

Squamish Sustainability Corporation
Financial Statements
For the year ended December 31, 2014

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Tel: (604) 892-9424
Fax: (604) 892-9356
squamish@bdo.ca
www.bdo.ca

BDO Canada LLP
Suite 202
38147 Cleveland Avenue
Squamish BC V8B 0A2

Independent Auditor's Report

To the Shareholder of
Squamish Sustainability Corporation

We have audited the accompanying financial statements of the Squamish Sustainability Corporation, which comprise the Statement of Financial Position as at December 31, 2014 and the Statements of Operations, Changes in Net Debt 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 public sector accounting standards, 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Squamish Sustainability Corporation as at December 31, 2014 and the results of its operations, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.


Chartered Accountants

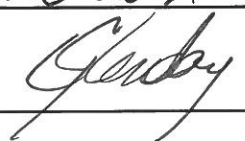
Squamish, British Columbia
February 26, 2015

Squamish Sustainability Corporation
Statement of Financial Position

	2014	2013
Financial Assets		
Cash	\$ 61,258	\$ 57,207
Accounts receivable	1,060	5,962
	62,318	63,169
Liabilities		
Accounts payable and accrued liabilities (Note 1)	18,496	10,366
Rental deposit	5,000	-
Capital lease obligation (Note 2)	4,540	7,851
Due to shareholder (Note 3)	91,789	91,789
	119,825	110,006
Net Debt	(57,507)	(46,837)
Non-Financial Assets		
Tangible capital assets (Note 4)	44,043	49,649
Prepaid expense	2,889	3,009
	46,932	52,658
Accumulated Surplus (Deficiency) (Note 5)	\$ (10,575)	\$ 5,821

Approved by:


 _____ Board Member


 _____ Board Member

Squamish Sustainability Corporation
Statement of Operations

For the year ended December 31	Budget 2014	2014	2013
Revenue			
Grants from the District of Squamish	\$ 151,717	\$ 151,717	\$ 151,717
Rental	94,158	94,050	114,194
Advertising and miscellaneous	2,380	3,433	6,005
	<u>248,255</u>	<u>249,200</u>	<u>271,916</u>
Expenses			
Advertising and promotion	4,800	2,243	3,930
Amortization	-	12,263	13,818
Bad debt	-	67	-
Freight and courier	378	264	93
Interest and bank charges	1,080	1,008	1,146
Interest on capital lease	-	549	809
Landscaping	11,050	6,560	7,489
Office and miscellaneous	38,525	42,773	36,195
Professional fees	18,100	19,920	27,573
Repairs and maintenance	18,044	20,625	14,725
Salaries and wages	79,944	86,823	78,426
Supplies	38,125	28,612	35,884
Travel	200	-	35
Utilities	38,000	43,889	38,625
	<u>248,246</u>	<u>265,596</u>	<u>258,748</u>
Annual Surplus	9	(16,396)	13,168
Accumulated Surplus (Deficiency), beginning of year	5,821	5,821	(7,347)
Accumulated Surplus (Deficiency), end of year	\$ 5,830	\$ (10,575)	\$ 5,821

Squamish Sustainability Corporation
Statement of Changes in Net Debt

For the year ended December 31	Budget 2014	2014	2013
Annual Surplus	\$ 9	\$ (16,396)	\$ 13,168
Acquisition of tangible capital assets	-	(6,657)	(20,661)
Amortization of tangible capital assets	-	12,263	13,818
Change in prepaids	-	120	(754)
Change in Net Debt	9	(10,670)	5,571
Net Debt, beginning of year	(46,837)	(46,837)	(52,408)
Net Debt, end of year	\$ (46,828)	\$ (57,507)	\$ (46,837)

Squamish Sustainability Corporation
Statement of Cash Flows

For the year ended December 31	2014	2013
Cash provided by (used in)		
Operating transactions		
Annual surplus	\$ (16,396)	\$ 13,168
Item not involving cash		
Amortization of tangible capital assets	12,263	13,818
Bad debts	67	-
	<u>(4,066)</u>	<u>26,986</u>
Change in non-cash operating balances:		
Accounts receivable	4,835	2,865
Prepaid expenses	120	(754)
Accounts payable and accrued liabilities	8,130	(2,784)
Rental deposit	5,000	-
	<u>14,019</u>	<u>26,313</u>
Capital transaction		
Acquisition of tangible capital assets	<u>(6,657)</u>	<u>(20,661)</u>
Financing transaction		
Repayment of capital lease obligation	<u>(3,311)</u>	<u>(3,051)</u>
Increase in cash during the year	4,051	2,601
Cash (indebtedness), beginning of year	<u>57,207</u>	<u>54,606</u>
Cash, end of year	<u>\$ 61,258</u>	<u>\$ 57,207</u>
Supplementary Cash Flow Information:		
Interest paid	\$ 833	\$ 1,910

Squamish Sustainability Corporation Summary of Significant Accounting Policies

December 31, 2014

Nature of Operations Squamish Sustainability Corporation (the "Corporation") was incorporated on October 13, 2005 under the Business Corporations Act (British Columbia). The Corporation is a wholly owned subsidiary of the District of Squamish ("the District"). The Corporation is engaged in the provision of rental space at the Adventure Centre in Squamish for the purpose of economic development and is not subject to income taxes.

**Management's
Responsibility for the
Financial Statements**

The financial statements of the Corporation are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards.

Financial Instruments

The Corporation's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, rental deposit and due to shareholder. Unless otherwise indicated, it is management's opinion that the Corporation is not exposed to any significant interest, credit or currency risks arising from these financial instruments.

**Tangible
Capital Assets**

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Amortization is provided using the following methods and annual rates:

Furniture and equipment	20%	declining-balance basis
Fixtures	20%	declining-balance basis
Computer	45%	declining-balance basis
Water heater	8 years,	straight-line basis
Property under capital lease		straight-line basis over term of lease

Leased Assets

Leases entered into, that transfer substantially all the benefits and risks associated with ownership, are recorded as an acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the Corporation, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

Squamish Sustainability Corporation

Summary of Significant Accounting Policies

December 31, 2014

Use of Estimates	The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Significant items subject to such estimates and assumptions include the useful life of property and equipment and provision for uncollectible receivables. Actual results could differ from those estimates and may impact the results of future periods.
Government Transfers	Government transfers, which include government grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.
Rental Revenue	Revenue generated from facility and office rentals are recognized when earned.
Segmented Operations	The Corporation considers that its only program is the provision of rental space for service providers. As such it has only one operating segment and does not report details of revenues and expenses by segment.

Squamish Sustainability Corporation
Notes to Financial Statements

December 31, 2014

1. Accounts Payable and Accrued Liabilities

Included in accounts payable is \$nil (2013 - \$443) of GST payable at year-end.

2. Capital Lease Obligation

Future minimum lease payments are based on a new printer lease beginning in 2011 that replaces the previous lease. Payments are as follows:

2015	\$	3,860
2016		<u>965</u>
Total minimum payments		4,825
Amount representing interest at 8.3% per annum		<u>285</u>
Present value of minimum lease payments	\$	<u><u>4,540</u></u>

3. Due to Shareholder

The Corporation's operations are conducted in the Squamish Adventure Centre, a building owned by the District. Use of the building by the Corporation is on a rent-free basis.

The \$91,789 (2013 - \$91,789) due to the District, on demand and without interest, pertains to funds advanced and expenses paid for on behalf of the Corporation. The Corporation is currently working with the District to establish a strategy, which might include the use of grants, debt forgiveness, excess cash reserves, or any combination of these, to repay the amount due to the District.

Squamish Sustainability Corporation
Notes to Financial Statements

December 31, 2014

4. Capital Assets

	Equipment	Fixtures	Water Heater	Computers	Capital Lease	2014 Total
Cost, beginning of year	\$ 162,910	\$ 39,240	\$ 7,500	\$ 1,013	\$ 16,000	\$ 226,663
Additions	6,657	-	-	-	-	6,657
Cost, end of year	169,567	39,240	7,500	1,013	16,000	233,320
Accumulated Amortization, beginning of year	(132,261)	(33,452)	(1,500)	(1,001)	(8,800)	(177,014)
Amortization	(7,519)	(1,157)	(375)	(12)	(3,200)	(12,263)
Accumulated Amortization, end of year	\$ (139,780)	\$ (34,609)	\$ (1,875)	\$ (1,013)	\$ (12,000)	\$ (189,277)
Net Book Value, December 31, 2014	\$ 29,787	\$ 4,631	\$ 5,625	\$ -	\$ 4,000	\$ 44,043
Net Book Value, December 31, 2013	\$ 30,649	\$ 5,788	\$ 6,000	\$ 12	\$ 7,200	\$ 49,649

5. Accumulated Surplus

	2014	2013
Share capital Authorized:		
Unlimited number of common shares with no par value		
Issued and outstanding:		
1 common share	\$ 1	\$ 1
Accumulated surplus (deficit) from operations	(10,576)	5,820
Accumulated surplus (deficiency)	\$ (10,575)	\$ 5,821

6. Economic Dependence

The Corporation receives a significant portion of its funding from District contributions. The use of the Squamish Adventure Centre is provided rent-free by the District.