

**COLUMBIA VALLEY COMMUNITY FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

**To the Members of:
Columbia Valley Community Foundation**

We have reviewed the accompanying financial statements of Columbia Valley Community Foundation that comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in fund balances, 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 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.

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Columbia Valley Community Foundation as at December 31, 2023, and the results of its revenue and expenditure and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

As required by the Society Act (British Columbia), we report, in our opinion, the accounting principles in Canadian Accounting Standards for Not-for-Profit Organizations have been applied on a basis consistent with that of the preceding year.

The prior year's financial statements were prepared by another accountant.

Apex Accounting

Chartered Professional Accountants

Cranbrook, BC
June 18, 2024

COLUMBIA VALLEY COMMUNITY FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

| | ENDOWMENT FUND | FLOW THROUGH FUND | UNRESTRICTED FUNDS | TOTAL 2023 | TOTAL 2022 |
|---|-------------------|----------------------|-----------------------|------------------|------------------|
| ASSETS | | | | | |
| Current | | | | | |
| Cash | \$ 108,607 | \$ 123,243 | \$ 87,560 | \$ 319,410 | 207,435 |
| Accounts receivable | - | - | 5,887 | 5,887 | 3,000 |
| Investment income receivable | 110,510 | 954 | 10,184 | 121,648 | 105,892 |
| Prepaid expense and deposit | - | - | 1,604 | 1,604 | 200 |
| | 219,117 | 124,197 | 105,235 | 448,549 | 316,527 |
| Long-term investments (Note 3) | 946,274 | 15,464 | 200,713 | 1,162,451 | 1,058,736 |
| Endowed assets, at market (Note 6) | 5,298,988 | - | - | 5,298,988 | 5,029,180 |
| Intangible capital assets (Note 4) | - | - | 5,672 | 5,672 | - |
| | \$ 6,464,379 | \$ 139,661 | \$ 311,620 | \$ 6,915,660 | 6,404,443 |
| LIABILITIES AND NET ASSETS | | | | | |
| Current | | | | | |
| Accounts payable and accrued liabilities (Note 7) | \$ - | \$ - | \$ 18,222 | \$ 18,222 | 38,686 |
| Community grants and student scholarships payable | 126,893 | 104,702 | - | 231,595 | 115,917 |
| Deferred contributions (Note 8) | - | - | 16,951 | 16,951 | 20,500 |
| Deferred capital contributions (Note 8) | - | - | 5,672 | 5,672 | - |
| | 126,893 | 104,702 | 40,845 | 272,440 | 175,103 |
| FUND BALANCES | 6,337,486 | 34,959 | 270,775 | 6,643,220 | 6,229,340 |
| | \$ 6,464,379 | \$ 139,661 | \$ 311,620 | \$ 6,915,660 | 6,404,443 |

See accompanying notes to the financial statements

On behalf of the Board: _____

Director _____

Director

COLUMBIA VALLEY COMMUNITY FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | ENDOWMENT FUND | FLOW THROUGH FUND | UNRESTRICTED FUNDS | TOTAL 2023 | TOTAL 2022 |
|---|-------------------|----------------------|-----------------------|-------------------|---------------------|
| REVENUE | | | | | |
| Investment income | \$ 303,821 | \$ 929 | \$ 29,349 | \$ 334,099 | \$ 257,270 |
| Donations | 98,135 | 139,375 | 2,203 | 239,713 | 1,846,916 |
| Grants | - | 101,000 | 26,600 | 127,600 | 20,500 |
| Other income | - | - | 500 | 500 | - |
| Deferred contributions recognized | - | - | 8,798 | 8,798 | - |
| | 401,956 | 241,304 | 67,450 | 710,710 | 2,124,686 |
| Community grants | 113,268 | 218,701 | - | 331,969 | 201,641 |
| Student scholarships | 96,065 | 500 | - | 96,565 | 113,900 |
| | 209,333 | 219,201 | - | 428,534 | 315,541 |
| | 192,623 | 22,103 | 67,450 | 282,176 | 1,809,145 |
| EXPENDITURES | | | | | |
| Advertising and promotion | - | - | 26,647 | 26,647 | 4,735 |
| Insurance | - | - | 2,286 | 2,286 | 3,183 |
| Interest and bank charges | - | - | 355 | 355 | 250 |
| Licences and dues | - | - | 1,897 | 1,897 | 780 |
| Meals and entertainment | - | - | 197 | 197 | 395 |
| Office | - | - | 13,249 | 13,249 | 13,013 |
| Processing fees | - | - | 1,971 | 1,971 | 1,984 |
| Professional development | - | - | 2,107 | 2,107 | 1,228 |
| Professional fees | - | - | 6,142 | 6,142 | 6,914 |
| Rental expense | - | - | 5,638 | 5,638 | 6,443 |
| Sub-contracts | - | - | 11,834 | 11,834 | 23,104 |
| Telephone | - | - | 283 | 283 | 264 |
| Travel | - | - | 2,696 | 2,696 | 508 |
| Wages and employee benefits | - | - | 61,550 | 61,550 | 43,269 |
| | - | - | 136,852 | 136,852 | 106,070 |
| Unrealized gain (loss) on endowed assets | 268,556 | - | - | 268,556 | (455,534) |
| EXCESS OF REVENUE OVER EXPENDITURE | \$ 461,179 | \$ 22,103 | \$ (69,402) | \$ 413,880 | \$ 1,247,541 |

See accompanying notes to the financial statements

**COLUMBIA VALLEY COMMUNITY FOUNDATION
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | ENDOWMENT FUND | FLOW THROUGH FUND | UNRESTRICTED FUND | TOTAL 2023 | TOTAL 2022 |
|---|-------------------|----------------------|----------------------|---------------|---------------|
| FUND BALANCES , beginning of year | \$ 5,955,938 | \$ 38,810 | \$ 234,592 | \$ 6,229,340 | \$ 4,981,799 |
| Excess of revenue over expenditure for the year | 461,179 | 22,103 | (69,402) | 413,880 | 1,247,541 |
| Administration fee transfer | (47,804) | (437) | 48,241 | - | - |
| Interfund transfers | (31,827) | (25,517) | 57,344 | - | - |
| FUND BALANCES , end of year | \$ 6,337,486 | \$ 34,959 | \$ 270,775 | \$ 6,643,220 | \$ 6,229,340 |

See accompanying notes to the financial statements

COLUMBIA VALLEY COMMUNITY FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | 2023 | 2022 |
|---|-------------------|--------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Excess of revenue over expenditure for the year | \$ 413,880 | \$ 1,247,541 |
| Unrealized gain (loss) on endowed assets | (268,556) | 455,534 |
| Amortization | 630 | - |
| (Increase) decrease in accounts receivable | (2,889) | 2,150 |
| Increase in investment income receivable | (15,756) | (22,456) |
| Increase in prepaid expenses | (1,404) | - |
| Increase (decrease) in accounts payable | (20,464) | 29,662 |
| Increase in community grants and scholarships payable | 115,678 | 74,262 |
| Increase in deferred contributions | 2,123 | 20,500 |
| | <u>223,242</u> | <u>1,807,193</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Increase in intangible capital assets | (5,672) | - |
| Increase in long-term investments | (103,715) | (158,858) |
| Increase in endowed assets | (1,250) | (1,509,642) |
| Amortization of deferred capital contribution | (630) | - |
| | <u>(111,267)</u> | <u>(1,668,500)</u> |
| INCREASE IN CASH FOR THE YEAR | 111,975 | 138,693 |
| CASH, beginning of year | 207,435 | 68,742 |
| CASH, end of year | \$ 319,410 | \$ 207,435 |
| REPRESENTED BY: | | |
| Endowment Fund | \$ 108,607 | \$ 27,750 |
| Flow Through Fund | 123,243 | 61,409 |
| Unrestricted Fund | <u>87,560</u> | <u>118,276</u> |
| | \$ 319,410 | \$ 207,435 |

See accompanying notes to the financial statements

COLUMBIA VALLEY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. PURPOSE OF THE FOUNDATION

Columbia Valley Community Foundation (the "Foundation") is a not-for-profit organization incorporated provincially under the Societies Act of British Columbia. As a registered charity the Foundation is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The Foundation operates to provide leadership to:

1. Create connections that inspire giving to causes that matter in the Columbia Valley;
2. Be excellent caretakers of the assets entrusted to them; and
3. Invest in people, ideas and activities that enhance the quality of life and strengthen communities.

2. SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

b) ENDOWED ASSETS

Endowed assets held with the Vancouver Foundation for which there are quoted prices in active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Endowed assets for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

c) FUND ACCOUNTING

The Foundation follows restricted fund method of accounting for contributions. For financial reporting purposes, the accounts have been classified into the following funds:

The Endowment Fund is made up of contributions which are held by the Foundation in perpetuity. Income generated by the capital of the fund can be disbursed for charitable activities. Endowment terms can be established by the donor unilaterally, by agreement between the donor and the Foundation, or by the Foundation itself.

The Flow Through Fund is comprised of externally restricted contributions received by the Foundation which are passed through for charitable purposes within a relatively short period of time.

The Unrestricted Fund supports the operational activities of the Foundation.

COLUMBIA VALLEY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) CONTRIBUTED SERVICES

The operations of the Foundation depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

e) INTANGIBLE CAPITAL ASSETS

Intangible capital assets represent software implementation costs recognized on a straight-line basis over five years.

f) REVENUE RECOGNITION

Revenue in the Unrestricted Fund is recognized in the year in which the related expenses are incurred. All other contributions are recognized as revenue of the appropriate restricted fund when received or the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recorded on an accrual basis when earned.

g) ADMINISTRATION FEES

In order to cover the operating costs of the Foundation, an administration fee is transferred from the Endowment and Flow Through Funds to the Unrestricted Fund annually. These administration fees are set out in the donor agreements and are recorded as inter-fund transfers on the Statement of Changes in Fund Balances.

h) FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, accounts receivable, investment income receivable, long term investments, endowed assets, accounts payable, accrued liabilities, community grants and student scholarships payable.

Cash:

Cash includes balances held at Canadian financial institutions for the purposes of meeting short-term cash commitments.

Long term investments:

Long term investments include amounts held with the Columbia Basin Trust in two segregated accounts.

Endowed assets:

Endowed assets include funds endowed at the Vancouver Foundation in segregated funds which are transferable back to the Foundation.

Financial assets purchased and sold, where the contract requires the asset to be delivered within an established time frame, are recognized on a trade-date basis. Transaction costs are expensed when incurred.

COLUMBIA VALLEY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) FINANCIAL INSTRUMENTS (CONTINUED)

The financial assets and liabilities of the Foundation are classified and measured as follows:

| Assets/liabilities | Measurement |
|---|--------------------|
| Cash | Fair Value |
| Long term investments | Fair Value |
| Endowed assets | Fair Value |
| Accounts receivable | Amortized Cost |
| Investment income receivable | Amortized Cost |
| Accounts payable and accrued liabilities | Amortized Cost |
| Community grants and student scholarships payable | Amortized Cost |

For items carried at amortized cost, the fair value approximates the carrying value in the financial statements.

i) MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

j) USE OF ESTIMATES

The preparation of financial statements, in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they became known. Significant estimates for the Foundation include the estimated useful life of intangible capital assets, accrued liabilities and deferred contributions.

COLUMBIA VALLEY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

3. LONG TERM INVESTMENTS

Long term investments consist of funds held with Columbia Basin Trust, bearing interest at 5% per annum, and are appropriate for other than current purposes.

4. INTANGIBLE CAPITAL ASSETS

| | Cost | Accumulated Amortization | Net 2023 | Net 2022 |
|-------------------------------|----------|-----------------------------|-------------|-------------|
| Software implementation costs | \$ 6,302 | \$ 630 | \$ 5,672 | \$ - |

5. PERMANENTLY ENDOWED ASSETS

The Foundation has one permanent, non-retractable fund with the Vancouver Foundation, named the Columbia Valley Community Foundation Fund, which was established in 2002. The principal portion of this fund is permanently invested and cannot be withdrawn by the Foundation. In the event that the Foundation ceases to be a registered charity, the Vancouver Foundation will disburse the income from the fund for charitable purposes that improve and enhance the quality of life in the Columbia Valley. As the Foundation has the right to receive only the investment income and has no access to the contributed principal, these funds held with Vancouver Foundation are not reported on the Statement of Financial Position. The initial investment was \$170,000 and has a fair market value at December 31, 2023 of \$245,193 (2022 - \$232,110)

COLUMBIA VALLEY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

6. ENDOWED ASSETS, AT MARKET

The Foundation is a member of the Community Foundations of Canada. This affiliation enables the Foundation to transfer amounts to the Vancouver Foundation, which holds, invests and administers investments on behalf of the Foundation in accordance with the provisions of the Vancouver Foundation Act and the specific Deed of Gift agreements for each fund.

The Foundation receives disbursements from the Vancouver Foundation quarterly, representing the returns on the investments, for as long as the Foundation remains a registered charity. As at December 31, 2023, the transferable funds currently held at with the Vancouver Foundation are:

| | 2023 | 2022 |
|--|---------------------|---------------------|
| Columbia Valley Community Foundation Transferable Fund | \$ 397,465 | \$ 397,465 |
| Columbia Valley Community Foundation - Second Pool Transferable Fund | 563,320 | 563,320 |
| Alan J. Witherspoon Fine Arts Fund | 100,848 | 100,848 |
| CVCF Community Fund - Transferable | 103,934 | 103,934 |
| Arnold Ellis Scholarship Fund | 2,048,802 | 2,048,802 |
| Doerr Family Community Fund | 147,361 | 146,362 |
| Doerr Family Youth Fund | 979,591 | 979,340 |
| | 4,341,321 | 4,340,071 |
| Adjustment to fair market value | 957,667 | 689,109 |
| | \$ 5,298,988 | \$ 5,029,180 |

After a five-year holding period, the Foundation may exercise its discretion to dissolve the transferable fund which results in the entire investment, including accumulated returns, being transferred back to the Foundation in accordance with provisions of the Deed of Gift agreement. The seven (2022- seven) transferable funds are:

Columbia Valley Community Foundation Transferable Fund established in 2012 with a fair market value at December 31, 2023 of \$557,016 (2022- \$528,806).

Columbia Valley Community Foundation - Second Pool Transferable Fund established in 2012 with a fair market value at December 31, 2023 of \$738,632 (2022- \$701,225).

Alan J. Witherspoon Fine Arts Fund established in 2020 with a fair market value at December 31, 2023 of \$107,066 (2022- \$101,644).

CVCF Community Fund - Transferable established in 2021 with a fair market value at December 31, 2023 of \$111,462 (2022- \$105,817).

Arnold Ellis Scholarship Fund established in 2022 with a fair market value at December 31, 2023 of \$2,574,748 (2022- \$2,444,350).

Doerr Family Community Fund established in 2022 with a fair market value at December 31, 2023 of \$156,217 (2022- \$147,339).

Doerr Family Youth Fund established in 2022 with a fair market value at December 31, 2023 of \$1,053,847 (2022- \$1,000,000).

COLUMBIA VALLEY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | <u>2023</u> | <u>2022</u> |
|--|------------------|------------------|
| Accounts payable and accrued liabilities | \$ 14,180 | \$ 35,670 |
| Government remittances payable | 4,042 | 3,016 |
| | <u>\$ 18,222</u> | <u>\$ 38,686</u> |

8. DEFERRED CONTRIBUTIONS AND DEFERRED CAPITAL CONTRIBUTIONS

Deferred contributions reported in the Unrestricted Fund represents the unspent portion of contributions restricted for specific purposes other than for granting.

Restricted capital contributions related to capital assets that will be amortized are deferred and amortized on a straight-line basis over the estimated useful life of the corresponding asset.

| | <u>2023</u> | <u>2022</u> |
|---|------------------|------------------|
| Deferred Contributions: | | |
| Balance, beginning of year | \$ 20,500 | - |
| Received during the year | 11,551 | 20,500 |
| Recognized as revenue during the year | (8,798) | - |
| Transferred to deferred capital contributions | (6,302) | - |
| Balance, end of year | <u>\$ 16,951</u> | <u>\$ 20,500</u> |

| | <u>2023</u> | <u>2022</u> |
|---------------------------------|-----------------|-------------|
| Deferred Capital Contributions: | | |
| Balance, beginning of year | \$ - | - |
| Received during the year | 6,302 | - |
| Amortization for the year | (630) | - |
| Balance, end of year | <u>\$ 5,672</u> | <u>-</u> |

COLUMBIA VALLEY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

9. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Foundation's risk exposure and concentration as of December 31, 2023.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Foundation is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financing activities. The Foundation is exposed to interest rate risk primarily through long term investments and endowed assets.

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant other price risks arising from these financial instruments.

10. EMPLOYEE REMUNERATION

The Foundation had no employees that were compensated over \$75,000 in the year.

11. COMPARATIVE FIGURES

Certain of the comparative figures for 2022 have been restated to conform with the financial statements presentation adopted in the current year.