307	(271)	-	3,702	(1,500)	29,238
Jeremy Dalton Rugby Endowment	10,134	(101)	1,100	1,366	(1,000)	11,499
Jerry Beckerman Memorial Fund	17,148	(175)	-	2,415	(750)	18,638
Joshua Goos Memorial Fund	11,321	(116)	150	1,598	(200)	12,753
Kay Meek Fund	84,361	(855)	-	11,679	(1,650)	93,535
Marc Rozen Memorial Fund for Youth	10,839	(110)	500	1,510	(200)	12,539
Mayors' Endowment Fund	23,234	(284)	14,500	3,523	(450)	40,523
North Shore Rescue Team Endowment Fund	16,295	(167)	-	2,297	-	18,425
Robertson Taylor Endowment Fund	13,452	(136)	-	1,864	(250)	14,930
Thunderbird Marine Corp. Fund	5,026	(51)	-	696	(100)	5,571
Tom and Judy Baillie Fund	23,325	(237)	-	3,273	(688)	25,673
Trajan Martin Memorial Scholarship Fund	14,615	(148)	-	2,049	(500)	16,016
West Vancouver Artists Fund Endowment	11,965	(118)	-	1,613	(750)	12,710
West Vancouver Public Art Endowment Fund	21,215	(218)	-	2,990	-	23,987
West Vancouver Youth Band Endowment Fund	61,659	(633)	-	8,691	-	69,717
William Patrick Memorial Fund	754,525	(6,377)	-	106,465	-	854,613
WVCF Memorial Fund	605	(6)	-	85	-	684
YAHU Endowment Fund	13,968	(146)	550	1,993	-	16,365
<b>Total Endowment Funds</b>	<b>1,622,540</b>	<b>(15,279)</b>	<b>17,050</b>	<b>228,192</b>	<b>(14,988)</b>	<b>1,837,515</b>
<b>FLOW-THRU, ADMINISTRATION, &amp; STABILIZATION FUNDS</b>						
WVCF Flow-Thru Funds	9,098	(86)	5,903	1,338	(5,774)	10,479
WVCF Grant Stabilization Fund	45,246	(465)	-	6,377	-	51,158
WVCF Administration Fund	39,703	(408)	-	5,600	-	44,895
<b>Total Flow-Thru, Administration &amp; Stabilization Funds</b>	<b>94,047</b>	<b>(959)</b>	<b>5,903</b>	<b>13,315</b>	<b>(5,774)</b>	<b>106,532</b>
<b>WVCF COMMUNITY FUND</b>	<b>467,214</b>	<b>(43,743)</b>	<b>13,272</b>	<b>53,803</b>	<b>(57,100)</b>	<b>433,446</b>
<b>Total Funds</b>	<b>2,183,801</b>	<b>(59,981)</b>	<b>36,225</b>	<b>295,310</b>	<b>(77,862)</b>	<b>2,377,493</b>

The accompanying notes are an integral part of these financial statements

# WEST VANCOUVER COMMUNITY FOUNDATION

## SCHEDULE OF CONTINUITY OF MANAGED FUNDS UNDER ADMINISTRATION AND FOUNDATION FLOW-THRU FUNDS

Year ended December 31, 2009

	Balance Beginning of Year	Fees and Expenses	Donations and Bequests	Allocation of Income and Market Change	Grants	Balance End of Year
	\$	\$	\$	\$	\$	\$
<b>MANAGED FUNDS UNDER ADMINISTRATION</b>						
Capilano Rugby Club Fund	50,414	(203)	153,871	3,946	(188,000)	20,028
Hugo Ray Park (2008) Society	8,526	-	6,280	-	-	14,806
Hugo Ray Park Fund	9,115	(98)	-	1,817	-	10,834
WV 2010 Olympic Legacy Fund	-	-	612,240	-	-	612,240
WV Habitat Enhancement Fund	-	(653)	62,500	-	(51,583)	10,264
WV United Church Endowment Fund	412,350	(3,536)	-	58,160	-	466,974
WV United Church Permanent Trust Fund	449,952	(3,523)	-	63,533	-	509,962
	<u>930,357</u>	<u>(8,013)</u>	<u>834,891</u>	<u>127,456</u>	<u>(239,583)</u>	<u>1,645,108</u>
<b>FOUNDATION FLOW-THRU FUNDS</b>						
Van/WVCF Flow-Thru Fund	-	(49)	5,903	(4)	-	5,850
WV Directors Fund	1,099	(11)	-	157	-	1,245
WV Police Department D.A.R.E . Program	4,913	-	-	(23)	(4,890)	-
WV Police Department Police Dog Fund	888	-	-	(4)	(884)	-
YAHU Flowthrough Fund	2,198	(26)	-	1,212	-	3,384
	<u>9,098</u>	<u>(86)</u>	<u>5,903</u>	<u>1,338</u>	<u>(5,774)</u>	<u>10,479</u>

The accompanying notes are an integral part of these financial statements

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# WEST VANCOUVER COMMUNITY FOUNDATION

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## NOTES TO FINANCIAL STATEMENTS

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December 31, 2009

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### 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 non-profit 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.

### 2. Summary of Significant Accounting Policies

The financial statements of the Foundation have been prepared in accordance with Canadian generally accepted accounting principles for not for profit organizations.

#### 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 into funds. 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.

For financial reporting purposes, the funds have been classified into the following categories:

- i) Managed Funds Under Administration
- ii) Endowment Funds
- iii) Administration & Stabilization Funds
- iv) Community Fund
- v) Flow-Thru Funds

Flow-Thru Funds represent funds which do not have an enduring capital component.

#### Investment Portfolio

Investments are managed by Leith Wheeler and are recorded at fair values determined on the last business day of the fiscal period. Investment income is shown net of fund manager fees.

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# WEST VANCOUVER COMMUNITY FOUNDATION

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## NOTES TO FINANCIAL STATEMENTS

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December 31, 2009

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### 2. Summary of Significant Accounting Policies (Cont.)

#### **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 Community Fund.

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.

Unrestricted investment and other incomes are recognized as revenue when earned.

Endowed, Community, and Managed Funds under Administration are subject to administrative fees established from time to time by the Board.

#### **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.

#### **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. Management believes that the estimates utilized in preparing these financial statements are reasonable and prudent; however, actual results could differ from these estimates.

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# WEST VANCOUVER COMMUNITY FOUNDATION

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## NOTES TO FINANCIAL STATEMENTS

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December 31, 2009

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### 2. Summary of Significant Accounting Policies (Cont.)

#### **Financial Instruments and Risk**

The Foundation's financial instruments consist of cash, investments, GST receivable, interest in a life insurance policy, and accounts payable. For GST receivable and accounts payable, the fair value approximates the carrying value due to their short term maturity or capacity for prompt liquidation. The fair value of the interest in a life insurance policy is determined by its cash surrender value. The Foundation classifies its investments as held-for-trading and measures them at fair value with changes in fair value recorded in net assets.

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 financial instruments 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.

#### **New Accounting Policy**

Effective January 1, 2009, the Foundation adopted CICA Handbook Section 4470 Disclosure of Allocated Expenses by Not-for Profit Organizations. This section establishes standards for the disclosure of the allocation of fundraising or general support expenses to expenses which are presented by function. The adoption of this standard has had no impact on the Foundation's financial statements.

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# WEST VANCOUVER COMMUNITY FOUNDATION

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## NOTES TO FINANCIAL STATEMENTS

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December 31, 2009

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### 3. Investments

#### Summary of Investment Portfolio Holdings

	Cost \$	Fair Value \$	%
Leith Wheeler International Fund Series C	564,018	406,529	12.1 %
Leith Wheeler Canadian Equity Fund Series A	1,123,995	1,018,095	30.2 %
Leith Wheeler Fixed Income Fund Series A	1,626,090	1,562,769	46.4 %
Leith Wheeler U.S. Equity Fund Series A	503,973	383,377	11.4 %
	<b>3,818,076</b>	<b>3,370,770</b>	<b>100.0%</b>

The cost and fair value of the investment portfolio at December 31, 2008 were \$3,835,193 and \$3,001,831 respectively.

### 4. Administration

Administration expenses have been shown net of recoveries of fees on managed funds under administration and certain Foundation funds. They are detailed as follows:

	2009 \$	2008 \$
Insurance	<b>2,860</b>	2,860
Office	<b>18,596</b>	19,358
Professional fees	<b>8,139</b>	11,213
Wages and benefits	<b>38,399</b>	38,424
	<b>67,994</b>	71,855
Less allocation to:		
Managed funds under administration	<b>(8,013)</b>	(8,308)
Foundation funds	<b>(16,238)</b>	(17,432)
Administration, net	<b>43,743</b>	46,115

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

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# WEST VANCOUVER COMMUNITY FOUNDATION

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## NOTES TO FINANCIAL STATEMENTS

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December 31, 2009

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### 5. 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. (2008 - \$25,148)

### 6. Managed Funds Under Administration

Managed funds under administration represent funds beneficially owned by other organizations for which the income and capital is designated for the benefit of these organizations.

### 7. Funds Held by the Vancouver Foundation

The Foundation received \$5,903 (2008 - \$9,222) as income from a permanent endowment fund with the Vancouver Foundation. The market value of the fund as at December 31, 2009 was \$164,204 (2008 - \$147,594).

### 8. Capital Management

The Foundation defines its capital as the net assets included in the endowment, flow-thru, community, administration and stabilization funds.

The primary objective of the Foundation's capital management policy is to provide adequate funding to achieve the efficient delivery of fund management and distributions of funds to charities.

Net assets invested in endowment funds are restricted pursuant to the deed of gift which established the fund. Only the income on some endowment funds is available for distribution. There are no external restrictions on the net assets in the community, administrative or stabilization funds.

### 9. Statement of Cash Flows

A statement of cash flows has not been presented as management does not consider that it would provide significant additional meaningful information.

### 10. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year presentation.