COMOX VALLEY
COMMUNITY FOUNDATION

Financial Statements

March 31, 2024

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CHAN NOWOSAD BOATES
CHARTERED PROFESSIONAL ACCOUNTANTS
CNB

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Comox Valley Community Foundation,

Opinion

We have audited the financial statements of the Comox Valley Community Foundation (the "Foundation"), which comprise the statement of financial position as at March 31, 2024, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2024 and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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 for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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 the financial statements, management is 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 management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing 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 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.

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

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 management.
- Conclude on the appropriateness of management’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.
- 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 our audit.

Report on Other Legal and Regulatory Requirements

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

Chan Nowosad Boates Inc

Chartered Professional Accountants
Courtenay, BC

June 25, 2024

COMOX VALLEY COMMUNITY FOUNDATION

Statement of Financial Position
Year Ended March 31, 2024

	Operating Fund	Restricted Fund	Endowment Fund	2024	2023
ASSETS					
Current Assets					
Cash	$ 160,316	$ 423,370	$ 622,851	$ 1,206,537	$ 1,160,292
Accounts Receivable	43,632		18,829	62,461	60,320
Goods and Services Tax Receivable	1,864	-	-	1,864	2,231
Investments **(Note 3)**	-	-	-	-	66,411
Loans Receivable **(Note 4)**	-	-	315,650	315,650	10,997
Prepaid Expenses	1,450	-	-	1,450	7,061
	207,262	423,370	957,330	1,587,962	1,307,312
Investments (Note 3)	-	-	16,519,886	16,519,886	15,149,452
Loan Receivable (Note 4)	-	-	25,460	25,460	27,226
Life Insurance Policy (Note 5)	-	-	9,107	9,107	8,597
Tangible Capital Assets (Note 6)	3,450	-	-	3,450	2,878
	$ 210,712	$ 423,370	$ 17,511,783	$ 18,145,865	$ 16,495,465
LIABILITIES					
Current Liabilities					
Accounts Payable **(Note 7)**	$ 40,250	$ -	$ 18,225	$ 58,475	$ 54,061
NET ASSETS (Note 8)	170,462	423,370	17,493,558	18,087,390	16,441,404
	$ 210,712	$ 423,370	$ 17,511,783	$ 18,145,865	$ 16,495,465

Vancouver Foundation Endowment Fund (Note 9)
Commitments (Note 10)

Approved by the Directors:

Director

Director

COMOX VALLEY COMMUNITY FOUNDATION

Statement of Changes in Net Assets

Year Ended March 31, 2024

	Operating Fund	Restricted Fund	Endowment Fund	2024	2023
Net Assets - Beginning of Year	$ 95,880	$ 650,908	$ 15,694,616	$ 16,441,404	$ 15,964,013
Excess (Deficiency) of Revenues over Expenditures	(223,245)	(204,485)	2,073,717	1,645,987	477,391
Grants Paid from Endowment to Operating	41,499	-	(41,499)	-	-
Interfund Administration Fee	256,328	(23,053)	(233,275)	-	-
Net Assets - End of Year	$ 170,462	$ 423,370	$ 17,493,559	$ 18,087,391	$ 16,441,404

COMOX VALLEY COMMUNITY FOUNDATION

Statement of Operations

Year Ended March 31, 2024

	Operating Fund	Restricted Fund	Endowment Fund	2024	2023
Revenue					
Donations	$ 9,500	$ 548,241	$ 925,040	$ 1,482,781	$ 1,276,905
Robert and Florence Filberg Fund **(Note 11)**	109,156	-	-	109,156	105,520
Honorariums	1,000	-	-	1,000	32,000
Vancouver Foundation **(Note 9)**	52,768	-	71,706	124,474	116,759
Sponsorships	5,500	-	-	5,500	6,000
	177,924	548,241	996,746	1,722,911	1,537,184
Investment Revenue					
Investment Income (**Note 12**)	3	238	775,554	775,795	702,080
Adjustment to Fair Value	-	-	893,044	893,044	(593,507)
	3	238	1,668,598	1,668,839	108,573
Total Revenue	177,927	548,479	2,665,344	3,391,750	1,645,757
Expenditures					
Amortization	1,671	-	-	1,671	1,671
Bank Charges	684	306	912	1,902	1,266
Insurance	2,388	-	-	2,388	1,500
Marketing	17,758	-	-	17,758	11,669
Memberships and Licenses	17,017	-	-	17,017	15,625
Office Rent	7,922	-	-	7,922	7,620
Office Supplies	25,934	-	-	25,934	28,561
Professional Development	16,891	-	-	16,891	33,655
Professional Fees	20,087	-	-	20,087	30,571
Salaries, Benefits and Contracts	283,225	-	-	283,225	289,154
Telephone and Internet	4,444	-	-	4,444	3,939
Vital Signs	3,150	-	-	3,150	2,640
	401,172	306	912	402,390	427,871
Excess (Deficiency) of Revenues over Expenditures before Grants Paid	(223,245)	548,173	2,664,432	2,989,360	1,217,886
Grants Paid	-	(752,658)	(590,715)	(1,343,373)	(740,495)
Excess (Deficiency) of Revenues over Expenditures	$ (223,245)	$ (204,485)	$ 2,073,717	$ 1,645,987	$ 477,391

COMOX VALLEY COMMUNITY FOUNDATION

Statement of Cash Flows

Year Ended March 31, 2024

	2024	2023
Cash Flows From Operating Activities:		
Excess of Revenue over Expenditures	$ 1,645,987	$ 477,391
Items not Affecting Cash:		
Amortization	1,671	1,671
Adjustment to Fair Value	(893,044)	593,507
	754,614	1,072,569
Changes in Non-Cash Working Capital:		
Accounts Receivable	(2,141)	(3,926)
Goods and Services Tax Receivable	367	(1,168)
Prepaid Expenses	5,611	(1,911)
Accounts Payable	4,414	11,494
	8,251	4,489
	762,865	1,077,058
Cash Flows From Investing Activities:		
Purchase of Investment	(410,979)	(787,346)
Repayment from (Advancement of) Loan	(302,887)	38,330
Increase in Life Insurance Policies	(510)	(510)
	(714,376)	(749,526)
Cash Flows From Capital Activities:		
Purchase of Capital Assets	(2,244)	(2,414)
Net Increase in Cash	46,245	325,118
Cash - Beginning of Year	1,160,292	835,174
Cash - End of Year	$ 1,206,537	$ 1,160,292

1. Purpose of the Foundation:

The principal purpose of Comox Valley Community Foundation (the "Foundation") is to encourage and promote the establishment of endowment funds on behalf of the community for the purpose of creating a permanent source of income to be distributed annually for charitable activities primarily within the Comox Valley.

In addition, the Foundation works with individuals and organizations who wish to have an immediate charitable impact in the Comox Valley through flow-through or spend-down funds. The Foundation also supports other Comox Valley charitable and not-for-profit organizations to effectively carry out their work in support of the Comox Valley community through impact investments, coordination, and professional development activities.

The Foundation is 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 of the Foundation have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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.

Restricted Fund
Donations received with a restricted purpose that are considered by the Foundation to be flow through funds, in that they are to be disbursed within the Community as opposed to invested for growth, are reported in the Restricted Fund as revenue when received. This fund reports the assets, liabilities, revenues and expenses related to restricted 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. Investment income generated and realized by the net assets in the Endowment Fund and from permanent contributions to the Vancouver Foundation are presented under Net Assets in the Endowment 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 and interest income earned on unrestricted investments, loans and on restricted investments that relate to endowments is recorded as earned. Sponsorship, administrative service revenue and other service revenue is recognized when earned and the service has been performed or activity the sponsorship relates to has occurred.

Life insurance policies in which the Foundation is the named beneficiary are recorded at tax receipted amounts which is the accumulated premiums paid. Gifts-in-kind to the Foundation are recorded at fair value when 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.

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

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

The Foundation is exposed to interest-rate risk, market risk, and credit risk arising from its financial instruments as further described in Note 12.

Use of Estimates
The preparation of financial statements in accordance with ASNPO requires management 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 management's best estimates, as additional information becomes available in the future. At year end, there are no significant estimates.

Tangible Capital Assets
Purchased tangible capital assets acquired are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is recognized using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives:

Computer Equipment	50%
Furniture and Fixtures	20%

3. Investments:

	2024	2023
Portfolio Investment Measured at Fair Value	$ 16,519,886	$ 15,149,452
Guaranteed Investment Certificates	-	66,411
	16,519,886	15,215,863
Less - Current Portion	-	(66,411)
	$ 16,519,886	$ 15,149,452

4. Loans Receivable:

		2024		2023
Loans Receivable	$	341,110	$	38,223
Less - Current Portion		(315,650)		(10,997)
	$	25,460	$	27,226

During the year ended March 31, 2022, the Foundation entered into an arrangement with a local not-for-profit society (the "Society") whereby the Foundation agreed to lend the Society $75,000. Interest is charged at a rate of 4% per annum compounded annually. The amount is repayable by the Society on or before September 23, 2028. The loan is secured by a general security agreement provided by the Society, and at March 31, 2024 the loan balance receivable was $32,643.

During the year ended March 31, 2024, the Foundation entered into an arrangement with a another local not-for-profit society (the "other Society") whereby the Foundation agreed to lend the other Society $300,000. Interest is charged at a rate of 6.52% per annum compounded annually. The amount is repayable by the Society on or before October 25, 2030, with quarterly payments of $13,430 commencing January 25, 2024. The loan is secured by a second mortgage over a property owned by the other Society. The loan was repaid in full to the Foundation by the other Society subsequent to year-end.

5. Life Insurance Policy:

The Foundation has been given a life insurance policy under which it is the owner and beneficiary. The whole life policy is presented at its cash surrender value. The Foundation is committed to retain the insurance in force for the lifetime of the donor. The total coverage provided under the policy owned by the Foundation is $20,000.

The Foundation has also been donated three term life policies which have no cash surrender value. The life insurance policies are guaranteed at $30,000, $20,812 and $16,000.

6. Tangible Capital Assets:

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer Equipment	$ 7,874	$ 6,442	$ 13,576	$ 10,698
Furniture and Fixtures	2,243	225	526	526
	$ 10,117	$ 6,667	$ 14,102	$ 11,224
	$ 3,450		$ 2,878	

7. Accounts Payable:

	2024	2023
Government Remittance	$ 2,864	$ 3,331
Grants Payable	18,225	15,100
Other	37,386	35,630
	$ 58,475	$ 54,061

8. Net Assets:

	Operating Fund	Restricted Fund	Endowment Fund	2024	2023
Agency Funds	$ -	$ -	$ 1,715,064	$ 1,715,064	$ 1,458,736
Community Funds	-	-	6,128,934	6,128,934	2,569,039
Designated Funds	-	-	3,384,725	3,384,725	8,026,253
Emerging Funds	-	-	32,755	32,755	20,037
Field of Interest Funds	-	-	2,217,349	2,217,349	2,173,932
Operating Funds	170,462	-	-	170,462	95,880
Restricted Funds	-	423,370	-	423,370	650,908
Scholarship and Bursary Funds	-	-	4,014,731	4,014,731	1,446,619
	170,462	423,370	17,493,558	18,087,390	16,441,404

9. Vancouver Foundation Funds:

In 1996, the Foundation established an endowment fund with the Vancouver Foundation. The original capital and any additions are held permanently by the Vancouver Foundation and are not recorded as an asset of the Foundation. Income from the fund is distributed at least annually to the Foundation for its charitable operations and purpose.

Current market value of this endowment fund is $1,576,965 (2023 - $1,490,660).

In 2015, the Foundation established a transferable fund with the Vancouver Foundation. The original capital and any additions are held by the Foundation and recorded as an asset of the Foundation. These funds are managed by the Vancouver Foundation for investment purposes. The Vancouver Foundation charges administrative fees for the investment management services. A portion of these fees are returned to the Foundation in the form of a rebate each year. These rebate amounts are recorded as income from the Vancouver Foundation in the Operating Fund.

10. Commitments:

The Foundation entered into a one year lease for the Foundation's office with an effective date of September 1, 2024 and that is set to expire on August 31, 2025 with two one-year renewal options. The office is located at The Views at St. Joseph's.

The Foundation is committed under the lease agreement to future payments totaling $11,838 in fiscal 2025.

11. Robert and Florence Filberg Fund:

The Foundation receives income annually from the Robert and Florence Filberg Fund. This Fund is maintained by the Vancouver Foundation based on an agreement between the municipalities of Courtenay, Comox and Cumberland and the Vancouver Foundation.

12. Investment Income:

	2024	2023
Interest on Loans Receivable	$ 9,887	$ 1,669
Interest on Savings Account	6,855	3,496
Interest on Guaranteed Investment Certificates	2,545	1,411
Vancouver Foundation Transferable Fund Income	756,508	695,504
	$ 775,795	$ 702,080

13. 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, March 31, 2024.

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 and its loans receivable. Management uses professional investment management services by way of the Vancouver Foundation to mitigate risk and does consider the risk surrounding the loans receivable to be significant.

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 investment management services by way of the Vancouver Foundation.

Credit Risk
Credit risk is the risk that the Foundation will incur losses based on credit that it has granted or loans that it has extended to other parties. The loans receivable are subject to credit risk. Management believes the risk is mitigated due to the fact that the investments are covered by a general security agreement.

14. Comparative Figures:

Certain prior year numbers have been regrouped where necessary, to conform with current year presentation.