

ACCOUNTANT'S COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE (2020)

Board of Directors - 2020/2021

WEST VANCOUVER HISTORICAL SOCIETY

Rod Day, President and Chair
Laura Anderson, Vice-President
Lynda Roberts, Finance/Treasurer
Stephen Price, Secretary **
Gail McBride, Director, Website
Barbara Hunter, Director
Marny Pierson, Director
Marilyn Rhodes, Director
Tom Wardell, Director

REVIEW OVERVIEW

Canadian Generally Accepted Standards for Review Engagements provides limited assurance with the provision of analytical procedures and evidence evaluation.

A review results in a 'Conclusion' and an audit results in an 'Opinion'.

Internal controls are procedures and systems designed to reduce the risk of material misstatement being fraud and error. The goal of any internal control is to protect assets for the benefit of the Society. No bank confirmations were obtained but banks were verified.

2020 ISSUES

- A. Internal controls are at risk when you have a volunteers and segregation of duties is not realistic. The risk of material misstatement is not necessarily considered elevated but additional in-house scrutiny may be required to reduce the risk of any type of misstatement. The Treasurer provides a good control as she monitors the bank, acts as a control on payments and other protections. The Treasurer reviews financial information.

RECOMMENDATIONS:

Bank reconciliations should be approved by the Treasurer or an equivalent third party. Bank reconciliations should be in the Financial Package for any Finance meeting.

- B. We performed a walk around of the Lawson building on March 14, 2021 and noted its excellent condition.

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C. Furniture and Equipment

The change in accounting policy to record amortization of furniture and equipment follows accounting principles.

We direct your attention to CPA Handbook Note-for-Profit Section 4433.26(C) "If tangible assets are expensed when acquired, the amount expensed must be disclosed in the current period".

The Gist of this section allows Society's such as yours to expense assets in the current year. The Society's revenue's must be less than \$500,000 which is consistent with the Society.

We recommend this approach as assets total \$10,391 and net book value is \$650. The total assets owned since 1980 are minimal and cloud cash flows.

Please direct the writer to adopt the expense of assets on a retroactive basis.

D. Cash Management

We noted only one cheque with once signature. We strongly recommend that cheques are not pre-signed by a signatory awaiting the second signatory. (No presigned cheques) Please detail signatories to us.

E. The Net Assets of \$69,051 (Note Book Fund title change) carry forward from prior years.

F. We did not request a legal representation letter and therefore request management's opinion:

- Are there any known in litigation or claims directed at the Society? Response!
- Has there been any actual or alleged fraud in 2020 and to date? Response!

G. Subsequent Events

We will review events to conclude our review procedures to the Annual General Meeting on May 19, 2021.

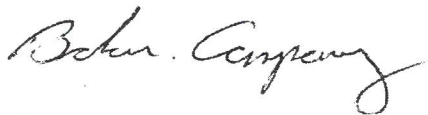
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ACCOUNTANT'S COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE (2020)

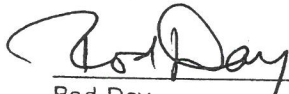
The Society continues to operate in an orderly manner.

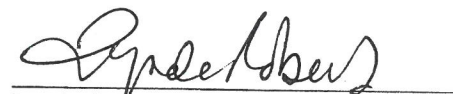
Thank you for providing us the opportunity to be of service to the Society.

BAKER & COMPANY



Please have two Committee Members sign and return a copy of this Report to our office.



Rod Day
President and Chair

Lynda Roberts
Treasurer

WEST VANCOUVER HISTORICAL SOCIETY

FINANCIAL STATEMENTS

DECEMBER 31, 2020

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T/ 604.925.9930

F/ 604.925.9940

E/ gb@bakerco.cawww.bakerco.ca**INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT****To the Directors of the West Vancouver Historical Society**

We have reviewed the accompanying financial statements of the West Vancouver Historical Society that comprise the statement of financial position as at December 31, 2020 and the statements of operations and changes in fund balances 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the West Vancouver Historical Society as at December 31, 2020, and the results of its operations and change in fund balances and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

The comparative figures were compiled on April 20, 2020.



May 3, 2021

Baker & Company, Chartered Professional Accountant, West Vancouver, B.C.



WEST VANCOUVER HISTORICAL SOCIETY

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020

ASSETS

	<u>2020</u>	<u>2019</u>
	\$	\$
CURRENT		
Cash - CIBC operating account	9,859	19,944
Cash - RBC Book account	34,310	18,527
Cash - RBC Oral History account	15,559	18,562
Term deposits - Capital Fund	8,475	18,291
Prepaid expenses and other assets	<u>198</u>	<u>674</u>
	68,401	75,998
PROPERTY AND EQUIPMENT		
Furniture and equipment	5,201	5,201
Computer hardware	3,424	3,424
Computer software	141	141
Website	<u>1,625</u>	<u>1,625</u>
	10,391	10,391
Accumulated amortization	<u>(9,741)</u>	<u>(9,416)</u>
	650	975
	<u>69,051</u>	<u>76,973</u>

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	1,813	-
Prepaid memberships	<u>-</u>	<u>2,390</u>
	1,813	2,390

NET ASSETS (Page 5)

Capital Fund - Term deposits	8,475	18,291
Point Atkinson Lighthouse Project	2,850	2,850
Oral History Project	15,562	18,562
Invested in Capital Assets	650	975
Book Fund	25,683	18,527
Unrestricted	<u>14,018</u>	<u>15,378</u>
	67,238	74,583
	<u>69,051</u>	<u>76,973</u>

APPROVED BY THE DIRECTORS

Director

Director

WEST VANCOUVER HISTORICAL SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2020

	Net Assets December 31, 2019 \$	Excess (Deficiency) Of Revenues Over Expenses \$	Transfers \$	Net Assets December 31, 2020 \$
RESTRICTED FUNDS				
Capital Fund - Term deposits	18,291	184	(10,000)	8,475
Point Atkinson Lighthouse Project	2,850	-	-	2,850
Oral History Project	18,562	(3,000)	-	15,562
Property and equipment (Note 5)	975	(325)		650
Book Fund	18,527	(2,844)	10,000	25,683
UNRESTRICTED FUND	<u>15,378</u>	<u>(1,360)</u>	<u>-</u>	<u>14,018</u>
	<u>74,583</u>	<u>(7,345)</u>	<u>-</u>	<u>67,238</u>

WEST VANCOUVER HISTORICAL SOCIETY

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
RECEIPTS		
Book sales	6,379	7,469
Memberships	3,770	3,690
Grant revenue	-	1,000
Donations	923	2,513
Interest and other revenue	822	327
GST rebate	150	323
	<u>12,044</u>	<u>15,322</u>
DISBURSEMENTS		
Amortization	325	2,079
Project costs	9,274	-
Grants paid	1,000	8,440
Printing	-	93
Professional fees	3,480	1,785
Display	-	848
Newsletter	1,167	2,003
Telephone	791	1,070
Meetings and promotion	544	710
Insurance	829	620
Office expenses	1,382	2,328
Community projects/support	100	622
Interest and bank charges	179	188
Memberships and licenses	155	20
Rental (Notes 2b)	13	13
Postage	150	234
	<u>19,389</u>	<u>21,053</u>
EXCESS (DEFICIT) OF RECEIPTS OVER DISBURSEMENTS	<u>(7,345)</u>	<u>(5,731)</u>

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WEST VANCOUVER HISTORICAL SOCIETY

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
OPERATING ACTIVITIES		
Net loss for the year	<u>(7,345)</u>	<u>(5,731)</u>
ADD ITEMS NOT INVOLVING CASH		
Amortization of capital assets	<u>325</u>	<u>2,079</u>
CHANGE IN NON-CASH ITEMS		
Prepaid	476	(389)
Accounts payable	1,813	-
Prepaid memberships	<u>(2,390)</u>	<u>147</u>
INCREASE (DECREASE) IN CASH FLOWS	(7,121)	(3,894)
CASH/TERM DEPOSITS, beginning of year	<u>75,324</u>	<u>79,218</u>
CASH/TERM DEPOSITS, end of year	<u><u>\$ 68,203</u></u>	<u><u>75,324</u></u>

WEST VANCOUVER HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 1: Nature of Operations

The Society was incorporated under the British Columbia Society Act on July 17, 1980. It is a registered charity under the Income Tax Act. It is a not-for-profit service organization in which membership is open to any individual, association and corporation interested in enjoying and perpetuating the history of the District of West Vancouver, B.C.

The spread of COVID-19 severely impacted the world. In many countries, including Canada, organizations are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions and impact on operations of not-for-profit organizations. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. The duration and extent of the impact of the COVID-19 outbreak, as well as the effectiveness of government and central bank responses, remains unclear at this time.

The COVID-19 pandemic creates uncertainty about the future which could include decrease in revenue changes to assets and liabilities or an impact on future operations. As the situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known an estimate of the future financial effect on the Society is not determinable.

NOTE 2: Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian Accounting Standards for not-for-profit organizations under Part III of the CPA Handbook. The Society records transactions using the accrual method of accounting.

a) Fund Accounting

The Society follows the deferral method of accounting for contributions.

b) Property and equipment reports the assets related to equipment. Amortization is reported at 20% per annum. (Note 5)

c) The Society occupies a portion of the upper floor of the Lawson House in West Vancouver from the District of West Vancouver for \$1 for a License Fee and \$12 for utilities and janitorial services from November 1st of a given year to October 31st.

d) Revenue Recognition

Unrestricted contributions are unrecognized as receipts of the appropriate fund when received or receivable. Restricted contributions are recognized as receipts of the appropriate fund in the year in which the related expenses are incurred.

WEST VANCOUVER HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 2: Significant Accounting Policies

e) Financial Instruments

Financial Instruments are recorded at fair value and amortized cost.

f) Contributed Services

Volunteers contribute a significant amount of time and expertise to the Society in carrying out its objectives. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

g) Use of Estimates

The preparation of financial statements in accordance with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at December 31st and the reported amount of receipts and disbursements during the year. These estimates are reviewed periodically and adjusted in the year in which they become known. Actual results could differ from the estimates.

h) A Statement of Cash Flows has not been provided as it would not provide additional useful information.

NOTE 3: Income Taxes

The Society is exempt from corporate income taxes. The Society must file a charity tax return annually.

NOTE 4: Financial Instruments

The Society's financial assets and liabilities are as follows: Cash and term deposits are considered available for sale and are reported at fair value. Prepaids, and prepaid membership are initially recorded at fair value and measured annually at amortized cost.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk that the interest rates are fixed on a term deposit.

WEST VANCOUVER HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 4: Financial Instruments

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk exists with respect to the Society's cash and term deposits.

Liquidity Risk

Liquidity risk is the risk that the Society will encounter difficulty in satisfying financial obligations as they become due. The Society objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk; interest rate risk foreign currency risk and other price risk.

NOTE 5: Change in Accounting Policy

The Society has retroactively reported amortization on its assets since inception.

As previously reported	
Property and Equipment	\$ 10,391
Amortization - Prior periods	
to 2019	<u>(9,416)</u>
Balance - January 1, 2019	<u>\$ 975</u>

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