

**CAMPBELL RIVER
COMMUNITY FOUNDATION
Financial Statements
December 31, 2021**

Independent Auditors' Report
Statement of Financial Position
Statement of Changes in Net Assets
Statement of Operations
Statement of Cash Flows
Notes to Financial Statements



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Campbell River Community Foundation

Opinion

We have audited the accompanying financial statements of the Campbell River Community Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2021, the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion, the Foundation's financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2021, and of its financial performance and its cash flows for the year then ended. The financial statements have been prepared by those charged with governance in accordance with Canadian accounting standards for not-for-profit organizations.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities 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 Foundation 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.

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

Responsibilities of Those Charged with Governance for the Financial Statements

In lieu of management, those charged with governance are responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they intend for the Foundation to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for over-seeing the Foundation's financial reporting process.

Auditors' 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 auditors' report that includes our opinion.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 the users taken on the basis of these financial statements.

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 of 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 purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of those charged with governance's use of the going concern 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 Foundation'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, future events or conditions may cause the Foundation 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.
- 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 our audit.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report, that in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with the prior year.

Chan Nawrood Boatis Inc

Chartered Professional Accountants
Campbell River, BC

July 14, 2022

CAMPBELL RIVER COMMUNITY FOUNDATION

Statement of Financial Position

December 31, 2021

	Operating Fund	Endowment Fund	COVID Fund	Grant Fund	2021	2020
ASSETS						
Current Assets						
Cash	\$ 123,372	\$ 17,400	\$ 55,972	\$ 100,636	\$ 297,380	\$ 285,145
GST Receivable	98	-	-	-	98	922
Accounts Receivable	3,100	2,813	-	19,000	24,913	29,817
Interfund Receivable	-	23,696	-	-	23,696	2,945
	<u>126,570</u>	<u>43,909</u>	<u>55,972</u>	<u>119,636</u>	<u>346,087</u>	<u>318,829</u>
Long Term Investments (Note 3)	-	2,476,373	-	-	2,476,373	1,231,681
Life Insurance Policy (Note 4)	-	8,107	-	-	8,107	7,656
	<u>\$ 126,570</u>	<u>\$ 2,528,389</u>	<u>\$ 55,972</u>	<u>\$ 119,636</u>	<u>\$ 2,830,567</u>	<u>\$ 1,558,166</u>
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ 1,343	\$ -	\$ -	\$ 1,400	\$ 2,743	\$ 8,408
Interfund Payable	23,696	-	-	-	23,696	2,945
Funds Held for Quadra Island Community Foundation	-	-	-	-	-	1,092
	<u>25,039</u>	<u>-</u>	<u>-</u>	<u>1,400</u>	<u>26,439</u>	<u>12,445</u>
NET ASSETS	<u>101,531</u>	<u>2,528,389</u>	<u>55,972</u>	<u>118,236</u>	<u>2,804,128</u>	<u>1,545,721</u>
	<u>\$ 126,570</u>	<u>\$ 2,528,389</u>	<u>\$ 55,972</u>	<u>\$ 119,636</u>	<u>\$ 2,830,567</u>	<u>\$ 1,558,166</u>

Approved by the Directors:



Director



Director

CAMPBELL RIVER COMMUNITY FOUNDATION

Statement of Changes in Net Assets

Year Ended December 31, 2021

	Operating Fund	Endowment Fund	COVID Fund	Grant Fund	2021	2020
Net Assets - Beginning of Year	\$ 89,737	\$ 1,255,908	\$ 101,419	\$ 98,657	\$ 1,545,721	\$ 1,348,952
Excess (Deficiency) of Revenues over Expenditures	<u>29,223</u>	<u>1,255,353</u>	<u>(45,447)</u>	<u>19,079</u>	<u>1,258,208</u>	<u>196,642</u>
	118,960	2,511,261	55,972	117,736	2,803,929	1,545,594
Interfund Transfers	(17,429)	16,929	-	500	-	-
Cash Surrender Value of Life Insurance Policy	<u>-</u>	<u>199</u>	<u>-</u>	<u>-</u>	<u>199</u>	<u>127</u>
Net Assets - End of Year	<u>\$ 101,531</u>	<u>\$ 2,528,389</u>	<u>\$ 55,972</u>	<u>\$ 118,236</u>	<u>\$ 2,804,128</u>	<u>\$ 1,545,721</u>

CAMPBELL RIVER COMMUNITY FOUNDATION

Statement of Operations

Year Ended December 31, 2021

	Operating Fund	Endowment Fund	COVID Fund	Grant Fund	2021	2020
Revenue						
Donations	\$ 32,762	\$ 1,153,334	\$ 50	\$ -	\$ 1,186,146	\$ 209,899
Distribution and Income from Vancouver Foundation	19,182	4,071	-	75,986	99,239	98,168
Donations for Life Insurance Premium	-	9,750	-	-	9,750	4,727
Annual Fundraiser	-	-	-	-	-	23,610
Investment Income	5	5	8	3	21	100
Vital Signs	10,000	-	-	-	10,000	-
Neighbourhood Small Grants	12,700	-	-	-	12,700	9,500
Community Foundation Canada Grant	-	-	-	-	-	10,625
Unrealized Gains on Investments	-	99,692	-	-	99,692	51,421
	<u>74,649</u>	<u>1,266,852</u>	<u>58</u>	<u>75,989</u>	<u>1,417,548</u>	<u>408,050</u>
Expenditures						
Advertising and Promotion	11,593	-	-	-	11,593	1,247
Annual Fundraiser	-	-	-	-	-	18,732
Bank Charges and Interest	43	-	5	-	48	501
Conferences and Meetings	-	-	-	-	-	344
Executive Director Expenses	405	-	-	-	405	-
Grants and Distributions - Agency Funds	-	-	-	5,654	5,654	5,648
Grants and Distributions - Unrestricted	-	2,000	45,500	51,256	98,756	153,323
Grants and Distributions - Neighbourhood Small Grants	9,591	-	-	-	9,591	2,675
Insurance	1,187	-	-	-	1,187	1,175
Licenses and Dues	366	-	-	-	366	726
Life Insurance Premiums	-	9,499	-	-	9,499	9,727
Office	1,262	-	-	-	1,262	1,259
Professional Fees	3,768	-	-	-	3,768	244
Subcontractors	15,211	-	-	-	15,211	15,807
Vital Signs	2,000	-	-	-	2,000	-
	<u>45,426</u>	<u>11,499</u>	<u>45,505</u>	<u>56,910</u>	<u>159,340</u>	<u>211,408</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 29,223</u>	<u>\$ 1,255,353</u>	<u>\$ (45,447)</u>	<u>\$ 19,079</u>	<u>\$ 1,258,208</u>	<u>\$ 196,642</u>

CAMPBELL RIVER COMMUNITY FOUNDATION

Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
Cash Flows From Operating Activities:		
Excess of Revenue over Expenditures	\$ 1,258,208	\$ 196,642
Items not Affecting Cash:		
Value of Life Insurance Policy	(252)	-
Unrealized Gains on Investments	<u>(99,692)</u>	<u>(51,421)</u>
	<u>1,158,264</u>	<u>145,221</u>
Changes in Non-Cash Working Capital:		
Accounts Receivable	5,728	(4,323)
Accounts Payable	<u>(6,757)</u>	<u>(173)</u>
	<u>(1,029)</u>	<u>(4,496)</u>
	1,157,235	140,725
Cash Flows From Investing Activities:		
Contributions to the Vancouver Foundation - Transferable Fund	<u>(1,145,000)</u>	-
Net Increase in Cash	12,235	140,725
Cash - Beginning of Year	<u>285,145</u>	<u>144,420</u>
Cash - End of Year	<u>\$ 297,380</u>	<u>\$ 285,145</u>

CAMPBELL RIVER COMMUNITY FOUNDATION

Notes to Financial Statements

December 31, 2021

1. Purpose of the Foundation:

The Campbell River Community Foundation (the "Foundation") disburses proceeds to organizations that do educational, social, community, or cultural work in the Campbell River area.

The Foundation has been incorporated under the British Columbia Society Act as a not-for-profit organization and is exempt from income tax. The Foundation is a registered charity under the Income Tax Act.

2. Significant Accounting Policies:

The financial statements have been prepared by those charged with governance in accordance with Canadian accounting standards for not-for-profit organizations.

The Foundation follows the restricted fund method of accounting. Accordingly, revenues received for each of the specific funds and the expenditures incurred by each fund are segregated for accounting and reporting purposes into the following specific funds:

Operating Fund

Accounts for general operations and administrative activities of the Foundation. This fund reports the assets, liabilities, revenues and expenses related to unrestricted contributions received.

Endowment Fund

Donations received for named endowments are reported in the Endowment Fund as revenue when received. Investment gains and losses, including unrealized gains and losses due to changes in market values, are reported in the Endowment Fund.

COVID Fund

Donations received for the formally named COVID-19 Relief Fund are reported in the COVID Fund as revenue when received. These funds are internally restricted for distribution as grants at the discretion of the Foundation.

Grant Fund

Investment income generated and realized by the net assets in the Endowment Fund and from permanent contributions to the Vancouver Foundation are recorded in the Grant Fund. These funds are internally restricted for distribution as grants at the discretion of the Foundation.

Revenue Recognition

Donor contributions that are pledged to the Foundation are not included in revenue until received.

Unless otherwise designated, investment income earned on unrestricted investments and on restricted investments that relate to endowments is recorded as earned.

Life insurance policies in which the Foundation is the named beneficiary are recorded at tax receipted amounts (accumulated premiums paid).

Gifts-in-kind to the Foundation are recorded at fair value where the fair value can be reasonably determined. The Foundation also benefits from the contribution of donated services. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

CAMPBELL RIVER COMMUNITY FOUNDATION

Notes to Financial Statements

December 31, 2021

2. Significant Accounting Policies (continued):

Financial Instruments

Measurement of financial instruments

The Foundation initially measures its financial assets and liabilities at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value with any unrealized gains or losses report in income.

All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

The Foundation's cash and long term investments are classified as held for trading and stated at fair value. Accounts receivable are classified as loans and receivables and are recorded at amortized cost.

The Foundation is exposed to interest-rate and market risk arising from its financial instruments.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires those charged with governance to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those charged with governance's best estimates, as additional information becomes available in the future. At year end, there are no significant estimates.

3. Long Term Investments:

The Foundation established an endowment fund held by the Vancouver Foundation named the Campbell River Community Foundation Transferable Fund.

Under the terms of the deed of gift, the Campbell River Community Foundation can encroach upon the capital of the fund after the fund has been established for 5 years and any request for encroachment is made, in writing, at least one year prior to withdrawal.

The earliest possible date of encroachment was March 4, 2018, and as of May 5, 2022, the Foundation has not taken action to encroach on available funds. The fair value of the investment held by the Vancouver Foundation as at December 31, 2021 was \$1,396,373 (2020 - \$1,231,681).

During the year, the Foundation established a second endowment fund held by the Vancouver Foundation named the Campbell River Community Foundation Transferable Fund #2. The fair value of the investment held by the Vancouver Foundation as at December 31, 2021 was \$1,080,000 (2020 - \$Nil).

4. Life Insurance Policy:

The Foundation has been given a life insurance policy under which it is the owner and beneficiary. The life insurance policy with a cash surrender value is recognized as an asset on the statement of financial position at its cash surrender value. The total coverage provided under the policy owned by the Foundation is \$306,000 (2020 - \$306,000).

The insurance policy will be collected before July 17, 2038, or will expire on that date.

CAMPBELL RIVER COMMUNITY FOUNDATION

Notes to Financial Statements

December 31, 2021

5. Distributions from the Vancouver Foundation:

Amounts contributed to the Vancouver Foundation are held in trust in segregated accounts named the Campbell River Community Foundation Endowment Fund, the Campbell River Community Foundation Transferable Fund, and the Campbell River Community Foundation Transferable Fund #2.

All amounts transferred to the Campbell River Community Foundation Endowment Fund are held permanently by the Vancouver Foundation. As the Campbell River Community Foundation has the right to only receive the investment income and not the contributed principal, the financial statements do not include this amount held by the Vancouver Foundation.

The amount of funds contributed to the Campbell River Community Foundation Endowment Fund as at December 31, 2021 was \$839,065 (2020 - \$839,065). The fair market value of the Campbell River Community Foundation Endowment Fund as at December 31, 2021 is \$1,272,353 (2020 - \$1,179,008).

All amounts transferred to the Campbell River Community Foundation Transferable Fund are held by the Vancouver Foundation. The Campbell River Community Foundation has the right to encroach upon the contributed amounts if certain criteria are met. Amounts contributed to this Fund are included in the financial statements and described in Note 3.

All amounts transferred to the Campbell River Community Foundation Transferable Fund #2 are held by the Vancouver Foundation. Amounts contributed to this Fund are included in the financial statements and described in Note 3.

6. Financial Risks:

The Foundation is exposed to risk through its financial instruments. The following analysis presents the Foundation's exposure to significant risk at the reporting date, December 31, 2021:

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk on its investments. The Foundation uses professional investment management services by way of the Vancouver Foundation to mitigate risk.

Market Risk

Market risk is the risk that future cash flows or a financial instrument will fluctuate because of changes in market prices. The Foundation's investments are subject to market risk. The Foundation mitigates this risk by using professional management services by way of the Vancouver Foundation.