

Squamish Helping Hands Society
Financial Statements
December 31, 2016

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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, 2016 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, 2016, 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.

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WEIR AND COMPANY

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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, 2016 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 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.

Weir and Company

Chartered Professional Accountants LLP

Port Coquitlam, BC
June 26, 2017

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Squamish Helping Hands Society
Statement of Financial Position
As at December 31,

2016

2015

ASSETS

CURRENT

Cash	\$	118,020	\$	73,141
Short term investments (Note 3)		133,424		131,943
Accounts receivable		11,703		16,943
Due from government agencies		10,804		8,361
Interest receivable		1,003		947
Inventory		3,030		6,350
Prepaid expenses		4,308		4,694
		282,292		242,379
Capital Assets (Note 4)		39,489		34,587
	\$	321,781	\$	276,966

LIABILITIES AND NET ASSETS


CURRENT LIABILITIES

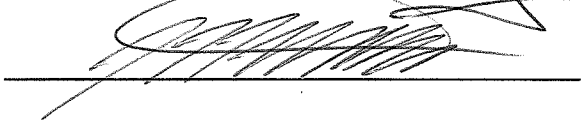
Accounts payable and accrued liabilities	\$	11,727	\$	11,745
Deferred revenue (Note 5)		99,257		100,041
Due to government agencies		3,657		5,026
Wages payable		45,926		44,995
		160,567		161,807

NET ASSETS

Unrestricted net assets		161,214		115,159
	\$	321,781	\$	276,966

Approved on behalf of the Board:


 _____ Director


 _____ Director

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

	2016	2015
REVENUES		
Grants (Note 6)	\$ 872,487	\$ 809,308
Program revenue	16,101	22,386
Public support	106,700	36,977
Miscellaneous	10,716	5,087
	1,006,004	873,758
EXPENSES		
Accounting and legal	17,507	17,664
Amortization	7,187	2,598
Bank charges and interest	505	399
Insurance	8,561	2,815
Office expenses	25,185	26,963
Program expenses	20,542	7,253
Repair and maintenance	18,223	14,787
Supplies	73,654	58,619
Telephone	8,709	8,385
Travel	3,214	4,111
Wages and benefits	776,662	702,853
	959,949	846,447
EXCESS OF REVENUES OVER EXPENSES	46,055	27,311
UNRESTRICTED NET ASSETS, beginning of year	115,159	87,848
UNRESTRICTED NET ASSETS, end of year	\$ 161,214	\$ 115,159

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

2016

2015

CASH FLOWS FROM OPERATING

Cash receipts	\$	1,007,961	\$	889,323
Cash paid to suppliers and employees		(949,512)		(852,825)
		58,449		36,498

CASH FLOWS FROM INVESTING ACTIVITY

Purchase of capital assets		(12,089)		(36,057)
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INCREASE IN CASH DURING THE YEAR

46,360 441

CASH, beginning of year

205,084 204,643

CASH, end of year

\$ 251,444 \$ 205,084

REPRESENTED BY:

Cash	\$	118,020	\$	73,141
Short term investments		133,424		131,943
	\$	251,444	\$	205,084

Squamish Helping Hands Society
Notes to the Financial Statements
For the year ended December 31, 2016

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.

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	3 years straight-line
Vehicles	8 years straight-line

Squamish Helping Hands Society
Notes to the Financial Statements
For the year ended December 31, 2016

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

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.

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 2016.

3. SHORT-TERM INVESTMENTS

The Society's short-term investments are cashable term deposits as follows:

	<u>2016</u>
Maturing April 12, 2017 at 1.05%, 30 day lock out	\$ 95,915
Maturing May 16, 2017 at 1.05%, 30 day lock out	37,509
	<u>\$ 133,424</u>

Squamish Helping Hands Society
Notes to the Financial Statements
For the year ended December 31, 2016

4. CAPITAL ASSETS

Capital assets consist of the following:

	Cost	Accumulated Amortization	2016 Net	2015 Net
Computer	\$ 5,272	\$ 3,878	\$ 1,394	\$ -
Furniture and equipment	25,986	16,121	9,865	3,762
Leasehold improvements	13,234	11,718	1,516	-
Vehicles	32,880	6,166	26,714	30,825
	<u>\$ 77,372</u>	<u>\$ 37,883</u>	<u>\$ 39,489</u>	<u>\$ 34,587</u>

5. DEFERRED REVENUE

This balance represents funds received from granting agencies and individuals for programs planned for the 2016 fiscal year and the balance consists of the following:

	2016
Emergency Shelter Program	\$ 66,897
Food Rescue and Distribution	32,360
	<u>\$ 99,257</u>
Deferred revenue, beginning of year	\$ 100,041
Amounts received during the year	1,035,484
Amounts recognized as revenue during the year	(1,036,268)
Deferred revenue, end of year	<u>\$ 99,257</u>
	2015
Emergency Shelter Program	\$ 59,822
Finding Home Project	14,607
Food Rescue and Distribution	24,112
Home Instead Program	1,500
	<u>\$ 100,041</u>
Deferred revenue, beginning of year	\$ 81,423
Amounts received during the year	827,926
Amounts recognized as revenue during the year	(809,308)
Deferred revenue, end of year	<u>\$ 100,041</u>

Squamish Helping Hands Society
Notes to the Financial Statements
For the year ended December 31, 2016

6. GRANTS

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>2016</u>	<u>2015</u>
BC Housing	\$ 767,485	\$ 754,720
British Columbia Gaming Commission	30,000	30,000
CIBC	-	5,000
District of Squamish	25,304	4,696
Squamish Savings	30,000	-
Vancouver City Savings Credit Union	7,304	4,696
Vancouver Coastal Health	6,200	-
Various other grants	6,194	10,196
	<u>\$ 872,487</u>	<u>\$ 809,308</u>

7. ECONOMIC DEPENDENCE

The Society relies on its contract with the British Columbia Housing Management Commission ("BC Housing") to provide funding for its programs. The current contract is in effect from April 1, 2014 to March 31, 2017. The Society recognized \$767,485 (2015 - \$754,720) of revenue from the BC Housing in the year which represents 76.30% (2015 - 86.4%) of total revenues and 87.97% (2015 - 93.3%) of grant revenue.

8. COMPARATIVES

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