

Squamish Helping Hands Society

Financial Statements
and Auditor's Report

For the year ended December 31, 2020

Squamish Helping Hands Society

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For the year ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Squamish Helping Hands Society:

Qualified Opinion

We have audited the accompanying financial statements of the Squamish Helping Hands Society ("Society") which comprise of the statement of financial position as at December 31, 2020 and the statement of operations and changes in net assets and cash flows statement 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 paragraph, the accompanying financial statements present fairly in all material respects, the financial position of the Squamish Helping Hands Society as at December 31, 2020, 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.

Basis for Qualified Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility 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 Society 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. 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, 2020, 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.

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 the 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 these financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Society'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.

A Partnership of Incorporated Chartered Professional Accountants



WEIR AND COMPANY

CHARTERED PROFESSIONAL ACCOUNTANTS LLP

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 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 purposes of expressing an opinion on the effectiveness of the Society'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 of 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 Society'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, the future events or conditions may cause the Society 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 the audit.

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

June 16, 2021

A Partnership of Incorporated Chartered Professional Accountants

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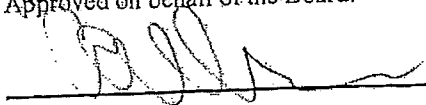
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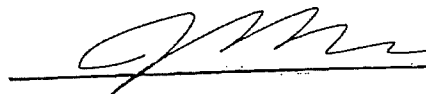
Squamish Helping Hands Society

Statement of Financial Position
As at December 31, 2020

	2020	2019
ASSETS		
Current		
Cash	\$ 630,638	\$ 336,618
Short term investment (Note 3)	593,921	585,120
Accounts receivable	131,981	9,662
Due from government agencies	7,605	11,661
Interest receivable	90	90
Inventory	9,769	4,747
Prepaid expenses	8,743	24,935
	1,382,747	972,833
Capital Assets (Note 4)	418,018	29,236
	\$ 1,800,765	\$ 1,002,069
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 142,598	\$ 16,314
Deferred revenue (Note 5)	770,053	570,508
Payroll deduction payable	52,493	19,112
Wages payable	62,931	78,974
	1,028,075	684,908
NET ASSETS		
Investment in capital assets	418,018	29,236
Internally restricted net assets (Note 6)	46,059	46,059
Unrestricted net assets	308,613	241,866
	772,690	317,161
	\$ 1,800,765	\$ 1,002,069

Approved on behalf of the Board:

 Director

 Director

Squamish Helping Hands Society
Statement of Operations
For the year ended December 31, 2020

	2020	2019
REVENUE		
Public support	\$ 115,919	\$ 154,098
Grants and contracts (Note 7)	1,705,326	1,020,901
Interest	9,038	11,267
Pandemic support	129,821	4,304
Program revenue	173,945	65,032
	2,134,049	1,255,602
EXPENSES		
Accounting	29,679	27,274
Advertising and promotions	14,973	5,241
Amortization	34,934	10,204
Bank charges and interest	843	429
Food purchases	74,641	75,721
Insurance	13,593	9,569
IT supplies and support	13,762	627
Loss on disposal of capital assets	5,987	-
Miscellaneous	11,131	-
Office expenses	8,122	7,363
Professional fees	77,863	33,330
Program expenses	15,612	34,675
Repair and maintenance	42,182	11,845
Supplies	38,435	14,939
Telephone	14,758	10,648
Travel	3,420	5,361
Utilities	19,048	-
Wages and benefits (Note 8)	1,259,537	990,512
	1,678,520	1,237,738
EXCESS OF REVENUES OVER EXPENSES	\$ 455,529	\$ 17,864

Squamish Helping Hands Society

Statement of Changes in Net Assets
For the year ended December 31, 2020

	2020	2019
Invested in capital assets, beginning of the year	\$ 29,236	\$ 35,836
Amortization	(34,934)	(10,204)
Acquisitions	429,703	3,604
Dispositions	(5,987)	-
Internally restricted funds, beginning and end of year	\$ 418,018	\$ 29,236
Internally restricted funds, beginning and end of year	\$ 46,059	\$ 46,059
Unrestricted net assets, beginning of year	\$ 241,866	\$ 217,402
Excess of revenues over expenditures	455,529	17,864
Transfer of amortization to investment in capital assets	34,934	10,204
Transfer to investment in capital assets	(429,703)	(3,604)
Transfer of dispositions to investment to capital assets	5,987	-
Unrestricted funds, end of year	\$ 308,613	\$ 241,866

Squamish Helping Hands Society

Statement of Cash Flows

For the year ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 455,529	\$ 17,864
Items not involving cash		
Amortization	34,934	10,204
Loss on disposal of capital assets	5,987	-
	<u>496,450</u>	<u>28,068</u>
Changes in non-cash working capital items		
Accounts receivable	(122,319)	3,118
GST receivable	4,056	(7,053)
Inventory	(5,022)	329
Prepaid expenses	16,192	(20,179)
Accounts payable and accrued liabilities	126,284	(1,290)
Deferred revenue	199,545	99,884
Payroll deduction payable	33,381	(9,390)
Wages payable	(16,043)	47,972
	<u>732,524</u>	<u>141,459</u>
INVESTING ACTIVITIES		
Purchase of short term investments	(8,801)	(10,910)
Purchase of capital assets	(429,703)	(3,604)
	<u>(438,504)</u>	<u>(14,514)</u>
INCREASE IN CASH DURING THE YEAR	294,020	126,945
Cash, beginning of year	336,618	209,673
Cash, end of year	\$ 630,638	\$ 336,618

Squamish Helping Hands Society

Notes to the Financial Statements
For the year ended December 31, 2020

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 participants break the cycle of homelessness through connection to support services and appropriate housing options, and to provide essential services to meet their participants' immediate needs for overnight shelter, basic nutrition, hygiene and safety. The Society is exempt from taxation under Section 149.1(l) of the Income Tax Act of Canada.

The Society operates the following programs and services:

a) Under One Roof Program: (Community Hub)

Squamish Helping Hands Society partnered with BC Housing, the District of Squamish, and other local partners to create a new community facility in Squamish called "Under One Roof." The District of Squamish provided the land and BC Housing provided the lion's share of construction capital with a capital contribution made by the Society. Design and planning began in 2017 with the Society serving as a conduit through which BC Housing funded some project expenses including engineering and environmental consultants. The facility at 37871 Third Avenue was completed and ready for occupancy in September 2020. Under One Roof opened its doors to the community in October 2020. All SHHS programs (noted below) were moved from their current/previous locations into the new facility by October 31, 2020.

At Under One Roof the Society provides 5 types of low barrier supportive housing including previously established Emergency Shelter and Extreme Weather Programs. In addition, within the new facility the Society offers a variety old and new essential programs & services such as Outreach/In-reach Services; Food Services including a Food Bank Market Place (in partnership with Squamish Food Bank Society ("SFBS")), Food Rescue and Distribution, as well as Cold & Hot Meal Programs; Supported Education and Employment Program; Volunteer Programs; Laundromat Services; and a host of wrap around supports including case planning and on site visiting clinical care. With this new facility SHHS is able to provide an increased sense of belonging through deeper community connections, and a new sense of self-worth and purpose through volunteer and work programs. As noted above, all previously established programs were moved and/or folded into programs at the new facility. Other locations – 1066 Wilson Crescent (Home InStead) and 37930 Third Avenue (the FireHouse) were subsequently closed.

b) Emergency Shelter Program ("ESP") and Extreme Weather Program ("EWP"):

The ESP and EWP programs are both considered essential services. Both are low barrier mat programs: 1) ESP is 24/7 (30 day stay) and includes meals, survival supplies & supports, referrals as well as outreach and case planning services. 2) EWP is an overnight weather dependent program (as needed) and includes survival supplies & supports as well as outreach and referrals. These programs serve people who are vulnerable and homeless, functioning in survival mode and in need of basic lifesaving programs & services. (Both programs now included within Under One Roof.)

c) Home InStead Program ("HIP"):

The Home InStead Program is a "next step" supportive housing program (often referred to as 'transitional housing') for participants who are ready for sober living and wish to build capacity for independence. The program works to address participants' mental health and addiction challenges through case management in conjunction with life skills education and support. Participants are meant to stay between 18 months and 2 years depending on need and housing availability within community. Home InStead also provides mental health and substance use stabilization beds in partnership with Vancouver Coastal health ("VCH"). Participants in the VCH program stay for short terms, generally between 30 to 90 days as other services, treatments are sought. (Both types of beds now included within Under One Roof.)

Squamish Helping Hands Society

Notes to the Financial Statements
For the year ended December 31, 2020

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

d) Food Rescue & Distribution Program ("FR&D"):

The FR&D Program addresses food insecurity within the community and is comprised of several different components or sub programs. The mainstay of this program revolves around rescuing perishable food that would otherwise be thrown out and wasted. This food is instead donated to SHHS by local food operators such as community grocery stores, big chain stores as well as small local bakeries etc. The guiding principle for the program is 'food to its best and highest purpose.' Food is then distributed to people in need directly or repurposed in the SHHS kitchen and included in meal programs etc. (Both organizations and all programs included within Under One Roof.)

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:

Building	10 years straight-line
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.

Program revenue and revenue from contracted services is recognized at the times services are provided.

c) Financial instruments

The Society's financial instruments consist of cash, short term investments, accounts receivable, interest receivable, accounts payable and accrued liabilities, and wages payable. Financial assets and liabilities are initially measured at fair value and subsequently at amortized cost. Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment a write-down is recorded.

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.

e) Donated goods and services

No value of goods and services have been reflected in these financial statements as an objective basis is not available to measure the fair value of such donated goods and services.

Squamish Helping Hands Society

Notes to the Financial Statements
For the year ended December 31, 2020

2. REMUNERATION OF DIRECTORS, EMPLOYEES AND CONTRACTORS

The Societies Act (British Columbia) requires the Society to 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 2020 (2019- \$Nil). The executive director was paid more than \$75,000 in 2020 (2019 - \$Nil).

3. SHORT TERM INVESTMENT

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

	2020
Maturing December 28, 2021 at 0.250%, 90 day lock out	\$ 593,921

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2020 Net	2019 Net
Building	\$ 350,000	\$ 17,500	\$ 332,500	\$ -
Computer	7,834	5,719	2,115	1,802
Furniture and equipment	90,398	18,613	71,785	6,186
Leasehold improvements	4,476	3,133	1,343	6,863
Vehicles	32,880	22,605	10,275	14,385
	\$ 485,588	\$ 67,570	\$ 418,018	\$ 29,236

5. DEFERRED REVENUE

This balance represents funds received from granting agencies and individuals for programs planned for the 2021 fiscal year and the balance consists of the following:

	2020	2019
Community Action Team	\$ 13,450	\$ 64,909
Emergency Shelter Program	70,825	67,197
Everybody Every Night	-	11,795
Food Response	87,653	-
Home Instead	-	1,650
Homeless Outreach Program	-	25,638
Under One Roof	566,638	390,319
School Lunch Program	6,323	9,000
Prepaid Rental Income	25,164	-
	\$ 770,053	\$ 570,508

Squamish Helping Hands Society

Notes to the Financial Statements
For the year ended December 31, 2020

5. DEFERRED REVENUE (CONTINUED)

Deferred revenue, beginning of year	\$ 570,508	\$ 470,624
Amounts received during the year	2,194,735	1,339,915
Amounts recognized as revenue during the year	(1,995,190)	(1,240,031)
Deferred revenue, end of year	\$ 770,053	\$ 570,508

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.

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:

	2020	2019
BC Housing	\$ 893,190	\$ 864,834
British Columbia Gaming Grant	36,000	36,000
Anonymous grant	400,000	23,000
Anonymous grant	12,000	-
Squamish Arts Council	-	2,000
Squamish Community Foundation	7,470	-
Canadian Mental Health Association	66,459	5,091
Community Foundations of Canada	30,000	-
District of Squamish	29,275	11,250
Starbucks Canada Charitable Fund	2,500	-
United Way	3,322	-
Vancouver Coastal Health Authority	54,434	72,634
Vancouver Foundation	23,775	-
Various other grants	-	92
Whistler Blackcomb Foundation	9,000	6,000
Squamish Savings	51,187	-
Target Homes	86,714	-
	\$ 1,705,326	\$ 1,020,901

8. WAGES AND BENEFITS

The Society and its employees contribute to the Municipal Pension Plan (a jointly trusted pension plan) (the "Plan"). The Board of Trustees, representing Plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2018, the Plan had 204,593 active members, 43,126 inactive members and 100,971 retired members.

Squamish Helping Hands Society

Notes to the Financial Statements
For the year ended December 31, 2020

8. WAGES AND BENEFITS (CONTINUED)

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of the funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as of December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

Employers participating in the Plan record their pension expense as a the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Pan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent or reliable basis for allocating the obligation, assets and costs to individual employers participating in the Plan.

The Society paid \$48,771.40 for employer contributions to the plan in the 2020 fiscal year. These contributions have been recorded as expenses on the Statement of Operations.

9. 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 \$893,190 (2019 - \$864,834) of revenue from the BC Housing in the year which represents 41.85% (2019 - 68.88%) of total revenues and 52.38% (2019 - 84.71%) of grant revenue.

10. FINANCIAL INSTRUMENTS

The Society, through its financial assets and liabilities, is exposed to various risks. The following analysis provides an assessment of those risks as at December 31, 2020. These risks remain unchanged from prior year.

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 Society is potentially exposed to credit risk on its cash, short-term investments and accounts receivable. To mitigate this risk, the Society has deposited its cash and short-term investments with a reputable financial institution.

Interest rate risk

Interest rate risk is the risk to the earnings or market value of an investment due to uncertain future interest rates. The Society is exposed to interest rate risk arising from the possibility that change in interest rates will affect the value of fixed interest rate investments (Note 3).

Squamish Helping Hands Society

Notes to the Financial Statements
For the year ended December 31, 2020

10. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Society will not be able to fulfil its obligations on a timely basis or at a reasonable cost. Liquidity risk arises from accounts payable and accrued liabilities, payroll deduction payable and wages payable. As the Society is a charitable organization, they are competing with other organizations to receive funding from local philanthropists, foundations and government agencies. Due to the current economic downturn, these sources of funding may have a decrease in the available resources to allocate to the various organizations. The Society manages its liquidity risk by monitoring its operating requirements and using various funding sources to ensure its financial flexibility. The Society prepares budget and cash forecasts, and should it determine that it is in a position where it cannot achieve the necessary level of cost or services due to decreased funding, they will closely manage cash flows accordingly.

Currency risk

The Society is not exposed to currency risk as the Society does not operate outside of Canada.

11. COMPARATIVES

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