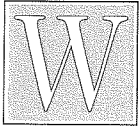


**Squamish Helping Hands Society**  
**Financial Statements**  
**December 31, 2017**

**Squamish Helping Hands Society**  
**Financial Statements**  
**December 31, 2017**

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# **WEIR AND COMPANY**

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

## **Independent Auditor's Report**

### **To the Members of the Squamish Helping Hands Society**

We have audited the accompanying financial statements of the Squamish Helping Hands Society which comprise of the statement of financial position as at December 31, 2017 and the statement of operations and changes in net assets and cash flows statement 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 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 presentation of the financial statements.

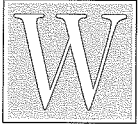
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis for Qualified Opinion**

In common with many not-for-profit organizations, Squamish Helping Hands Society derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of Squamish Helping Hands Society. Therefore, we were not able to determine whether, as at and for the year ended December 31, 2017, any adjustments might be necessary to public support revenues and deficiency of revenues over expenditures reported in the statement of operations and changes in net assets, deficiency of revenues over expenses in the statement of cash flows and current assets and net assets reported in the statement of financial position.

A Partnership of Incorporated Chartered Professional Accountants

2nd Floor, Scotiabank Building, 201-1343 Lonsdale Avenue | Unit 105, 38026 2nd Avenue,  
North Vancouver, BC V7M 2H7 Telephone 604.986.9440 Fax 604.986.9442 | Squamish, BC V8B 0C3 Telephone 604.892.5281 Fax 604.892.5276



# **WEIR AND COMPANY**

**CHARTERED PROFESSIONAL ACCOUNTANTS LLP**

## **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements of the Squamish Helping Hands Society for the year ended December 31, 2017 present fairly, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

## **Report on Other Legal and Regulatory Requirements**

As required by the Societies Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

*Weir and Company*

**Chartered Professional Accountants LLP**

Port Coquitlam, BC

June 11, 2018

A Partnership of Incorporated Chartered Professional Accountants

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cas@weirllp.com

**Squamish Helping Hands Society  
Statement of Financial Position**

**As at December 31,**

**2017**

**2016**

**ASSETS**

**CURRENT**

Cash	\$	145,027	\$	118,020
Short term investments (Note 2)		566,282		133,424
Accounts receivable		59,339		11,703
Due from government agencies		5,602		10,804
Interest receivable		87		1,003
Inventory		3,235		3,030
Prepaid expenses		8,750		4,308

788,322 282,292

**Capital Assets (Note 4)**

44,624 39,489

\$ 832,946 \$ 321,781

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable and accrued liabilities	\$	21,437	\$	11,725
Deferred revenue (Note 5)		493,441		99,257
Due to government agencies		17,470		3,657
Wages payable		55,724		45,926

588,072 160,565

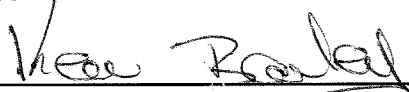
**NET ASSETS**

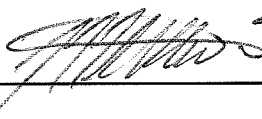
Internally restricted net assets (Note 6)		46,059		-
Unrestricted net assets		198,815		161,216

244,874 161,216

\$ 832,946 \$ 321,781

Approved on behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**Squamish Helping Hands Society**  
**Statement of Operations**  
**For the year ended December 31,**

	2017	2016
<b>REVENUES</b>		
Grants and contracts (Note 7)	\$ 974,172	\$ 872,487
Program revenue	38,916	16,101
Public support	132,069	106,700
Miscellaneous	9,858	10,716
	<b>1,155,015</b>	<b>1,006,004</b>
<b>EXPENSES</b>		
Accounting	17,886	17,506
Amortization	9,047	7,187
Bank charges and interest	1,566	502
Insurance	7,626	8,561
Legal and professional	1,147	13,463
Loss on disposal of capital assets	1,515	-
Office expenses	17,067	11,722
Program expenses	26,318	20,542
Repair and maintenance	18,029	18,223
Supplies	69,076	73,654
Telephone	10,311	8,709
Travel	5,803	3,214
Wages and benefits	885,966	776,662
	<b>1,071,357</b>	<b>959,945</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>83,658</b>	<b>46,059</b>

**Squamish Helping Hands Society**  
**Statement of Changes in Net Assets**  
**For the year ended December 31, 2017**

		Internally restricted funds	Unrestricted net assets	Total
Balance, beginning of year	\$	-	\$ 161,216	\$ 161,216
Excess of revenues over expenditures		-	83,658	83,658
Interfund transfers		46,059	(46,059)	-
<b>Balance, end of year</b>	<b>\$</b>	<b>46,059</b>	<b>\$ 198,815</b>	<b>\$ 244,874</b>

**Squamish Helping Hands Society**  
**Statement of Cash Flows**  
**For the year ended December 31,**

	2017	2016
<b>CASH FLOWS FROM OPERATING</b>		
Cash receipts	\$ 1,507,681	\$ 1,007,961
Cash paid to suppliers and employees	(1,032,118)	(949,512)
	475,563	58,449
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of short term investments	(432,858)	(133,424)
Purchase of capital assets	(15,698)	(12,089)
	(448,556)	(145,513)
<b>INCREASE IN CASH DURING THE YEAR</b>	27,007	(87,064)
Cash, beginning of year	118,020	205,084
<b>Cash, end of year</b>	<b>\$ 145,027</b>	<b>\$ 118,020</b>
<b>REPRESENTED BY:</b>		
Cash	\$ 145,027	\$ 118,020



**Squamish Helping Hands Society**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2017**

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**1. NATURE OF SOCIETY AND SIGNIFICANT ACCOUNTING POLICIES**

The Squamish Helping Hands Society ("Society") was incorporated on October 27, 2006. The Society provides gateway services to help their clients break the cycle of homelessness through connection to support services and appropriate housing options, and to provide essential services to meet their clients' immediate needs for overnight accommodation, basic nutrition and hygiene. The Society is exempt from taxation under Section 149.1(l) of the Income Tax Act of Canada.

The Society operates the following programs:

- a) Emergency Shelter Program ("ESP"): The ESP program is part of the Society's Shelter Solutions programming. It is a low barrier 24/7 emergency shelter program which includes meals, support services, referrals, provision of outreach and case planning services. This program serves people who are homeless, in survival mode and in need of basic necessities.
  
- b) Food Rescue and Distribution ("FR&D"): The FR&D program is part of the Society's Food Solutions programming. This program has several different components - Food4Kids (brown bag lunches for school kids), Food4Families (hampers of food for families in need), Food2Go (brown bag meals for clients unable to access the Society's facilities) and 2Squares (hot meals on the premises).
  
- c) Home Instead: This program is part of the Society's Shelter Solutions programming. It is a 'Next Step' supportive housing program (often referred to as Transitional Housing) for clients who wish to move towards independence in a concerted way. The program deals with mental health & addiction issues in conjunction with life skills education and support. It is meant to house clients for approximately 18 months to a maximum of 2 years. Home Instead also provides specific mental health and substance use transitional beds in partnership with Vancouver Coastal Health.
  
- d) Under One Roof: Squamish Helping Hands is partnering with BC Housing, the District of Squamish and community partners to create a new facility in Squamish. The District of Squamish is providing the land and the facility is a capital construction project funded by BC Housing. The facility will provide 5 types of housing, food delivery, employment training, a Food Bank, Laundromat and all of Squamish Helping Hands programming, including the Emergency Shelter Program, Food Rescue and Distribution, and transitional housing. Design and planning began in 2017 with Squamish Helping Hands serving as a conduit through which BC Housing is funding project expenses including engineering and environmental consultants.

**Squamish Helping Hands Society**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2017**

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**1. NATURE OF SOCIETY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

a) Tangible Capital Assets

Purchased tangible capital assets are recorded at cost. Tangible capital assets are amortized over their estimated useful lives as follows:

Computer	1 year straight-line
Furniture and equipment	20% declining balance method
Leasehold improvements	5 years straight-line
Vehicles	8 years straight-line

b) Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenues in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations are recorded on a cash basis since pledges are not legally enforceable claims.

c) Financial instruments

The Society's financial instruments consist of cash, short term investments, accounts receivable, interest receivable, accounts payable, and wages payable. Financial assets and liabilities are initially measured at fair value and subsequently at amortized cost. Unless otherwise noted, it is the opinion of the Society's directors that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments.

d) Use of estimates

The preparation of financial statements with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Areas requiring the use of management estimates include collectibility of accounts receivable, useful lives of capital assets and completeness of accounts payable and accrued liabilities. Actual results could differ from these estimates.

**Squamish Helping Hands Society**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2017**

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**2. NEW SOCIETIES ACT OF BRITISH COLUMBIA**

On November 28, 2016 the Society Act of British Columbia was repealed and replaced with the Societies Act (BC) ("New Act"). The New Act requires that the all Societies transition to the New Act before November 28, 2018. The Society completed the transition on January 27th, 2017.

The New Act requires that the Society 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/contractors. No directors received any remuneration from the Society in 2017. One employee was paid \$77,144 for 2017.

**3. SHORT TERM INVESTMENTS**

The Society's short term investment is cashable term deposit as follows:

	<u>2017</u>
Maturing December 28, 2018 at 1.40%, 90 day lock out	\$ 566,282

**4. CAPITAL ASSETS**

Capital assets consist of the following:

	Cost	Accumulated Amortization	2017 Net	2016 Net
Computer	\$ 5,272	\$ 5,272	\$ -	\$ 1,395
Furniture and equipment	27,958	18,291	9,667	9,864
Leasehold improvements	25,276	12,924	12,352	1,515
Vehicles	32,880	10,275	22,605	26,715
	<u>\$ 91,386</u>	<u>\$ 46,762</u>	<u>\$ 44,624</u>	<u>\$ 39,489</u>

**5. DEFERRED REVENUE**

This balance represents funds received from granting agencies and individuals for programs planned for the 2018 fiscal year and the balance consists of the following:

	<u>2017</u>
Emergency Shelter Program	\$ 68,111
Food Rescue and Distribution	19,330
Relocation	406,000
	<u>\$ 493,441</u>
<b>Deferred revenue, beginning of year</b>	\$ 99,257
Amounts received during the year	1,539,341
Amounts recognized as revenue during the year	(1,145,157)
<b>Deferred revenue, end of year</b>	<u>\$ 493,441</u>

**Squamish Helping Hands Society**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2017**

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**5. DEFERRED REVENUE (CONTINUED)**

	<u>2016</u>
Emergency Shelter Program	\$ 66,897
Food Rescue and Distribution	32,360
	<u>\$ 99,257</u>
<b>Deferred revenue, beginning of year</b>	<b>\$ 100,041</b>
Amounts received during the year	994,504
Amounts recognized as revenue during the year	(995,288)
<b>Deferred revenue, end of year</b>	<b><u>\$ 99,257</u></b>

**6. INTERNALLY RESTRICTED NET ASSETS**

Net assets internally restricted are restricted by resolution or determination of the Board of Directors as to how such funds are to be spent.

The board passed a motion in February 2017 to restrict the annual surplus as of December 31, 2016 for the Under One Roof Project.

**7. GRANTS AND CONTRACTS**

Grants from funding agencies are recognized as revenue in the fiscal year for which the funds were intended and used, rather than the dates received. The granting agencies and funds recognized are as follows:

	<u>2017</u>	<u>2016</u>
BC Housing	\$ 822,258	\$ 767,485
British Columbia Gaming Grant	30,000	30,000
District of Squamish	-	25,304
Squamish Savings	-	30,000
Vancouver City Savings Credit Union	-	7,304
Vancouver Coastal Health	84,375	6,200
Various other grants	26,438	6,194
Whistler Blackcomb Foundation	11,101	-
	<u>\$ 974,172</u>	<u>\$ 872,487</u>

**Squamish Helping Hands Society**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2017**

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**8. ECONOMIC DEPENDENCE**

The Society relies on its contract with the British Columbia Housing Management Commission ("BC Housing") to provide funding for its programs. The Society recognized \$822,258 (2016 - \$767,485) of revenue from the BC Housing in the year which represents 71.19% (2016 - 76.30%) of total revenues and 84.41% (2016 - 87.97%) of grant revenue.

**9. FINANCIAL INSTRUMENTS**

Financial assets and liabilities are initially measured at fair value. Subsequent measurement of all financial assets and liabilities are at amortized cost. Financial assets measured at amortized cost include cash, GST receivable and accounts receivable. Financial liabilities measured at cost include accounts payable and accrued liabilities, and wages payable.

The Society has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The principal risks assumed by the Society are as follows.

*Credit risk*

Credit risk is the risk that the Society will incur a loss through uncollectible accounts receivable. The Society assesses on a continuous basis, accounts receivable and establishes an allowance for doubtful accounts when the amounts are not collectible. The Society is not exposed to any significant credit risk.

*Market risk*

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The Society is not exposed to any significant market risk.

**10. COMPARATIVES**

Certain of the prior year's figures, presented for comparative purposes, have been restated to conform to the current year's presentation.