

**Community Foundation of Whistler
Financial Statements
For the year ended December 31, 2017**

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Financial Statements
For the year ended December 31, 2017**

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Independent Auditor's Report

To the Board of the Community Foundation of Whistler

We have audited the accompanying financial statements of the Community Foundation of Whistler, which comprise the Statement of Financial Position as at December 31, 2017, and the Statements of Operations, Changes in Net Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Community Foundation of Whistler derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Community Foundation of Whistler. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, and cash flows from operations for the years ended December 31, 2017 and 2016, current assets as at December 31, 2017 and 2016, and net assets as at January 1, and December 31 for both the 2017 and 2016 years. Our audit opinion on the financial statements for the year ended December 31, 2016 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Community Foundation of Whistler as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

BDO Canada LLP.

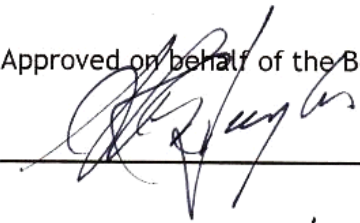
Chartered Professional Accountants

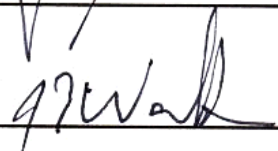
Whistler, British Columbia
April 17, 2018

**Community Foundation of Whistler
Statement of Financial Position**

December 31	Endowment Funds	Flow-through Funds	Unrestricted	2017	2016
	(Note 7)				
Assets					
Current					
Cash	\$ -	\$ 232,804	\$ 39,824	\$ 272,628	\$ 42,124
Accounts receivable	-	-	1,336	1,336	1,325
Investments (Note 2)	6,160,907	7,668	94,866	6,263,441	5,896,674
	\$ 6,160,907	\$ 240,472	\$ 136,026	\$ 6,537,405	\$ 5,940,123
Managed trust funds (Notes 2 and 3)				\$ 128,288	\$ 122,734
Liabilities and Net Assets					
Liabilities					
Current					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 14,465	\$ 14,465	\$ 15,346
Grants payable	47,785	1,950	959	50,694	73,033
	47,785	1,950	15,424	65,159	88,379
Net assets	6,113,122	238,522	120,602	6,472,246	5,851,744
	\$ 6,160,907	\$ 240,472	\$ 136,026	\$ 6,537,405	\$ 5,940,123
Managed trust funds (Notes 2 and 3)				\$ 128,288	\$ 122,734

Approved on behalf of the Board:


 _____ Director


 _____ Director

Community Foundation of Whistler
Statement of Operations

For the year ended December 31	2017	2016
Revenue		
Donations	\$ 377,115	\$ 195,722
Interest and dividends	154,031	148,263
Gain on investments	421,805	403,065
Administration fee	1,883	1,733
	<hr/>	
	954,834	748,783
Expenses		
Grants	230,410	212,888
Administration	103,922	107,736
	<hr/>	
	334,332	320,624
Excess of revenue over expenses for the year	\$ 620,502	\$ 428,159

Community Foundation of Whistler
Statement of Changes in Net Assets

	Endowment Funds	Flow-through Funds	Unrestricted	2017	2016
	(Note 7)				
Fund balances, December 31, 2016	\$ 5,738,778	\$ 5,338	\$ 107,628	\$ 5,851,744	\$ 5,423,585
Allocation of revenue and expenses:					
Donations	107,762	247,414	21,939	377,115	195,722
Investment and other income	566,625	3,309	7,785	577,719	553,061
Grants	(189,168)	(15,230)	(26,012)	(230,410)	(212,888)
Administration	(110,875)	(2,309)	9,262	(103,922)	(107,736)
Excess of revenue over expenses for the year	374,344	233,184	12,974	620,502	428,159
Fund balances, December 31, 2017	\$ 6,113,122	\$ 238,522	\$ 120,602	\$ 6,472,246	\$ 5,851,744

The accompanying notes are an integral part of these financial statements

Community Foundation of Whistler
Statement of Cash Flows

For the year ended December 31

2017

2016

Cash provided by (used in)

Operating activities

Excess of revenue over expenses for the year	\$ 620,502	\$ 428,159
Items not requiring cash		
Unrealized gain on investments	<u>(298,576)</u>	<u>(329,993)</u>
	321,926	98,166
Changes in non-cash working capital balances		
Accounts receivable	(11)	(205)
Accounts payable and accrued liabilities	(881)	3,880
Deferred contribution	-	(9,950)
Grants Payable	<u>(22,339)</u>	<u>(4,957)</u>
	<u>298,695</u>	<u>86,934</u>

Investing activities

Purchase of investments	<u>(68,191)</u>	<u>(127,142)</u>
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Increase (decrease) in cash during the year

230,504 (40,208)

Cash, beginning of year

42,124 82,332

Cash, end of year

\$ 272,628 **\$ 42,124**

Community Foundation of Whistler

Notes to the Financial Statements

December 31, 2017

1. Significant Accounting Policies

Purposes of the Foundation

The Community Foundation of Whistler (the "Foundation") was created to improve the quality of life in Whistler by distributing donations and the earnings from a permanent growing endowment of funds to charitable organizations. The Foundation is a registered charity, designated as a public foundation, under the Income Tax Act.

Basis of Presentation

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

Fund Accounting

The Foundation follows the restricted fund method of accounting for contributions to comply with the limitations and restrictions placed on the Foundation's resources by donors. Accordingly, resources are classified for accounting and financial reporting purposes into funds. These funds are maintained in accordance with either the objectives specified by the donors or with directives issued by the Board of Directors.

The endowment funds consist of contributions which are received to create permanent funds which generate investment income. The investment income is granted to recipients selected by the Foundation in accordance with the objectives specified by the donors.

The flow-through funds consist of contributions which are to be granted to recipients in their entirety in accordance with the objectives specified by the donors.

The unrestricted fund consists of the net assets of the Foundation which are not restricted to any other purpose and are used to fund the operating expenses of the Foundation.

Revenue Recognition

Donations are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Donations are applied to specific endowment funds, the flow-through funds or the unrestricted fund in accordance with the wishes of the donor. Where a donor has not specified the intended use of the funds, the amount is recorded as a deferred contribution until such time as the donor and the Foundation can agree on the intended use of the funds.

Interest earned on investments is recorded on an accrual basis. Dividends that have been declared are recorded as income on the date of record for the dividend.

Community Foundation of Whistler Notes to the Financial Statements

December 31, 2017

1. Significant Accounting Policies (cont.)

Revenue Recognition (continued)

Investment and interest income earned on endowment and restricted funds is recognized as revenue in the endowment and restricted funds in accordance with the terms of the restricted contribution. Investment and interest income on unrestricted funds is recognized as revenue in the Unrestricted Fund.

Income Taxes The Foundation is exempt from income tax under Section 149(1)(l) of the Income Tax Act.

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 and contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Areas requiring management to exercise judgment on the determination of estimates include the completeness of accounts payable and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available and may impact future periods.

Financial Instruments The Foundation's financial instruments consist of cash, accounts receivable, investments, accounts payable and accrued liabilities, and grants payable. The Foundation initially measures all of its financial instruments at fair value and subsequently at amortized cost using the effective interest rate method, except for investments which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Donated Services and Materials The Foundation does not recognize donated services and materials in these financial statements.

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

Managed Trust Funds The Foundation manages funds on behalf of third parties in accordance with the Foundation's investment policy. These amounts are not assets or liabilities of the Foundation.

Community Foundation of Whistler Notes to the Financial Statements

December 31, 2017

1. Significant Accounting Policies (cont.)

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the exchange rates in effect at the statement of financial position date. Revenue and expenses denominated in foreign currencies are translated to Canadian dollars at the exchange rates in effect on the date of the transaction. Exchange gains and losses on translation of foreign currencies are included in gain (loss) on investments.

Grants

Grants are recorded when the grant has been approved by the Board of Directors and the amount payable can be reasonably estimated and payments reasonably assured. Grant payments are conditional on the recipient meeting certain criteria and providing supporting information. Grants are paid 50% on approval, 40% on substantial completion and 10% on submission of a final report.

2. Investments

	<u>2017</u>	<u>2016</u>
Bonds	\$ 1,559,877	\$ 1,567,570
Canadian equities, funds and trusts	2,702,570	2,433,874
Foreign equities and funds	2,114,934	2,002,270
Other	14,348	15,694
	<u>\$ 6,391,729</u>	<u>\$ 6,019,408</u>
Less managed trust funds (Note 3)	128,288	122,734
Investments	<u>\$ 6,263,441</u>	<u>\$ 5,896,674</u>

3. Managed Trust Funds

The Foundation manages and invests funds on behalf of the Rotary Club of Whistler under agreements signed in 2015 in accordance with the Foundation's Investment Policy, and as described in Note 1, these are not assets of the Foundation. The agreements were for an initial period two years and from February 2017 forward run year to year. The agreements may be terminated and the funds withdrawn by the Rotary Club after one year upon providing 90 days notice. The value of the funds are determined on the last day of each month based on the fair market value of the investment pool. The Foundation earns an administrative fee of 1.5% on these funds.

Community Foundation of Whistler Notes to the Financial Statements

December 31, 2017

4. Funds with the Vancouver Foundation

The Foundation has established a permanent, non-revocable endowment fund with the Vancouver Foundation. The fund is owned and administered by the Vancouver Foundation and, accordingly, as the capital of the fund is not available for use by the Foundation, the fund balance is not included in the Foundation's statement of financial position. The interest earned on the the endowment fund is donated back to the Foundation and credited to the Whistler Blackcomb Flow-Through Fund to be used for the purposes established for that fund.

The market value of the fund is estimated at \$130,625 (2016 - \$125,987).

5. Financial Instrument Risk

The Foundation, through its financial assets and liabilities, is exposed to various risks. The following analysis provides an assessment of those risks as at December 31, 2017.

Foreign Exchange Risk

Foreign currency exposure arises from the Foundation's holdings of foreign currency denominated investments. Fluctuations in the relative value of those currencies against the Canadian dollar can result in a positive or negative effect on the fair value of the investments. As at December 31, 2017, the Foundation's US dollar denominated investments totaled \$1,686,819 US, \$2,114,934 converted to Canadian dollars (2016 - \$1,491,227 US, \$2,002,270 CDN).

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 bond 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, 2017, the fair value of instruments subject to interest rate risk totaled \$1,559,877 (2016 - \$1,567,570).

Equity Price Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Foundation is exposed to fluctuations in equity markets on its equities, funds and trusts which are invested in various funds. At December 31, 2017 the fair value of the Foundation's equities, funds and trusts totaled \$4,817,504 (2016 - \$4,436,144).

Community Foundation of Whistler
Notes to the Financial Statements

December 31, 2017

5. Financial Instrument Risk (cont.)

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, investments (Note 2) and managed trust funds (Notes 2 and 3). To mitigate this risk, the Foundation has deposited its cash and investments with reputable financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Foundation encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Foundation will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset.

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

6. Comparative Figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

Community Foundation of Whistler
Notes to the Financial Statements

December 31, 2017

7. Endowment Funds

	Contributed Principal	2016 Balance	Donations	Transfers	Investment Income	Grants	Administration	2017 Balance
American Friends of Whistler Fund	\$ 5,121	\$ 7,224	\$ -	\$ -	\$ 712	\$ (250)	\$ (140)	\$ 7,546
Ackhurst Family Rotary Club of Whist	24,650	27,865	650	-	2,706	(975)	(557)	29,689
Arts & Culture Legacy Fund	199,166	279,912	-	-	27,090	(10,000)	(5,328)	291,674
AWARE Environmental Fund	5,347	7,845	-	-	861	(275)	(152)	8,279
Whistler and Pemberton Big Brothers	5,170	7,561	50	-	737	(200)	(147)	8,001
Bob and Sue Adams Leadership Fund	10,000	10,857	250	-	1,071	(500)	(212)	11,466
Community Fund	84,435	100,840	10,543	-	10,020	(3,513)	(2,110)	115,780
Doug and Mary Forseth Fund	15,000	16,594	-	-	1,630	(500)	(322)	17,402
Deborah Smythe and Family Fund	31,290	21,311	11,226	-	2,093	-	(414)	34,216
Environmental Legacy Fund	2,405,805	3,433,899	100	-	338,184	(119,830)	(66,435)	3,585,918
Emergency Fund	16,885	21,480	-	-	2,018	(2,400)	(79)	21,019
Grad 2014 Legacy Scholarship Fund	9,000	9,558	500	-	946	(500)	(189)	10,315
Jill Ackhurst Social Action Fund	117,315	156,109	3,200	-	15,288	(5,800)	(3,014)	165,783
Kathy Barnett Memorial Fund	78,427	188,802	106	-	18,854	(4,590)	(3,693)	199,479
Kelty and Riley Dennehy Scholarship	100,000	115,034	-	-	11,170	(3,000)	(2,214)	120,990
Sarah McSeveney Scholarship Fund	11,270	17,445	-	-	1,693	(500)	(333)	18,305
Marlene Siemens Callanish Society	8,575	12,020	-	-	1,164	(420)	(229)	12,535
Michael Sparks Fund	25,178	15,694	-	-	(1,346)	-	-	14,348
Operating Endowment Fund	34,846	58,705	-	-	5,766	-	(1,138)	63,333
Pemberton Community Fund	13,285	18,826	-	-	1,852	(613)	(364)	19,701
Pemberton Community Endowment Fund	57,334	75,839	960	-	7,493	(1,000)	(1,497)	81,795
Whistler Animals Galore Fund	5,690	8,207	100	-	903	(290)	(164)	8,756
Whistler Adaptive Sports Endowment	23,254	33,410	300	-	3,670	(1,170)	(662)	35,548
Whistler Blackcomb Foundation Fund	27,000	30,781	-	-	3,031	(1,075)	(594)	32,143
Whistler Employee Fund	7,915	9,033	1,099	-	914	(315)	(183)	10,548
Wendy Thompson Scholarship Fund	136,297	215,306	-	-	21,220	(3,000)	(4,177)	229,349
Whistler Museum and Archives Society	11,394	11,900	2,678	-	1,180	(417)	(238)	15,103
Whistler Public Library Fund	5,100	7,130	-	-	689	(270)	(136)	7,413
Whistler Search and Rescue Fund	624,932	709,084	75,300	-	74,015	(24,820)	(13,960)	819,619
Whistler Scholarship Society Fund	59,788	84,250	-	-	8,409	(2,500)	(1,660)	88,499
Whistler Youth Foundation Fund	14,693	18,425	700	-	1,834	(170)	(385)	20,404
Zero Ceiling Society Fund	5,550	7,832	-	-	758	(275)	(149)	8,166
	\$ 4,179,712	\$ 5,738,778	\$ 107,762	\$ -	\$ 566,625	\$ (189,168)	\$ (110,875)	\$ 6,113,122